

FIJIAN
HOLDINGS
LIMITED



DIVERSITY AND INCLUSION

2017 ANNUAL
REPORT

MALAMALA BEACH CLUB



FHL GROUP CORE VALUES

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

FHL CORE GROUP PURPOSE

To accelerate the participation of indigenous Fijians in the commercial sector and in doing so, enhance their socio-economic standing.

FHL GROUP VISION

To be the most innovative investment Group in the Pacific.

MISSION STATEMENTS

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

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

NA UTO NI VAKABAUTA NI KABANI

- Dina ena neitou vei qaravi
- Tubu cake na rawa ka ena i vakasala vinaka
- Me toso tiko ga na i tovo ni neitou vei qaravi
- Cakacaka vata meda qaqa
- Me tarai cake na i vatagedegede ni nodra rawaka vakavuli na neitou tamata cakacaka

NA YAVU TU NI KABANI

- Me vakusakusataka na nodra vakaitavi na iTaukei ena cicivaki ni bisinisi ka me na vakadeitaka kina na nodra bula vakavanua kei na bula vakabisinisi.

NA RAI NI KABANI

- Me dau ni vakatubu i lavo levu ka vinaka taudua ena Pasifika.

NA YALAYALA ME VAKAVOTUKANATAKI

Na sasaga ni Kabani Cokovata na FHL me tutaka na kena laurai na vakavotukanataki ni nona yalayala e koto oqo e ra:

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



CONTENTS ULUTAGA

History of Fijian Holdings Limited Tauyavutaki ni Kabani	4	Board Nomination & Remuneration Sub-Committee Komiti Ka Qarava Na Veidigitaki Kei Na i Sau ni Dairekita	18
The Year in Review Na Raici Lesu ni Yabaki Vakailavo	5	People & Leadership Sub-Committee Komiti Ka Qarava Na Tamata Cakacaka	19
Financial Highlights Usutu Ni Rawa Ka	6	Board of Directors Lewe Ni Matabose	20
Fijian Holdings Limited Shareholders Report Na I Tukutuku Ni Taukei Ni Sea	8	FHL Group Management Team Manidia Liu Ni Kabani Cokovata e FHL	23
Corporate Governance Statement Na Itukutuku Ni Kena Cicivaki Na Bisinisi	9	FHL Management Team Manidia Veiliutaki e FHL	24
Corporate Social Responsibility Tukutuku ni Qaravi ni Bula Raraba	13	Chairman's Report Tukutuku Ni Liuliu Ni Matabose	25
Investment & Strategy Sub-Committee Komiti Ka Qarava Na Vakatabuilavo	16	Group CEO's Report Tukutuku Ni Liuliu Ni Kabani Cokovata	29
Audit & Risk Sub-Committee Komiti Ka Qarava Na Ririko	17	Operational Report of Subsidiary Companies and other investments Tukutuku Ni Veikabani Cokovata Kei Na Kabani Veiwekani	36
		Financial Statements Tukutuku Vakailavo	53

HISTORY OF FIJIAN HOLDINGS LIMITED TAUYAVUTAKI NI KABANI

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

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

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

FHL has also broadened the scope of its training programme wherein young iTaukei's are prepared and groomed for business, utilizing 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 me dua na kabani me na matataka vakavinaka na kawa iTaukei e na vuravura vaka bisinisi e na noda vanua ka vakauasivi na kena na vakadeitaka talega ni na yaga tiko na nodra vakaitavi e na bula vakailavo e Viti.

Era itaukei ni sea ena kabani na FHL na Matabose ni qele maroroi (TLTB), na Matabose ni veika Vakaitaukei (TAB), na i Soqosoqo se Matabose ni vei korokoro kei na Tikina, na soqosoqo cokovata ni veivoli ka nodra na iTaukei (Co - Op), o ira na itaukei yadua kei ira na kabani taukeni vakamatauvale.

Na kakacaka ni vakatubuilavo ka sa vakaitavi tiko mai kina na FHL, e sa mai vakavuna na nodra sa wili tale tikoga na kawa iTaukei me ra taukena vakaiwase ga,e levu sara na veikabani lelevu e na noda vanua, ka sa mai vakayacora tiko kina e dua na iusutu levu ni kena a tauyavu na kabani oqo, me ra vakaitavi na lewenivanua iTaukei ena bula vakailavo e Viti.

E sa vakarabailevutaka talega na FHL 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 vurevure ni yau kei na veika e rawa ni ra vakarautaka mai na vei kabani ka ra vakarurugi tu ena ruku i FHL.

FHL GROUP LEADERS

Group Chief Executive Officer / Head of the Group

1987 – 2008: Sitiveni Wejilelakeba

2008 – 2011: Sereana Qoro

2011 to date: Nouzab Fareed

Group Chairman

1984 – 2006: Lyle Cupit

2006 – 2008: Josaia Mar

2008 – 2008: Robin Storck

2008 – 2011: Isoa Kaloumaira

2011 – 2011: Carl Cameron

2011 – 2016: Iowane Naiveli

2017 to date: Adrian Sofield

THE YEAR IN REVIEW

NA RAICI LESU NI YABAKI VAKAILAVO

The report provided our shareholders with highlights of the 2017 financial year. The year in review not only highlights our financial performance but also the market announcement made regarding significant activities that contributed to our positive results.

July 2016

- RBG released its audited accounts for FY 2016 recording a profit of \$7.35 million compared to \$5.91 million for the same period last year. Net Assets grew from \$26.89 million in 2015 to \$30.04 million in FY16.
- RBG declared a final dividend of 11 cents per share bringing total dividend to 15 cents per share.
- FTV announced the formal signing of an Agreement with the Fiji Secondary School Rugby Union for the Coca Cola Zero Deans Final 2016.
- FTV declared second special dividend of 30 cents per share after the successful completion of MNL and Sky Pacific Transaction.
- FHL confirmed the bid for Government Printery following the EOI published by the Ministry of Public Enterprise and was nominated as one of the top contenders for the project.
- FHL announced the appointment of Ms Mereoni Matavou as FHL's new Manager Legal and Company Secretary replacing Kelepi Rakabikabi.
- FTV announced the appointment of Ms Priya Singh as the new Company Secretary replacing Ms Mereoni Matavou.

August 2016

- FTV announced the resignation of General Manager Corporate, Mr Nitesh Chand.
- FHL announced 66% growth for the 12 months ended 30th June 2016. The holding company reported a profit of \$20.44 million while the group recorded a \$25.88 million profit after tax.
- FHL awarded the Fijian Sevens team with \$2,500 cash each and \$500 worth of Units with FHUT for winning the Gold medal at the Olympics.
- FTV released its audited accounts for FY16 with a loss of \$668k compared to a profit of \$1.63 million for the same period last year.
- FTV launched its second free to air channel as part of Walesi project.
- FTV announced the formal signing of an agreement with Nem and Talei for the musical event "A tribute to the Classics".
- FHL advised the public that it was business as usual for the FHL Group after the media release of an investigation underway in one of the subsidiary companies.

September 2016

- FTV announced another season of Live HSBC Sevens World Series on Fiji One.
- FTV announced the launching of two new shows: Mavis and Meri Kahaani – Season 3.
- FTV launched its 2016 Annual Report.
- FHL declared final Dividend of 12 cents per share finishing FY16 with total dividend of 24 cents per share.
- FHL Launched its Annual Report 2016.
- RBG launched its Annual Report 2016.
- FTV announced the launching of two new I – Taukei shows: Na Domomuni and Mai Muri.

October 2016

- FHL announced the appointment of Adrian Sofield as Director on the Board of FHL replacing Mr Ulai Taai.
- FHL announced the unanimous approval of the AGM resolution which included the appointment of Robert Lyon, Sanjit Patel, Tony Whitton, Isikeli Tikoduadua and Faiz Khan as directors. Adrian Sofield withdrew his nomination as a Director representing A Class Shareholder with issues to be resolved at a SGM.

- FTV announced the unanimous approval of the AGM resolution. This included the appointment of Naveen Lakshmaia as an independent director and the resignation of Salesh Dayal.

November 2016

- FTV announced the appointment of a new director Ms Sereana Matakibau. FTV also announced the resignation of Mr Ulai Taai as a director of FTV.
- RBG announced the appointment of Ms Litiana Loabuka as an Independent Director of the company.
- RBG announced the unanimous approval of the AGM resolution. This included the re-election of Nouzab Fareed and Malakai Naiyaga as company Directors.
- FTV announced the exclusive television broadcast licence to broadcast live and delayed coverage of the FMF Chow Games 2016.
- FHL released its 1st quarter unaudited financial results for the 3 months ended 30th September 2016 recording a post-tax profit of \$6.2 million compared to \$5.5 million same period last year.
- FTV announced the signing of exclusive agreement with the Republic of Fiji Military Forces to be the official Television Broadcaster for the 2016 Ratu Sukuna Bowl Tournament.
- FTV announced the launching of two new shows: Groove Classics and Great Jobs.

December 2016

- FTV announced the launching of its mid-day news and sports bulletin live on its free to air channel.

January 2017

- FTV announced that it has signed an exclusive agreement with Duco Events Australia Pty Limited to be official Television Broadcaster of the 2017 Brisbane Global Rugby Tens.
- FTV released its unaudited financial results for the 6 months ended 31st December 2016 reporting a loss of \$469k.
- FHL released its reviewed financial results for 6 months ended 31 December 2016 reporting a pre-tax profit of \$19.36 million while the Group assets reached \$492 million.
- RBG declared an interim dividend of 5 cents per share, an increase of 25% over last year. RBG also released its 6 months unaudited accounts ending 31st December 2016 with post tax profit of \$3.83 million compared to last year's result of \$3.19 million.
- FTV CEO Geoffrey Smith resigned to pursue a regional career. FTV also announced the appointment of Mr Robert Lyon as the new chairman of the company.
- FTV announced that it was business as usual after the notable fluctuation on its share price at the stock exchange advising the shareholders that the management has no direct or indirect influence on share price activity.
- FHL announced the promotion of Mr Abilash Ram as Group Manager Finance and Investment.

February 2017

- FHL announced the Special General Meeting for its shareholders which was held on 9th February 2017 for the appointment of directors representing A Class Shareholders.
- South Sea Cruises announced the grounding of their flagship vessel "Seaspray" with no major casualties. "Seaspray" was well known for the TV show "The Adventures of Seaspray".

- PCL completed the major capital expenditure on Gantry replacement costing approximately \$1 million.

March 2017

- FHL Declared Interim Dividend of 12.10 cents per share.
- FHL announced the appointment of Mr Adrian Sofield as the new Chairman.
- FHL announced the appointment of women to every subsidiary company in the Group in order to promote gender diversity.
- FTV announced that it has secured the television broadcast rights to the Rugby World Cup 2017.
- SSC announced plans to acquire two new catamarans to service the Yasawa and Mamanuca routes each costing approximately \$7 million.
- Life Cinema opened its doors to the public in Lautoka's Tappoos City Complex. Cinema 1 is the biggest with 183 seats with 3D vision enabled and Cinema 2 is a normal cinema with 22 VIP and 142 normal seatings. This is a new experience in cinema for the movie lovers especially for the community of Lautoka.

April 2017

- FTV partners with Nawaka Rugby Club for 2017 Nawaka Sevens to promote local sports in Fiji.
- RBG announced fire at its Centre Point complex with no major damages sustained to the property
- FTV partners with Fiji Fashion Week 2017 with the aim to strengthen and provide a platform for local fashion designers.
- FTV invested more than \$1million on new equipment.

May 2017

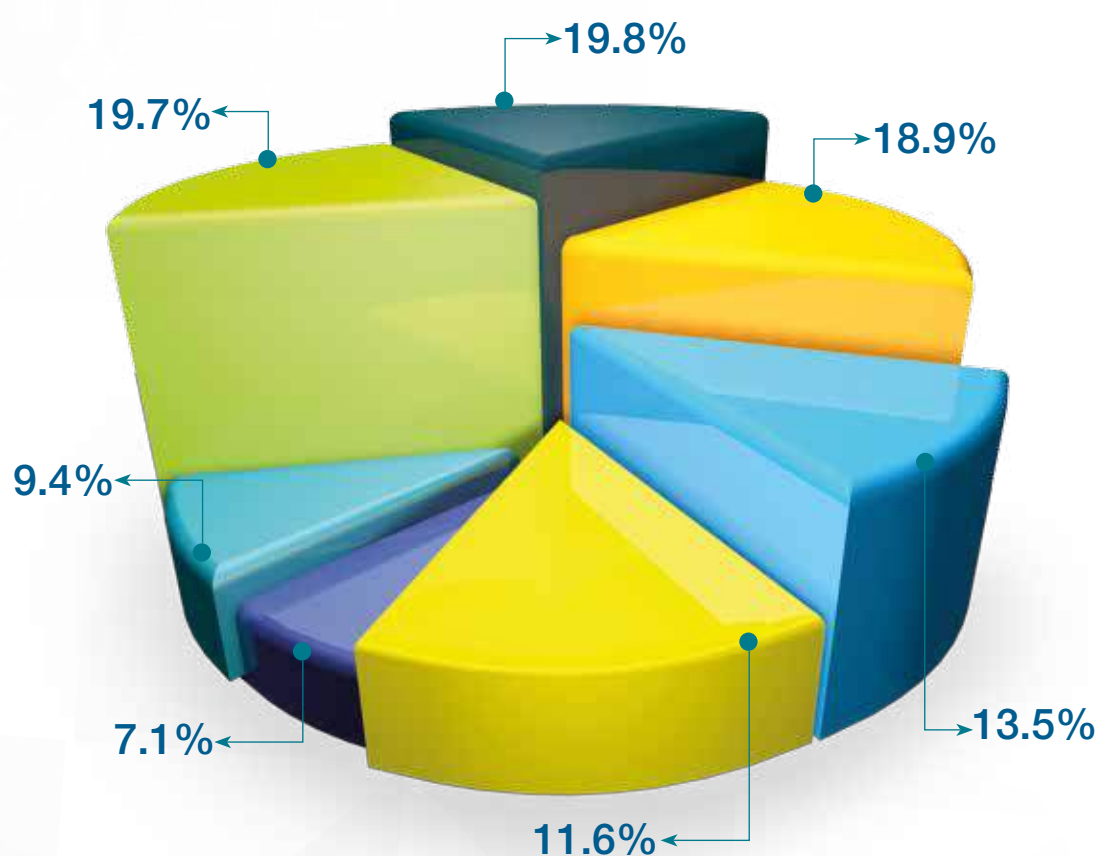
- Karen Lobendahn confirmed as FTV CEO.
- FHL announced that the Group has 31% Female Board Members.
- FTV announced resignation of Board Member Naveen Lakshmaia.
- FHL Group Sports Day was held on the 6th of May 2017.
- FHL released its third quarter Financial Report as at 31st March 2017.
- PCL experienced a major breakdown of its manufacturing plant causing shortage in supply of cement nationwide.
- Life Cinema opened its third branch at the Rup's complex in Nakasi bringing world-class cinema experience to the people in the Suva – Nausori Corridor. There is a total of 4 cinemas including the experience of DMAX with Dolby Atmos (surround sound system).

June 2017

- Relocation of FTV Headquarters to 78 Brown Street, Suva.
- FTV secured Exclusive Licence to Broadcast Pacoqiao Vs Horn Fight 2017.
- FHL announced resignation of General Manager FHL Fund Management Limited.
- FTV Partners with Oceania Athletics Association for 2017 Oceania Athletics Championship.
- FTV announced more great content for its viewers
- FHL announced resignation of Merchant Finance Limited CEO.
- SSC announced the near completion of the Malamala Beach Club with soft opening expected in August 2017.
- PCL announced the recommencing of production of cement at minimum capacity.

FINANCIAL HIGHLIGHTS USUTU NI RAWA KA

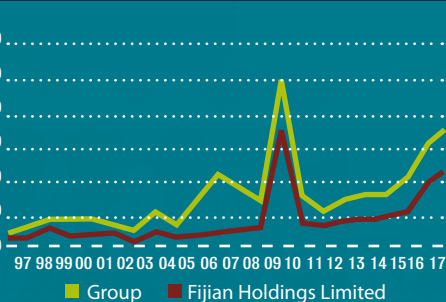
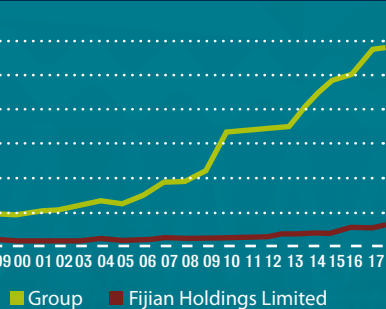
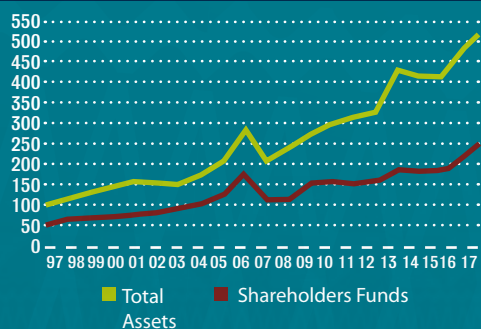
Portfolio by Sector Veitabana ni Vakaturuillavo			
Tourism	55,500,000	19.7%	
Finance	55,926,000	19.8%	
Retailing	53,378,000	18.9%	
Building & Construction	37,919,000	13.5%	
Media	32,647,000	11.6%	
Properties	26,527,000	9.4%	
Manufacturing	20,002,000	7.1%	
	281,899,000	100.0%	



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

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

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



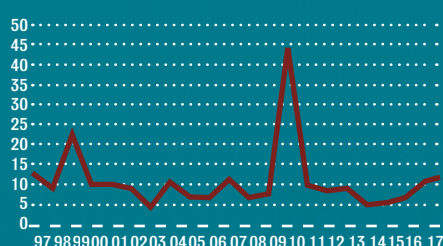
FINANCIAL HIGHLIGHTS USUTU NI RAWA KA

YEAR END 30 JUNE	HOLDING COMPANY			GROUP		
	2017	2016	Change %	2017	2016-Restated	Change %
Operating Results						
Operating Revenue (\$ '000)	27,073	26,279	3%	304,227	300,616	1%
EBITDA (\$ '000)	24,619	22,899	8%	51,819	55,859	-7%
EBIT (\$ '000)	24,499	22,773	8%	41,318	45,063	-8%
NPBT (\$ '000)	22,375	20,442	9%	37,223	34,812	7%
NPAT (\$ '000)	22,986	20,851	10%	31,071	23,409	33%
Operating Ratios						
EBIT / Total Revenue [%]	90%	87%	3%	14%	15%	-1%
EBITDA / Total Revenue [%]	91%	87%	4%	17%	19%	-2%
NPAT / Total Revenue [%]	85%	79%	6%	10%	8%	2%
Financial Position						
Total Assets (\$ '000)	313,239	284,169	10%	525,064	491,288	7%
Total Liabilities (\$ '000)	52,129	60,073	-13%	274,691	260,750	5%
Financial Position Ratios						
Gearing [%]	17%	21%	-4%	52%	53%	-1%
Net Debt to Equity [%]	20%	27%	-7%	110%	113%	-3%
EBIT interest cover [times]	11.5	9.8	18%	10.1	4.4	130%
Cash Flows						
Net cash from operating activities (\$ '000)	12,514	19,614	-36%	38,117	52,745	-28%
Purchases of Investments (\$ '000)	-	-	-	77	101	-24%
Shares						
Earnings per share (EPS) [CENTS]	75	68	10%	102	77	33%
Dividends per share [CENTS]	24	23	4%	24	23	4%
Net Tangible Asset per share	8.57	7.36	17%	6.17	5.52	12%
Key Measures						
Return on Net Assets [%]	8.8%	9.3%	-0.5%	12.4%	10.2%	2.2%

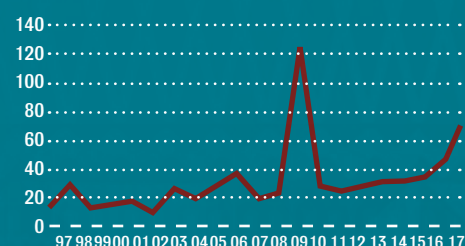
Dividend Payments (\$M)
Tubu ni lavo e wasei (\$M)



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



FHL Earnings per Share (cents)



FIJIAN HOLDINGS LIMITED SHAREHOLDERS REPORT

NA I TUKUTUKU NI TAUKEI NI SEA

CLASS	NO OF SHARES	PERCENTAGE (%) HOLDING	MARKET STATUS
A	10,464,650	34.35%	LISTED
B	20,000,000	65.65%	UNLISTED
TOTAL	30,464,650	100.00%	

TOP 30 A CLASS SHAREHOLDER	NO. OF SHARES	TOTAL % HOLDINGS
Itaukei Land Trust Board	859,666	8.21%
Itaukei Affairs Board	760,977	7.27%
Cicia Plantation Co-Operative Society Ltd	400,000	3.82%
Cakaudrove Provincial Holdings Company Ltd	400,000	3.82%
Ratu Sir K Mara Education Trust Fund	300,000	2.87%
Tailevu Dairy Farmers Co-Operative Association Ltd	220,000	2.10%
Macuata Provincial Council	203,614	1.95%
Mualevu Tikina Holdings Ltd	200,000	1.91%
Vanua Ko Lovoni Investment Ltd	179,805	1.72%
Bua Provincial Council	156,348	1.49%
Duavata Holdings Ltd	141,000	1.35%
Mualevu Koro Investment Ltd	108,754	1.04%
Itaukei Land Trust Board ATF Mataqali Serau, Nabiti, Dreketi, Macuata	107,028	1.02%
Moala Tikina Council	101,005	0.97%
Serua Provincial Council	100,092	0.96%
Dogotuki Tikina Council	100,000	0.96%
Lomati Village Investment Ltd	100,000	0.96%
Mavana Investment Ltd	100,000	0.96%
Munia Holdings Ltd	100,000	0.96%
Nabukebuke Holdings Ltd	100,000	0.96%
Nagarani Holdings Ltd	100,000	0.96%
Nasoqao Farming Enterprise Ltd	100,000	0.96%
Kiri Verewale Richmond	100,000	0.96%
Sakiusa & Anaseini Raiwoce	100,000	0.96%
Vatulele Island Holdings Ltd	97,990	0.94%
Kadavu Provincial Council	94,899	0.91%
Rewa Provincial Council	93,601	0.89%
Vukicea Investments Ltd	90,000	0.86%
Mataqali Natabutale	84,743	0.81%
Tukula Holdings Ltd	80,000	0.76%
Isireli & Salote Dugu	70,004	0.67%
Lau Provincial Council	67,501	0.65%
Nadroga/Navosa Provincial Council	67,500	0.65%
Inoke & Tiko Fatafehi Luveni	67,263	0.64%
Baravi & Associates Ltd	66,767	0.64%
Marica Koroitanaoa	66,127	0.63%
Mataqali Nacokocokobalavu	64,033	0.61%
Naitasiri Provincial Investments	62,240	0.59%
Walena White	60,844	0.58%
TOTAL	6,271,801	59.97%

B CLASS SHAREHOLDERS	NO OF SHARES	TOTAL % HOLDING	MARKET STATUS
ITAUKEI AFFAIRS BOARD	10,000,000	50%	UNLISTED
ITAUKEI TRUST FUND BOARD	10,000,000	50%	UNLISTED
TOTAL	20,000,000	100%	



CORPORATE GOVERNANCE STATEMENT NA ITUKUTUKU NI KENA CICIVAKI NA BISINISI

"Fijian Holdings Limited supports the Reserve Bank of Fiji's Corporate Governance Code for Capital Markets. We are committed to delivering best practice in corporate governance and transparency in reporting. During the reporting period, Fijian Holdings Limited has been compliant with all RBF guidelines."

Principle 1

Establish clear Responsibilities for Board Oversight Board of Directors

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

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

The Board Charter specifies the Board's responsibilities towards the achievement of the above which includes:

- Oversight of the Company, including its control and accountability systems.
- Appointment and retiring of the Group Chief Executive Officer in line with FHL's Articles of Association and approving of his / her terms of engagement.
- Ratifying the appointment of FHL's Senior Management Team and approving their respective terms of engagement.
- Providing input into the final approval of the corporate strategy and performance objectives, and monitoring performance against those plans.
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliances.
- Protecting the Company's financial position and its ability to meet debts and other obligations as they fall due.
- Ensuring that the Company's accounts comply with the relevant accounting standards and present a true and fair view.

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

Principle 2

Constitute an Effective Board

FHL's 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 nine Directors.

The Directors of the FHL Board as at the date of this report are as follows:

<i>Adrian Sofield</i>	<i>Appointed Chairman 2017</i>
<i>Iowane Naiveli</i>	<i>Appointed 2011</i>
<i>Sakiusa Raivoce</i>	<i>Appointed 2013</i>
<i>Ratu Aisea Waka Vosailagi</i>	<i>Appointed 2015</i>
<i>Robert Lyon</i>	<i>Appointed 2016</i>
<i>Sanjit Patel</i>	<i>Appointed 2016</i>
<i>Anthony Whitton</i>	<i>Appointed 2016</i>
<i>Isikeli Tikoduadua</i>	<i>Appointed 2016</i>
<i>Yogesh Karan</i>	<i>Appointed 2017</i>

Director's Independence

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

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

Board Sub-Committees

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

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

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

Independent Advice

The Board, an individual Director or a Committee, may engage an independent external adviser in relation to any Board matter, at the expense of the Company. Before the external advice is sought, consent needs to be obtained from the Chairman of the Board.

Directors' Training

Director Induction is a formal process whereby the Group CEO and the management team present a comprehensive corporate profile of the organization to the incoming Director. Director's induction is compulsory for new Directors joining the FHL Board. Workshops are organized with external consultants as and when required.

Principle 3

Appointment of a Group Chief Executive Officer

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

Principle 4

Board and Company Secretary

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

Principle 5

Timely and Balanced Disclosure

Fijian Holdings complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, and has in place well-developed procedures for dealing with compliance. Fijian Holdings has a Disclosure Policy that sets out the procedures and requirements expected of all employees of the Company, including Directors, Executive Officers and Senior Executives.

Principle 6

Promote Ethical and Responsible Decision Making

Code of Conduct

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

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

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

In accordance with FHL's Whistle-blower Policy, any employee who is aware of any matter or behaviour that may contravene the Code of Conduct is encouraged to:

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

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

Business Dealings with the Company and Conflicts of interest

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

Political Donations

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

External Directorships

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

Corporate Sustainability

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

Principle 7

Register of Interest

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

In declaring a conflict of interest, the Director should abstain from voting or participating in the decision-making on that matter. In the same way, members of the Senior Management Team are also required to declare any conflicts of interest.

Principle 8

Respect the rights of the Shareholder

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

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

- The conduct of Audit;
- The preparation and content of the auditor's report;
- The accounting policies adopted by the Company in relation to the preparation of the financial statements and
- The independence of the auditor in relation to the conduct of the audit. FHL also conducts a half-day training session for all shareholders on the day of the Annual General Meeting. This training programme is conducted by internal and external experts on various business topics; including the performance of all FHL subsidiaries and related investments.

Principle 9

Accountability and Audit

Audit Committee

The Audit Committee consists entirely of independent non-executive Directors. The Committee meets as required, normally at least four times per year. The Chairman of FHL is not a member of the Audit Committee. The Committee's role is to assist the Board to independently verify and safeguard the integrity of the Company's financial reporting and internal control processes in the company. The Committee's primary responsibilities are to:

- Assess whether the Company's external reporting is legally compliant, consistent with Committee members information and knowledge, and suitable for shareholder needs;
- Assess the management processes and internal control systems supporting external reporting;
- Liaise with the external auditors and ensure the annual statutory audit and half year review are conducted in an effective manner;
- Make recommendations for the appointment or removal of the external and the internal auditors;
- On an annual basis, assess the performance and independence of the external and internal auditors; and
- Monitor the co-ordination of the internal and external audits.

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

Principle 10

Recognise and Manage Risk

Risk Management Process

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

The Framework is action-oriented and requires people to focus on the right things, prepare active action plans and to be held accountable for their actions. The Framework acknowledges that all employees have a role in managing risk and in particular, they are encouraged to report incidents, hazards and risk without fear. At FHL, the management of risk is treated as an integrated ingredient in the way employees work.

Internal Control

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

Principle 11

Evaluation of Board Performance

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

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

Principle 12

Securities Trading Policy

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

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

Principle 13

Insolvency- Directors Duties

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

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





CORPORATE SOCIAL RESPONSIBILITY TUKUTUKU NI QARAVI NI BULA RARABA

Fijian Holdings Limited [FHL] strongly believes that our Corporate Social Responsibilities [CSR] are a vital part of our operations and as such, we strive to make a stand in our endeavors to make it a point to give back to the Community.

With much expectations from our Shareholders and other stakeholders, FHL continues to integrate CSR into all our business activities with the belief that success is measured by more than just financial results: it is customer satisfaction, employee engagement, strong governance practices and support for shareholders and the communities the Company serves.

This year saw FHL participate in a number of events that added to the enhancement of the community within the FHL Group.

Communication with Stakeholders

We continuously strive to ensure that through fair, transparent and appropriate methods, we release information which will help our stakeholders make sound investment decisions.

Our stakeholders include FHL Shareholders, the Government, Customers, Employees and the wider Community.

We believe that trustworthy communication is very important to our Success.

Shareholders Workshop

As our Shareholders are the most important stakeholders, FHL has for the past ten years held interactive workshops designed especially for them covering various topics including wellbeing, rights of shareholders, wills and estate. A team is dedicated to improving our relationship with the shareholders with the main aim of building their confidence and expectations in their investments.

Information Disclosure

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

Community Involvement

FHL believes in making our Fijian economy a better place to live and work in, thus has made it a commitment to strengthen the communities in which we operate. This commitment includes the involvement with not-for-profit organizations. Also this report includes the CSR initiatives by a number of our subsidiary companies during the year:



- **Fijian Holdings Limited**

This year saw Fijian Holdings take part once again in the life saving initiative of donating blood. The event held in partnership with the National Blood Services, saw staff members from the FHL Group and Directors donate. FHL is always keen to host the Blood Drive donation as it is viewed as an important way to support a lifesaving course and ensure that our families have access to it when and where it is needed most. FHL staff members also visited the Father Law Home to share some time and groceries for the senior citizens. It was an emotional experience sharing their stories. FHL also had the privilege of sharing morning tea with Hilton Special School and Gospel School of the Deaf.

- **South Sea Cruises “The Vinaka Fiji Trust”**

South Sea Cruises through its Vinaka Fiji Trust continued its positive work in the Yasawa's helping build sustainable communities as well as enhancing and protecting the marine environment for tourists and locals alike. Some of these initiatives included:

- Commencement of an education program in all four schools within the Naviti District of Yasawa. This program in particular, identified non-readers in developing their skills to a level whereby they can attend and contribute at school and therefore enhance their chances at decent education.
- Vinaka Fiji added a further 238,000 litres of drinking water to the Naviti District through its rainwater harvesting projects. Since the inception of the project, Vinaka Fiji has provided over 1million litres of water to the Yasawa communities.
- Through our marine and environment program the first traditional marine protected area in the Naviti District was declared. This has resulted in revived marine life to ensure sustainable fishing in the area for many years to come.

- Lastly, through the sustainable communities progress, the food bank program whereby agricultural assistance to plan, grow and cultivate crops and vegetables was rolled out to additional villages and accelerated somewhat as a result of the ongoing effects and food shortages post TC Winston.

- **Merchant Finance Limited**

Merchant Finance Limited (MFL) being one of the profitable companies in our last financial year opened a new branch in Sigatoka Town to service the Sigatoka to Navua area. This shows the continued interest from the market in MFL and in return had sponsored the following works event as a way to give back to the community.

- Cash donation to Fiji Cancer Society;
- National Road Safety awareness for LTA at the Hibiscus Festival;
- Lifeline Fiji;
- India Samnmarga Ikya TISI Convention;
- Nausori Crime Prevention - Tebara Carnival and
- Bua Provincial Council Scholarship Fund.

- **Life Cinema**

Life Cinemas this year did their own share of give backs by way of the following:

- Screening for MOANA was given free of charge to CURE KIDS FIJI to raise funds for the unfortunate kids
- Life Cinema Nadi also helped the following schools during their school excursion by giving discounts on movie Tickets.
- St Mina Children's Home;
- Treasure Hut Home Nadi;
- International School Nadi;
- Namaka Public School;
- Andra Sangam School and
- Genda Connection Fiji.



• **Fiji TV**

As part of corporate social responsibility, Fiji TV made a contribution towards the society in whichever way possible.

- Hosted the “Biggest Morning Tea” initiative towards the Fiji Cancer Society to assist families, individuals and especially children living or suffering with some form of cancer. Fiji TV staff contributed towards the collection together with the company.
- Staff and management took part in The Amazing Wheelbarrow Race held at Albert Park, Suva. This is a fundraising organized by Frank Hilton Organization that provides services to over 250 children with disabilities.
- Visited Hilton Early Intervention Centre to participate in the celebration with the theme “Our Health, Our Life, Our Responsibility”– Practice Healthy Life Style. Hilton Early Intervention Centre is the only institution of its kind in Fiji that has intervention and educational programs for children with disabilities. Their current roll stands at approximately 40-50 with disabilities from physically impaired, hearing impaired, autistic, down syndrome and hearing impaired. The team organized some activities and lunch with the children, parents and teachers for half day. This ties in with the national sports and wellness public holiday.

Employee Involvement

FHL places great emphasis on its people hence involves them in major social, health and professional activities. This boosts employee morale while at the same time builds network and understanding of each other among the 1600+ employees that FHL Group employs.

• **Professional Training**

FHL continues to push it's employees to further their professional training in whatever field that they are in. Management staff members have this year attended the FIA, FHRI, CPA and TOPEX conferences to name a few with a number of our staff members completing their CPA and MBA certifications.

• **Health and Wellness**

The company promotes a healthy team of staff hence engages in various sports activities both formally in business house competition as well as informal sporting activities amongst the employees. FHL group covers its staff with various medical insurance to ensure that staff get the best possible treatment in case of any adverse medical conditions.

Social Activities

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

FHL Group has endeavored to enhance its contribution to the Fijian economy and the community with its various outreach programs and will continue to assist the community in every opportunity it gets with an aim of sharing the Group's prosperity with the people of Fiji.



INVESTMENT & STRATEGY SUB-COMMITTEE KOMITI KA QARAVA NA VAKATUBUILAVO

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

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

The members of the Investment & Strategy Sub-Committee are appointed by the Board of Directors from amongst the Directors of the Company and consists of three board members of which all are newly appointed committee members and are non-executive Directors. In addition to these members, Group CEO and members of Senior Management Team attend the committee meetings.

Meeting of the Investment & Strategy Sub-Committee are held at such times as the Committee thinks appropriate. In the year under review the committee met twice.

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.

Committee Members

Name	Capacity	Status	No. of Meetings Entitled to attend	No. of Meetings Attended
Mr. Robert Lyon	Chairman	Appointed 17/11/16	2	1
Mr. Iowane Naiveli	Member	Existing	2	2
Mr. Sanjit Patel	Member	Appointed 17/11/16	2	2
Mr. Adrian Sofield	Member	Appointed 09/03/17	2	2



AUDIT & RISK SUB-COMMITTEE KOMITI KA QARAVA NA RIRIKO

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

The members of the Audit & Risk Sub-Committee consist of two Directors appointed by the FHL Board of Directors from amongst the Directors of FHL and two other Board members from any of FHL's subsidiary. 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.

Meetings of the Audit & Risk Sub-Committee are held once every quarter, however, frequent meetings may be called if necessary. The sub-committee met four times during the 2017 financial year. Throughout the financial year, the Audit & Risk Sub-Committee received reports from internal and external auditors and Management held discussions with FHL internal audit on respective audit issues involved.

The Sub-Committee has during the financial year reviewed the:

- The reliability and integrity of financial and operating information;
- The system established to ensure compliance with standard internal policies and procedures; laws and regulations which had a significant impact on operations reports and determine whether or not the organization is in compliance;
- The means of safeguarding assets and verified the existence of such assets;
- The projects or programs to ascertain whether the results are consistent with established objectives and goals and whether the same are being carried out as planned.

Appointment & Resignation Of Committee Members

Name	Capacity	Status	No. of Meetings Entitled to attend	No. of Meetings Attended
Ratu Aisea Waka Vosailagi	Chairman	Appointed 19/02/17	2	1
Mr. Sunil Sharma	Member	Appointed 19/02/17	2	2
Mr. Isikeli Tikoduadua	Member	Appointed 19/02/17	2	2
Mr. Gyaneshwar Prasad	Member	Appointed 19/02/17	2	1



BOARD NOMINATION & REMUNERATION SUB-COMMITTEE KOMITI KA QARAVA NA VEIDIGITAKI KEI NA I SAU NI DAIREKITA

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

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

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

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

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

- Process for the nomination and selection of non-executive directors to the FHL Subsidiary Board:

Committee Members

Name	Capacity	Status	No. of Meetings Entitled to attend	No. of Meetings Attended
Mr. Nesbitt Hazelman	Chairman	Appointed 17/11/16	3	1
Mr. Naijote Katonitabua	Member	Appointed 17/11/16	3	2
Mr. Adrian Sofield	Member	Appointed 09/03/17	3	2
Mr. Yogesh Karan	Member	Appointed 21/03/17	3	1



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

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

- Establishes and implements a human resource strategy that ensures appropriately talented and trained people are available to achieve our business strategies.
- Ensures that proper policies are in place to protect health and safety of the employees.
- Attract, retain and motivate high calibre Executives, Management and staff 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.
- Ensures that the Company undertakes the appropriate performance management, succession planning and development activities and program.

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

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

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

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

Committee Members

Name	Capacity	Status	No. of Meetings Entitled to attend	No. of Meetings Attended
Sakiusa Raiwoce	Chairman	Existing	3	3
Iowane Naiveli	Member	Existing	3	3
Kameli Batiweti	Member	Appointed 18/11/2016	3	1
Naveen Lakshmaiya	Member	Appointed 18/11/2016	3	0

BOARD OF DIRECTORS LEWE NI MATABOSE



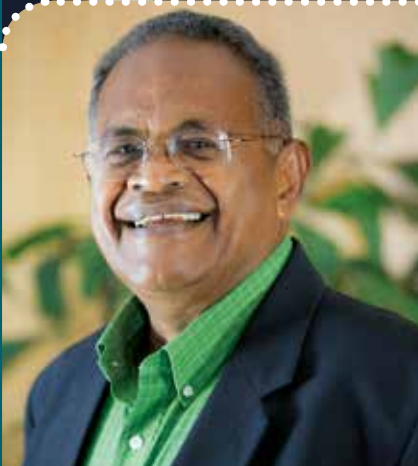
Adrian Sofield
Chairman

Is an Architect by profession. He holds an Associateship in Architecture from the West Australian Institute of Technology. Mr. Sofield is a retired Fellow of the Australian Institute of Architects, a Registered Architect in Fiji and a current member of the Australian Institute of Company Directors (AICD).

He sits as Chairman on numerous Corporate Boards including Fijian Holdings Limited, Fiji Hardwood Corporation Limited, Naisoso Island Body Corporate Limited, Project Bula Mai - a registered charity trust based in Nadi - and is a board member of the Nadi Rural Local Authority.

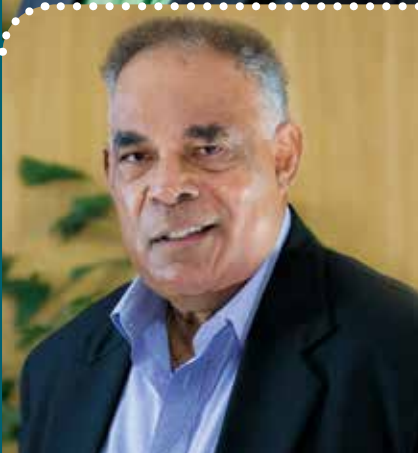
Mr. Sofield was the former Chairman of Airports Fiji Limited, Executive Chairman of Investment Fiji Limited and Executive Chairman of Rewa Dairy Limited. He was also a Board member of the Housing Authority and Public Rental Board.

He is currently the Managing Director of three family owned companies - Adrian Sofield & Associates Limited (Architects), Mangrove Jacks Limited, (Property Development) and For Earth (South Pacific) Limited (Waste Water Treatment).



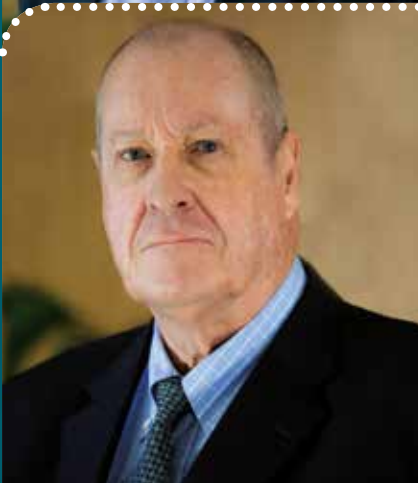
Iowane Naiveli
Director

Is a Chartered Accountant and a business consultant by profession. He is the sole partner of I.Naiveli & Company. He was previously the president of Fiji Institute of Accountants and former Director of Reserve Bank of Fiji and Fiji Rugby Union. Mr. Naiveli is also the Chairman of RB Patel Group Ltd and FHL Retailing Ltd. He is a member of the Australian Institute of Company Directors. He is a Trustee for Unit Trust of Fiji and also a member of the USP Council and Chairman of its Audit & Risk Committee. He is a former Chairman and member of the External Audit Committee of the International Monetary Fund (IMF), Washington DC. In June 2017 Mr. Naiveli became a Fellow Member of the Association of International Accountants based in the United Kingdom. Mr. Naiveli was the former Chairman of Fijian Holdings Group from 2011, to March 2017.



Colonel Sakiusa Raiwoce 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 Raiwoce served on UN Peace Keeping Duties in the Middle East, (Lebanon, Sinai Desert, Syria, Kuwait and Iraq). He also served as Field Security Adviser in East Timor from September 1999 to Dec 2000. He served as Director for the British Security Firm Global Risks International as its Representative in Fiji from 2003 to 2012. Col. Raiwoce was Chairman of Pacific Cement Limited and Fijian Holdings Property Limited from 2014 to 2016. He is currently the Chairman of Basic Industries Limited (BIL) and People and Leadership Sub-Committee.



Robert Lyon
Director

Is one of the most experienced and respected business leaders in the South Pacific. He holds a Graduate Diploma in Organisation Development from RMIT University and is a Fellow of the Australian Human Resources Institute, Member of the Australian Institute of Company Directors, and a Senior Fellow of the Financial Services Institute of Australasia. Mr. Lyon spent over 43 years with the Australia and New Zealand Banking Group. He worked extensively in the Asia Pacific region including 12 years as Managing Director Pacific, during which time he also looked after ANZ's retail operations in Asia. He has held numerous board positions including Chairman of FINTEL/Kidanet, Chairman of Melbourne City Marketing, board member of Melbourne Chamber of Commerce, Pacific Economic Bulletin, APNGBC and APIBC. Bob spent 14 years with the Australia Fiji Business Council (AFBC) and was President for 5 years. He currently Chairs the Fiji Development Bank, Foundation for Development Cooperation, Sunergise Group, Kula Fund Investment Board and FHL Investment & Strategy Committee. He sits on the board of Fijian Holdings Limited, Fiji Television Limited, and is Patron of the Australia Fiji Business Council (AFBC).



Ratu Aisea Waka Vosailagi
Director

Is a former Naval Officer and holds a Bachelor of Engineering (Maritime & Naval Architecture). He is the Company Secretary and Chief Executive Officer of Na Hina Limited. He holds directorship positions for Fiji Resorts Limited (owners of Yanuca Island Limited, T/A Shangri-La's Fijian Resort & Spa), National Fire Authority, Fiji Rugby Union and Vision Investments Limited. He is the current Chairman of the Nadroga/Navosa Provincial Council, South Seas Cruises Limited and FHL Audit & Risk Sub-Committee.



Sanjit Patel
Director

Is a businessman and holds a Bachelor of Commerce Degree from University of Canberra and a member of Australian Institute of Company Directors (AICD). Mr. Patel is a former Member of Parliament where he also served as a member of Public Accounts Committee, Economic Affairs Committee, and Chairman of Emoluments Committee and was Head of Fiji delegation to ACP - EU JPA. He has also served as Councillor and Mayor of Nadi. He is the current Chairman of Merchant Finance Limited and board member of FHL Investment & Strategy Sub-Committee. Mr Patel also sits as a Director on the Board of Fiji Hardwood Corporation Limited and Soham Investment Pte. Limited.



Anthony Whitton
Director

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



Isikeli Tikoduadua
Director

Is a banker by profession and holds a Graduate Diploma in Business Administration and Masters in Business Administration. He has more than 30 years' experience in executive management at Home Finance Company (HFC), Australia & New Zealand Banking Corporation (ANZ) and Bank of New Zealand (BNZ). Mr. Tikoduadua is a Fellow at the Fiji Institute of Bankers, Financial Services Institute of Australasia and Australia Institute of Management. He is also a Member of the Australia Institute of Company Directors (AICD). He is currently the Chairman for the USP MBA Advisory Committee, FHL Properties Limited and FHL Audit & Risk Sub-Committee. Mr. Tikoduadua is a Commissioner at the Fiji Commerce Commission and sits as a Board Director for Vodafone Fiji Limited, Tower Insurance, iTaukei Land Trust Board and Fijian Holdings Limited.



Yogesh J. Karan
Director

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



FHL GROUP CHIEF EXECUTIVE OFFICER LIULIU NI KABANI COKOVATA E FHL

Nouzab Fareed is the Group Chief Executive Officer for Fijian Holdings Group, the largest conglomerate in Fiji with more than 25 investments. He is the Chairman of Life Cinema Ltd and the Deputy Chairman of Merchant Finance Ltd. Fareed is a Board Director for all FHL Group companies.

He is the Vice President of Fiji Chamber of Commerce and a Board member for Fiji Employers & Commerce Federation. He is also the Vice President of CPA Australia Fiji Branch. He is a Past - President of Fiji Institute of Accountants as well as Australian Institute of Company Directors – Fiji Chapter. Fareed has more than 27 years of Executive Experience covering diverse sectors from Education, IT, Travel & Tourism, Media, Commodity Broking, Corporate Finance, Mergers & Acquisitions, Investment Research, Management Services, Fund Management, Stock Broking, Leasing, Courier & Manufacturing. He has worked for global brands like FedEx, Western Union and NIIT.

Fareed is a Chartered Accountant (Fiji), Chartered Management Accountant (UK) and a Fellow of CPA (Australia). He is also a Chartered Marketer (UK), a Licensed Investment Advisor (Fiji), a Certified Fraud Examiner (CFE) of USA. He is a Graduate Member of Australian Institute of Company Directors (AICD). Fareed has a MBA in Banking & Marketing and a Master of Arts in International Economics. He has received Executive Training from Harvard Business School, University of Oxford, Australian Graduate School of Management (AGSM), Graduate Business School of Auckland, Asian Productivity Organization and AOTS (Japan).

Nouzab Fareed is the only Distinguished Toastmaster (DTM) in the South Pacific and he is a Travel Centurion.

NOUZAB FAREED
Group Chief Executive Officer

FHL GROUP MANAGEMENT TEAM MANIDIA LIU NI KABANI COKOVATA E FHL



MOSESE VOLAVOLA
Basic Industries Limited



KAREN LOBENDAHN
Fiji Television Limited



DEEPAK RATHOD
RB Patel Group Limited



BRAD RUTHERFORD
South Sea Cruises Limited



ROWENA FONG
Merchant Finance Limited



SOWANI TUIDROLA
Pacific Cement Limited



CATHERINE GREY
FHL Properties Limited



DANIEL VIKASH
Life Cinema Limited



SALESHNI WARRAN
FHL Fund Management Limited

FHL MANAGEMENT TEAM

MANIDIA VEILIUTAKI E FHL



NOUZAB FAREED
Group Chief Executive Officer



ABILASH RAM
General Manager Finance & Investment



MEREONI MATAVOU
Manager Legal & Company Secretary



ASISH KUMAR
Manager Information Technology



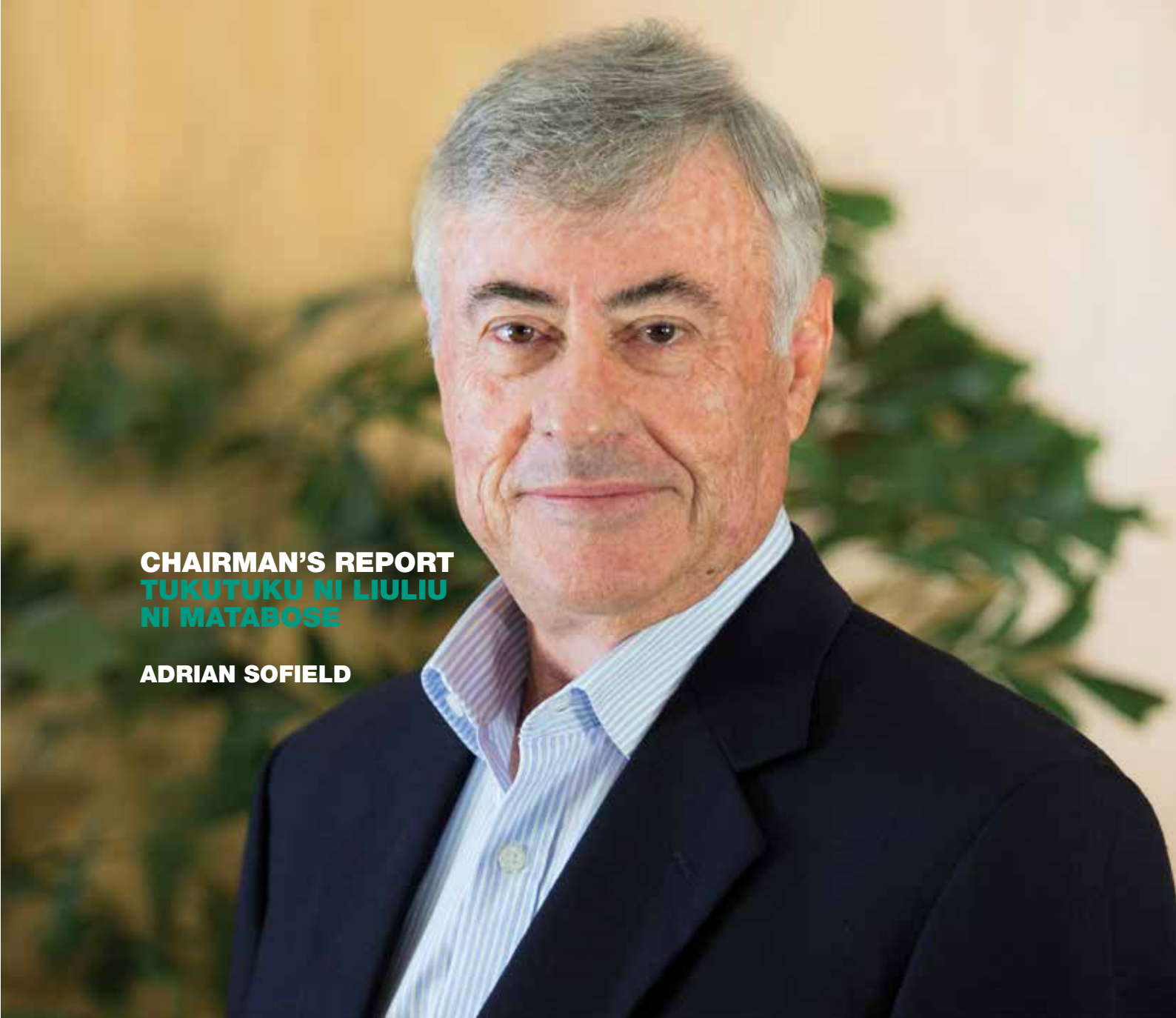
SITIVENI KOYA
Assistant Manager Group CEO Office



LAISA LEQEIWAI
Manager Human Resources



SIMIONE VITIARAI
Executive Assistant



CHAIRMAN'S REPORT TUKUTUKU NI LIULIU NI MATABOSE

ADRIAN SOFIELD

DEAR SHAREHOLDERS,

It is with great pleasure that I present the annual report for the year ended 30th June 2017. I feel privileged to have been appointed Chairman of FHL at this time of significant change and opportunity. I'm committed to ensuring the successful implementation of the Group's strategic plan which is focused on diversified investments and increasing shareholder value.

As a Board we acknowledge the importance of a supportive and collaborative culture which has been instrumental in the organisation's success. The Board is committed to leading the organisation where behaviour is as important as results.

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

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

KIVEI IRA NA ITAUKEI NI SEA,

E ka dokai vei au meu solia na itukutuku vakayabaki ni mai cava na yabaki vakailavo (YV) ena i ka 30 ni Jiune 2017. Au doka vakalevu na veidigitaki meu Chairman ni FHL ena gauna bibi ni veiveisau kei na vakavure bisinisi vovou. Au sa yalataki au tu ena kena vaqacacotaki na ituvatuva levu ni kabani cokovata, oqori ena vakarabailevutaki ni vanua ni vakatubuilavo kei na toso-i-cake ni vakayaga vei ira na itaukei ni sea.

Nida lewena na Matabose e bibi na nomuni veitokoni kei na cakacakavata e sa yavu levu ni kena toso vinaka na noda Kabani. Na nomuni matabose e vakaliuca na bula vakaivakarau me vaka na kena vakaliuci na rawaka.

Ena veiyabaki sa oti yani, e sega ni galala na FHL ena bolebole e sotavi ena vuravura ni bisinisi. Na tikina e sega ni veisau, oya ni rawa vua na kabani me ciqoma na veiveisau qai matanataka na veiqaravi ena veika eda kilai tani kina kei na kila vakacakacaka.

O ira kece na noda kabani era veiqati vinaka sara tiko ena duidui bisinisi era kenadau kina. Era dui vakaraitaka na veiqaravi uasivi duadua vei ira na lewenivanua qai kena ikuri na taucoko ni veika era vakarautaka.

Rebuilding of the nation continued from the effects of TC Winston which provided further opportunities for our subsidiary companies to offer some innovative solutions in the construction sector. Basic Industries introduced Basic Homes which is involved in building schools in the interior of Rakiraki. FTV worked on improving its coverage in affected areas while the other subsidiaries worked in revamping business from the previous year.

There were some technical issues with Pacific Cement which prompted Government intervention. These were resolved with the assistance of the PCL management team and off-shore technical consultants. The factory is now running smoothly. Major repair works are planned for the coming financial year, including strategic decisions to commission new plant to cater for the increasing demand for cement in the Pacific region.

The announcement of the 2017/2018 budget was beneficial for the Group as major funds were allocated for infrastructure as well as increased disposable income for individuals. The two areas are important to the FHL portfolio as we have major investments in the construction and the retail sectors. The Group through its construction companies will make its best efforts to be involved in major infrastructure projects. The increased income threshold together with grants for Small and Medium Enterprises and Government's economic growth initiatives in the 2017-18 Budget will induce more consumer spending which we expect will flow to the Group through the retail, entertainment, financing and savings sectors of FHL's investment portfolios.

Financial Review

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

Total Revenue for the Group was up by 1.2% compared to last year finishing at \$304m. Net Profit After tax also increased as a result of increased sales, finishing the year at \$31m compared to \$23m in 2016.

There was substantial growth of 10% in profit after tax for the holding company while the Group profits grew by 33%.

The major contributors to the revenue were RB Patel, BIL, and SSC. The larger margin contributors were RB Patel, FHLP, and BIL. The associate companies of Golden Manufacturers, Marsh and Pernix also made significant contributions to the Group profits.

FHL Group and the holding company embraces a very strong financial position recording total assets of \$313m for the holding company while the Group recorded total assets of \$525m compared to \$491m in 2016.

The equity holdings of the FHL Group continues to grow with an increase of 9% compared to 2016, finishing at \$250m. This is highly reflective of the positive performance of the subsidiary companies together with the performance of minor investment and associate companies.

Dividend

FHL Group grows every year with its unique ability to overcome the challenges and increase its shareholder value. The Board and the leaders of FHL have ensured that this growth is transferred to the owners of the company in the form of dividends, which is reflected in the rising share price of FHL. Further, the Board believes in balancing returns to shareholders with investment to support future growth, while at the same time preserving strong capital ratios FHL is pleased to announce that the dividend has grown from 23 cents in FY16 to 24.1 cents per share in FY17. The Board will continue to put in place

Na cakacaka ni veivakacokotaki e se vakuri tiko ena noda vanua ni mai oti na vakacaka ni cagilaba o Winston, qo esa vakavurea talega eso na ivoli vovou kina noda veikabani vakabibi ena tabana ni taravale (construction). Na Basic Industries e sevutaki kina na nona ivoli vou na Basic Homes sa vakayagataki sara tiko ena gauna qo ena kena tara na veikoronivuli ena lomanivanua kei Ra. Na FTV e sasagataki na kena vakavinakataki ni nona ivana me vakadaumakataka tale na veiqaravi kina veivanua era vakaleqai. E salavata kei na nodra tuvatuva ka na veikabani ena kena vakavinataki cake na veiqaravi ena dua tale na yabaki vou.

E mai basika na leqa vakamisinii veiratou na Pacific Cement ka vakavuna na nodratou veivuke mai na matanitu. Ea mai vakameautaki na leqa qo ena gumatua ni nodratou cakacaka na veiliutaki ena PCL kei na nodra veivakasalataki na kenadua mai vanuatani. E sa veiqaravi vinaka tale tiko na iqaqi. Esa navuci tiko mena vakayacori edua na cakacaka levu ni vakavinakataki ni qaqi ena YV sa tu e matada salavata kei na gagadre me dolavi tale edua na iqaqi vou me sotavi kina na kena sa tubu tikoga na voli simele ena Pasifika.

Na kaciavaki ni vakayagataki lavo ni matanitu ni 2018 e dodonu me vinaka kina kabani cokovata baleta ni dua na ivase levu ni lavo e vagolei kina veivakatoroicaketaki kei na tosoicake ni veika era na vakayagataki na tamata yadudua. Na tikina ruarua qo e bibi kina nona veiqaravi na FHL baleta ni vakatubuilavo vakalevu tu kina tabana ni taravale (construction) e vakakina ena tabana ni volivolitaki. Ena saga vakaukaua na kabani cokovata me vakaitavi na veikabani ni taravale (construction) kina ituvatuva ni veivakatoroicaketaki era na qaravi. Era okati kece tiko ena tuvatuva ni vakayagataki lavo ni matanitu 2017 – 2018 na tubu ni isau ni tamata cakacaka, veivuke ni veibisinisi lalai kei na lalawa ni matanitu me baleta na noda bula vakailavo sana vakavurea na vakayagataki lavo ka lai vakilai ena tabana ni volivolitaki, yaloyalo yavala, tabana vakailavo & vakatubuilavo ena veikabani vakarurugi ena FHL.

Veika Vakailavo

E mai vakacavara tale na FHL edua na yabaki vakailavo ka rawati kina e vuqa sara na veika vivinaka qo e vakaraitaka tu na yalo ni cakacaka vata kei na yalodina ni veiqaravi.

E tubu na levu kece ni lavo e rawata na kabani cokovata ena 1.2% ni vakatauvatani kei na yabaki sa oti ena \$304m. Na tubu ni lavaki oti na ivakacavacava e tubu talega, qo e vakavu mai na levu ni veivoli e tiko sara ena \$31m ni vakatauvatani kei na \$23m ena 2016.

E rawati e 10% na tubu (lavaki na ivakacavacava) ni veikabani kei na kabani cokovata e rawa tubu talega e tiko sara ena 33%.

Na veikabani era vakaitavi vakalevu ena rawa ilavo ni FHL e wili kina na RB Patel, BIL, kei SSC. Na veikabani e uasivi sara na nodra rawa ka e okati kina o RB Patel, FHLP kei BIL. Na kabani taukeni vakatikina (associate companies) me vaka na Golden Manufacturers, Marsh kei Pernix eratou cau sara talega vakavinaka ena tubu ni kabani cokovata (Group).

Na kabani cokovata keina veikabani ni FHL e tu vakavinaka tu ena nodra bula vakailavo, e mai saumi na iyau ni kabani ena \$313m ia, na kabani cokovata e yacova na \$525m na levu kece ni nona iyau (assets) ni vakatauvatani ena \$491m ena 2016.

Na sea ni FHL e vakuria tiko ga na nona tubu kina 9% ni vakatauvatani ena 2016, ni rawati kina e \$250m. Qo e ivakaraitaki ni veiqaravi uasivi mai na veikabani kece sara era sema tu kina FHL.

Tubu

Na kabani cokovata ni FHL e tubu tikoga ena veiyabaki qai vakasakiti ni vakayacora tiko ena dela ni gauna drakidrakita vakabisinisi me rawa ni wasea tikoga na tubu uasivi vei ira na itaukei ni sea. Eratou

new strategies and plans which will not only see increases in dividend rates but the overall appreciation of FHL shares as well.

FHL as a Group has paid approximately \$20 million to Government in the form of taxes which equates to an estimated \$12,500 per capita over a staff roll of 1,600.

The competitive nature of FHL has been lucrative in the stock market evidenced by the ever increasing demand for its shares. The price of FHL shares at the time of this report was recorded at \$4.70.

Corporate Governance

Fijian Holdings is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

The Companies Act 2015 binds the directors with more responsibilities and gives the shareholders a strengthened stewardship assurance in the appointment of Directors.

Fijian Holdings Limited compass is core to our governance framework. It sets out our mission, vision and strategic direction and core values of integrity, respect, working sustainably, team work, discipline and excellence. It is the overarching guide for everyone who works for FHL.

The majority of the Directors of FHL Group are members of the Australian Institute of Company Directors (AICD) which provides a professional level awareness on the role and responsibilities of directors.

Recently women were appointed to all subsidiary company Boards to advocate on gender diversity. 30 % of all our Directors are women.

FHL has also recently developed policies to align itself with the RBF and SPSE on the subject of board nominations, elections and appointments. This is to ensure that the company keeps its shareholders fully informed and transparent over the appointment of directors to the FHL Board.

The Board has a number of committees which are well established to consider issues and strategies within common areas in order to advise and guide the Board. Ad hoc committees are also established as the need arises. These committees comprise both executive and non-executive Directors.

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

Moving Forward

It gives me great pleasure to note that this year marks the 34th year of operation of FHL. The business has weathered many storms in its history and with the positive economic growth forecasted in the year ahead, the Board is firmly of the view that the group is well-positioned for greater success in the future, with clear strategies in place under the direction of sound leadership.

FHL Group is aware of the many trigger events ear - marked for the new financial year including the general election and the implementation of the new Government initiatives announced in the budget. The Board and the management are set to work together and look for business opportunities with the aim of further strengthening its financial performance.

vakadeitaka na Matabose (Board) kei ira na kena veiliutaki ni na vakadewataki tiko na tubu qo vei ira na itaukei ni kabani me vaka ga ni sa vadinadinataki ena tubu ni sau ni sea ni FHL. E vakabauta deivaki na Matabose (Board) ni na dau nanumi vakatautauvata na wasei ni tubu kei na vakatubuilavo ni kabani me rawa ni na tokona tiko na tubu ni kabani ena veigauna mai muri, salavata kei na kena biu vakatikitiki edua na pasede vinaka ni isasabai (capital ratios)

E ka marautaki kina FHL me vakaraitaka ni mai tosocake tale na tubu mai na 23 sede ena YV16 kina 24.1 sede dua na sea ena YV17. Na nomuni matabose ena vakuria tiko na veituvatuva matau eso me kua walega ni rawa kina na wasei ni tubu vinaka ia me vakilai talega ena sea taucoko ni FHL.

Na kabani cokovata ni FHL e sauma lesu tiko kina matanitu e rauta vakacaca ni \$20 milioni ena ivakacavacava qo e tautauvata ni solia tiko \$12,500 dua na tamata cakacaka ena dua na yabaki vei ira na 1,600 na ivakalesilesi.

E toso vinaka tiko na vei qati vakabisinisi ni FHL, qo e vakadinadinataki tiko ena makete ni sea, ni levu era gadreva mera volia. Na isau ni sea ni FHL ena gauna e vakarautaki kina na ripote oqo e tiko ena \$4.70.

Vakarau ni Cakacaka

Na Fijian Holdings e dina tu kina ivakarau vakacakacaka e susugi kina na, itovo vakacakacaka, dina kei na veidokai. Keitou vakabauta ni vakayacori na vei qaravi ena dua na ivakarau vakacakacaka uasivi, sa na rawa me vakaikuri tiko na rawa ka ni kabani kei na taraicake ni veika ena yaga mai muri.

Na lawa na Companies Act 2015 e vauci ira na Dairekita ena vuqa sara na itavi, e vakakina vei ira na itaukei ni sea ena nodra yadrava na digitaki vakamata ni Daireketa.

Na yavu ni vei qaravi ni FHL e umani koto ena yavu ni vei qaravi vakaivakarau. E yavutaki kina, na itavi, na rai, tuvatuva ka ni kabani, salavata kei na veika e vakaliuci ena kabani, oqori; na dina, veidokai, cakacaka vata, yalodina keina vei qaravi uasivi. Qori na yavu e yadrava tu na nodra vei qaravi na tamata cakacaka kece ena FHL.

Edua na iwase levu ni Dairekita ena kabani cokovata ni FHL era lewe ni Australian Institute of Company Directors (AICD) qo ena vukei ira vakalevu ena kena qaravi na nodra itavi ena kena ivakatagedegede e cake sara.

Era sa lesi talega na marama mera lewena na matabose ni veikabani ena kena tutaki na wasei vakatautauvata ni tavi vei ira na marama kei na turaga (gender diversity). E rauta ni 33% na noda Daireketa era marama.

Ea se qai biuta vata ga na FHL edua na ivakarau e salavata kei na gagadre ni RBF kei SPSE ena nodra vakatututaki, veidigitaki kei na veilesi vei ira na lewe ni matabose. Qo e sala ni nodra vakasalataki vakadodonu ka savasava na itaukei ni sea me baleta na nodra digitaki o ira na Dairekita kina matabose ni FHL.

E tiko talega na veikomiti lalai ka nodra itavi mera vakadeuca, ilova ka vakatututaka na veitiki eso ena rawa me vakasalataki ira vakadodonu na lewe ni matabose levu. Sa tiko talega na veikomiti era na qai vei qaravi ga ena gauna era gadrevi kina. Na veikomiti oqo era lewena na noda Dairekita kei ira talega era sega ni lewena na noda Matabose.

E sa mai tauri talega na ivola ni veivakadonui mai na SPSE ka tukuni koto kina ni FHL e sa vakayacora kece sara na veika e gadrevi me baleta na maketetaki ni sea ena kena vanua.

The holding company continues to search for potential Mergers and Acquisitions that will further improve the investment portfolio. Major capital expenditure has been done in the construction, tourism and the entertainment sectors. Basic Industries has invested heavily on new plant and equipment to ensure that they deliver quality products. South Sea Cruises has invested in the new Malamala Island Resort for day trips which will be a premium product for visitors to the Mamanuca's. Life Cinema has expanded, opening two brand new cinemas in Lautoka and Nakasi bringing world Class entertainment to the door steps of our people.

As such these investments are expected to give added advantages in the new financial year with plans for further expansion that will see the FHL Group again improve its performance.

Acknowledgements

I wish to thank our Group CEO, management and staff for their relentless work over the year, as well as all of those stakeholders who have contributed to this year's performance.

I take this opportunity to thank the shareholders for their continued confidence in the Board and management of the FHL Group.

I would also like to especially thank our past chairman, Mr Iowane Naiveli, whose guidance over the past six years has seen the Group reach new heights.

Looking forward, I seek your continued support for your Board to assist the Group to achieve an even greater performance in the coming year.

Thank you



Adrian Sofield
Chairman

Veika meda Nanamaki kina

E ka dokai vei au meu vakaraitaka ni sa mai yabaki 34 ena yabaki oqo na vei qaravi ni FHL. E sa sotava sara e levu na draki tokavuki vakabisinisi na kabani, ia; na nanamaki nina toso vinaka na bula vakailavo ni matanitu ena veiyabaki sa tu mai e matada e yalodei tiko kina na Matabose ni na toso vinaka talega na rawa ka ni kabani ni vakotori donu na ituvatuva salavata kei na veiliutaki vinaka.

Esa kila deivaki tiko na kabani cokovata ni FHL na vei tuvatuva lelevu eso era na sotavi ena yabaki vakailavo qo. E wili kina na veidigidigi levu kei na ituvatuva levu ni matanitu era a kacivaka ena Tukutuku ni vakayagataki lavo ni matanitu. Na Matabose kei ira na kena veiliutaki sa tu vakarau me keimami cakacaka vata ena kena segati eso tale na veibisinisi vovou salavata kei na kena vaqacacotaki tikoga na rawa ka vakailavo ni kabani.

E vakuria tiko na veikabani na kena dikevi na nodra semati kina veikabani tale eso se taukeni ira, me rawa ni vakadaumakataka cake na vanua ni vakatubuilavo ni kabani. Na vakayagataki lavo levu me qaravi e vagolei kina iwasewase ni taravale (construction), saravanua (tourism) kei na iyalo yavala (entertainment). Na Basic Industries e vakayagataki lavo ena iqaqi vou kei na veimisinisi eso me vakadeitaka tiko na vakara utaki ni voli uasivi. Na South Sea Cruises e vakatoroicaketaka nona bisinisi ena yanuyanu vou ni saravanua na Malamala Island Resort qo me vei qaravi ga ena siga, e nanumi ni sana nodra igadigadi talei na saravanua ena yatu Mamanuca. Na Life Cinema e vakarabailevutaka nona vei qaravi ena kena dolavi vou erua tale na vanua ni yaloyalo oya e Lautoka kei Nakasi me vakadewataka mai na iyalo yavala vakasakiti kina noda vanua vei ira na noda.

Me vaka ga na kena ivakarau, e namaki me vakaitavi na veivakatoroicaketaki vakabisinisi oqo kina yabaki vakailavo vou ka salavata kei na ituvatuva me vakuri tiko na vakarabailevutaki ni bisinisi me rawa ni daumaka cake sara mai na rawa ka ni kabani cokovata na FHL.

Vakavinavinaka

Au via vakavinavinakataka na liuliu in kabani cokovata (Group CEO), ira na manidia kei ira na vakalesilesi ena igu ni nomuni cakacaka ena loma ni yabaki, e vakakina vei kemuni na veitabana oni sema voli mai ka cau sara talega ena rawa ka vakayabaki ni kabani.

Au taura na gauna qo meu vakavinavinakataki kemuni kece sara na itaukei ni sea ena nomuni veivakabauti kina nomuni Matabose kei ira na veiliutaki ena kabani cokovata ni FHL.

Au gadreva talega meu vakavinavinakataka na noda jeameni vakacegu o Mr Iowane Naiveli, ena 6 na yabaki ni nodra vei qaravi esa vakadinadinataki tiko kina na veika lelevu sa rawata na kabani cokovata.

Ena lako yani vou oqo, au kerea na nomuni veitokoni kina nomuni Matabose me rawa ni keitou vukea na noda kabani cokovata me rawata na veika uasivi cake sara ena veiyabaki sa tu e matada.

Vinaka Vakalevu



Adrian Sofield
Chairman



GROUP CEO REPORT TUKUTUKU NI LIULIU NI KABANI COKOVATA

NOUZAB FAREED

It is a pleasure to write to you at the end of yet another exciting year of strong performance.

We faced lots of challenges, worked hard, focused on the deliverables and made it to a better year than we expected. Increasing the value of an entity is interlinked with getting into the right market position with the right goods and services. With strong market leadership and with the right people, the power to recognize and implement the best industry practices could make a significant difference to levers of revenue and earnings. At FHL, we are proud to be a leading conglomerate in Fiji with 34 years of business excellence.

Today, with the power to transform itself, FHL is uniquely positioned to benefit from its long-term value creation, establishing itself as one of the most reliable entities in a rapidly changing market environment. As one of Fiji's fastest growing conglomerates, FHL touches the lives of thousands of loyal customers' everyday via our products and services, helping to enrich lives, empower businesses and make a positive contribution to our nation's economic development.

Re-evaluation and refinement are key elements of growth and during the past years, your company has done both, re-evaluating the areas in which we operate and refining our focus to those in which we can be most effective and deliver the best.

Diversity and Inclusion

Diversity of businesses and people are the greatest strength of Fijian Holdings Group. We are keen to leverage our diverse strength to become high-profit, high-value added company with a Pacific reach. With inclusion in mind, we have expanded our reach to rural and maritime areas through a wide channel of distribution. At present,

E ka marautaki vei au meu vakasavu itukutuku yani vei kemuni ni mai cava tale edua na yabaki vakasakiti ni veiqaravi.

E sotavi e vuqa sara na dredre, ia; e sega ni namaki nina yaco me yabaki vinaka ni veiqaravi e vakavu ogo ena cakacaka vagumatua kei neimami vakanamata ena veika e gadrevi me rawati. Na tosoicake ni itutu vakailavo ni dua na kabani e tukuna tu ni no donu ena kena makete ni bisinisi salavata ena ivoli dodonu kei na dauniveiqaravi uasivi. Na liutaki ni makete ni bisinisi kei na nodra vakaitavi na vakalesilesi digitaki e umani koto kina na kena rawa ni raici na ituvaki kei iwalewale ni veiqaravi e veiganiti kei na bisinisi ka sana vakaduiduitaki kina na rawa ka kei na ivakayaga e tauca na kabani. Keimami marautaka ena FHL, ni keimami liu ena makete ni bisinisi e Viti ni mai yacovi na 34 ni yabaki ni veiqaravi uasivi vakabisini.

Na FHL esa tu ena dua na vatagedegede vinaka me vakayaco veisau ena makete ni bisinisi baleta ni sa tamusuka tikoga na vua ni tuvatuva balavu ea segata voli mai ka sa vakadeitaki koya tu ena veiveisau e yacova tiko na vuravura ni bisinisi nikua. Qo edua na kabani e sa tubu vakatotolo sara tiko ena noda vanua, na FHL e vakilai vakalevu vei ira e udolu na lewenivanua ena vakasakiti ni veiqaravi kei na ivoli e vakarautaka sa veivuke vakalevu ena nodra vakataucokotaki na lewenivanua, veivuke na veibisinisi tale eso salavata kei nona cau kina vakatoricaketaki ni bula vakailavo ni noda matanitu.

Na kena dikevi kei na vakadaumakataki ni bisinisi e yavu tudei ni tubu. E dikevi tale na vanua ni veiqaravi ka vakadaumatakataki na vanua keitou kaukauwa kina me rawa ni uasivi na veika e rawati.

Vakarabailevutaki kei na Okati

Na Fijian Holdings Group e kena dau ena vakarabailevutaki ni bisinisi kei nodra digitaki na kena ivakalesilesi. Keimami vakanamata tikoga ena rawati ni tubu uasivi kei na veiqaravi vinaka me tara yani na Pasifika raraba.. E sa vakarabailevutaki na veiqaravi ena taudaku ni

more of Group's financial products are available in most maritime areas as well as in accessible rural communities.

We are driven by our people who are our greatest assets. We therefore seek to create an environment in which everyone can do their best, feel motivated, include and respected. In the past year this has meant having discussions with our people across the Group about the contribution they make to our vision by living our values.

We also seek to create a workforce that reflects the communities in which we operate. Our workforce is 34% female with 35% Executive Manager and above positions. Out of our 9 major subsidiaries, at least 4 are headed by females who were all internally groomed. We consider this as one of our biggest achievement in terms of diversity. Out of 52 group directors and board committees, more than 1/3 or 33% are women. FHL group has the largest exposure of female directors in Fiji.

Group Performance

Our businesses ventured into new markets, pursued bolder opportunities over the years, and finding strategically important sources of long term growth for your companies. In that process, we also experienced unexpected challenges. We solved the problems to best of our ability and transformed to a better position before. Under these challenging circumstances, I am happy to report that your companies delivered a solid performance for the year.

Fijian Holdings Group recorded a consolidated post-tax profit of \$31.07 million for the 12 months ended 30 June 2017, compared to \$23.41 million made in the previous financial year, thus representing a growth of 33%. During the same period, revenue grew only 1.2% to \$304.22 million, highest ever recorded by the group in its history. For the financial year, the intra-group trade amounted to \$48.99 million, reflecting a 7% growth.

In terms of revenue, RB Patel Group Ltd (RBG) contributed 34% of group revenue followed by Basic Industries Ltd (BIL) with 20%, South Sea Cruises Ltd (SSC) with 12% and Pacific Cement Ltd (PCL) with 9%. When it comes to post-tax profits, RBG accounted for 14% of the group's consolidated post-tax profits followed by BIL with 13%. The holding company itself accounts for 38% of group profits.

Group Assets grew by 6.87% to \$525.06 million whereas group liabilities have grown by 5.35% to \$274.69 million. This is largely due to acquisition of property, plant and equipment (PPE) within the group. As at 30th June 2017, the total PPE value of FHL group stands at \$138.07 million. During the year, Group liabilities too increased from \$260.75 million in 2016 to \$274.69 million in 2017. Overall group borrowings stands at \$225 million.

Net Assets or Shareholders Fund of the company has reached \$261.11 million as at 30 June 2017. When the company commenced business in 1984, the shareholders had only \$1.14 million. Within 34 years, the company's net Assets reached \$261.11million even after paying cash dividends of more than \$105 million to date. Long term shareholders have benefited as a result of increase in share price from \$4.08 to \$4.70 with a capital return of more than 15% during the year in addition to 24 cents of dividend per share.

The holding company, Fijian Holdings Ltd has made a post-tax profit of \$22.98 million on a revenue of \$27.07 million for the financial year ended 30 June 2017, compared to a post-tax profit of \$20.85 million made on a revenue of \$26.27 million reported in previous year. Overall the investment portfolio of the company, grew by 9% to reach \$281.90 million.

Such performance in times of adversity is a result of the hard work of our teams and there have been several milestones this year that

korolelevu kei na veianuyanu ena veisala eso ni vakasavu cakacaka, ia e sega ni yali na noda okati vakatautauvata. E na gauna qo na ivoli mai na noda kabani cokovata e tu vakarawarawa vei ira na tiko mai yanuyanu kei na taudaku ni korolelevu.

Keitou vakararavi vakalevu vei ira na neitou i vakalesilesi ka ra iyau levu ni kabani. Koya gona keitou vakarautaka na i tuvaki ni vanua ni veiqaravi ena rawa veiqaravi vakavinaka, vakauqeti, okati ka dokai kina o ira na noda ivakalesilesi. Ena veiyabaki sa sivi na tikina oqo e okati kina na vakayaco bose vei ira na tamata cakacaka me baleta na nodra cau ena rai ni kabani kei na kena bulataki na veika e lagita na kabani.

Keitou saga tale me keitou taracake edua na vanua ni cakacaka e matanataki kina na vanua ni veiqaravi. Na noda vanua ni cakacaka e matataki kina e rauta ni 34% na marama e 35 na pasede era taura na i tutu vakaveiliutaki (Executive Manager) kei na veitutu cecere tale eso. Ena 9 na veikabani lelevu e rauta ni lewe 4 eratou liutaka na marama kara vakarautaki ga ena loma ni kabani cokovata. Keitou okata me dua na cavuisausau levu oqo ena sasaga ni vakarabalevutaki ni veiqaravi. Mai na 52 na Daireketa kei ira na lewe ni matabose e rauta ni 1/3 se 33% era marama. E Viti raraba na kabani cokovata ni FHL e levu duadua na marama era kena Dairiketa.

Rawa ka ni Kabani Cokovata

Na noda veikabani e sa botea yani na veibisinisi vovou, e dovaka me vakatovolea eso na vurevure ni bisinisi salavata kei na ituvaluva me vakavurea tiko na tubu ni nomuni kabani. Ena vuku ni sasaga oqori keimami vakadinadinataka kina eso na bolebole sega ni namaki. Keimami walia na bolebole oqori qai veisautaka na kena ituvaluva me vakadaumakataka cake na itutu ni kabani. Ena drakidrakitaki ni bula vakabisinisi oqori, e ka marautaki vei au meu vakaraitaka e ke ni rawa ka sara vakavinaka na nomuni kabani.

E mai rawata na Fijian Holdings Group e \$31.07 milioni na tubu cokovata ni lavaki oti na ivakacavacava ena 12 na vula ka mai cava tiko ena 30 ni Jiune 2017, ni vakatauvatani kei na \$23.41 milioni e rawati ena yabaki vakailavo sa oti, qo e matataka e 33% ena tubu ni kabani. Ena gauna vata qo na ilavo curu mai ena kabani e tubu ena 1.2% kina \$304.22 milioni, qo e sa bau levu taudua ena ivola tukutuku ni kabani. Na veivoli e vakayacori ena loma ni FHL e yacova sara tiko na \$48.99 milioni, qo e vakaitavi ena 7% na tubu.

Na RB Patel Group Ltd (RBG) e cau ena 34% na ilavo e curu mai kina kabani cokovata, e tarava na Basic Industries Ltd (BIL) ena 20%, na South Sea Cruises Ltd (SSC) e tiko ena 12% keina Pacific Cement Ltd (PCL) e 9%. Na tubu cokovata e rawati ni lavaki oti na ivakacavacava e cau kina na RBG ena 14% na BIL e 13%. Na veikabani ni FHL e rawata e 38% na tubu.

Na iyau ni kabani cokovata e tubu ena 6.87% qo e \$525.06 milioni ia na veika dodonu me saumi e tubu kina 5.35% qo e \$274.69 milioni. Qo e vakavu vakalevu ena kena taukeni na iyau vou eso me vaka na iyaya, vanua kei na misini (PPE) ni veiqaravi. Ni mai cava na vula o Jiune 2017, na levu kece ni isau ni iyau vou ena kabani cokovata e sa tiko ena \$138.07 milioni. Ena loma ni yabaki e mai tubu talega na veika e dodonu me saumi mai na \$260.75 milioni ena 2016 kina \$274.69 milioni ena 2017. Vakataucoko na veika e kerea na kabani e tiko ena \$225 milioni.

Na iyau nei taukei ni kabani se na katoniyau nodra na itaukei ni sea e sa yacova na \$261.11 milioni ni mai cava na vula o Jiune ni 2017. Na kena tekivu na veiqaravi ni kabani ena 1984, na levu ni nodra iyau na itaukei ni sea e \$1.14 milioni walega na dola. Ena loma ga ni 34 na yabaki sa mai rawata na kabani na kena iyau e \$261.11milioni qo ni oti na nona sauma e sivia \$105 milioni ena tubu me yaco mai nikua. Vei ira era taukeni sea vakabalavu tiko mai era sa mai vakila tiko na kena vinaka ena kena mai toso cake na isau ni sea mai na \$4.08 kina \$4.70 ka rauta ni sivia na 15% na matua ni nodra sea qai kurivi ena wase ni tubu ena yabaki oqo ni tiko ena 24 na sede dua na sea.

Na kabani ni Fijian Holdings Ltd e rawata na tubu ni lavaki oti na ivakacavacava ka tiko ena \$22.98 milioni ena levu ni lavo curu mai e tiko ena \$27.07 milioni ena yabaki vakailavo oqo ni mai cava na vula

made a positive impact on the group. BIL and RBG had a strong year with our key products continuing to deliver great value to Fijian consumers and gain market share.

Performance of Group Companies

Fijian Holdings Group has long been recognized as one of the most successful and dynamic conglomerate in Fiji. Yet as always, your company remains confident of its ability to strategically expand its business interests to deliver consistent value back to the many stakeholders we partner for business today.

As a conglomerate with exposure to varied sectors, diversity has always been one of our greatest strength, especially in the face of challenges posed internally as well as externally. During the year, under review, at least two of the companies were affected by factors, unique to each. Nevertheless, the group remained focused on achieving their broad business objectives as all efforts were channeled towards making the best out of the situation.

2016/17 had number of highlights for us as we continue to pursue strong growth in our core sectors. We have continued to make good progress in the development of our group companies in building & construction sector business as well as tourism and entertainment sector. The past financial year has been an intensely challenging one for your company especially with Pacific Cement Ltd (PCL), Merchant Finance Ltd (MFL) and Fiji Television Ltd (FTV).

MFL, a licensed credit institution, which has been performing well continuously and consistently over the years experienced its first dip in 13 years. The star performer in the group for decade experienced its worst performance for 13 years. Post-tax profits at MFL declined from \$ 7.53 million in 2016 to \$ 3.89 million in 2017, mainly due a single trade finance debt going bad. Revenue remained stable while net amount financed or total loan disbursed declined by 18% during the year. As at 30 June 2017, Merchant Finance's total gross loan portfolio stands at \$130 million while total customer deposits has reached \$124 million. More than 4000 customers use MFL's products.

Despite the steep drop of 47% in its post-tax profits, we assure you that a significant transformation is under way and we are in the process of restructuring the business to achieve a sustained long term wealth creation for the shareholders. The customer screening, loan approval process to continuous monitoring of the loan portfolio have been reviewed in detail. The envisaged restructure while looking at innovative business strategies will also focus on bringing cost efficiencies and improving our core competency on asset financing in addition to building group synergies wherever possible.

Within the year, we explored our focus on the Building and Construction sector, building collaboration and exploit synergies in an industry which is continuously evolving and growing rapidly.

PCL experienced a bullish market for first 9 months of the year with improved local and export sales, while an unexpected malfunction of a key component of the mill made the factory redundant for last 2 months. The business was resilient despite year's difficult environment. PCL produced and sold 133,856 tons of cement during the year compared to 150,544 tons in the previous year. Export sales were restricted to 27,691 tons of cement compared to 46,594 tons of cement exported in the previous year. We thank the Government for timely intervention by allowing duty-free cement imports in order to cater for the growing construction sector.

Currently the mill is back in operation for the entire month of July 2017 and we expect the trend to continue with increased demand for cement. The mill will be shut down in the month of September 2017 to replace several critical parts. To reduce the impact on the market, PCL has placed an order for 25,000 tons from Vietnam.

o June 2017, ni vakatauvatani keina yabaki sa oti enatubu ni lavaki oti na ivakacavacava e tiko ena \$20.85 milioni mai na levu ni lavo e curu mai ni tiko ena \$26.27 milioni. Vakataucoko na katoniyau ni kabani e tubu ena 9% me yacovi kina na \$281.90 milioni.

Na rawa ka uasivi vaka oqo ena dela ni gauna drakidrakita vakabisinisi e dusia tiko na nodra cakacaka vata na ivakalesilesi, ena na so na cauisausau e lai vakilai vakalevu ena kabani. Na BIL keina RBG erau rawa ka vakavinaka sara ena yabaki oqo salavata ena kena vakuri na veiqaravi uasivi vei ira na lewenivanua e Viti kei na vakadeitaki ni nona sea ena kena makete.

Rawa ka ni Veikabani

Na Fijian Holdings Group e kunei me dua vei ira na kabani rawa ka qai toso vakavinaka e Viti. Ia, e nuidei tikoga na nomuni kabani ni rawa me tuvatuva ka ena vakarabailevutaki ni kena bisinisi ka dolea na ivakayaga uasivi vei ira era okati tu kina kabani.

Ena levu na bolebole e vakilai ena lomani kabani kei na taudaku ni kabani na tikina e uabaleta rawa tiko kina oya ni varabailevu ka tete na vanua e oka tu kina na noda kabani. Ena loma ni yabaki e rua na kabani e rau mai vakaleqai sara ena yavu edua matalia vei rau yadua. Ia, e rai vagumatua tikoga na kabani cokovata kina inaki ni bisinisi me vaka ni sasaga se igu kece e vakayacori e vakatabki dua ena kina vakadaumakataka na veibolebole oqori me toso vakavinaka kina na kabani.

Na yabaki 2017/18 keitou vakuria kina na kena sasagataki na tosoicake ni veikabani era nuitaki ena tabana ni bisinisi era qarava. Qo e okati kina na kena vakatoroicaketaki na tabana ni tara vale (building & construction) na tabana ni saravanua (tourism) kei na tabana ni yaloyalo yavala (entertainment). Na yabaki vakailavo e qai oti qo e sa bau levu sara ni bolebole e vakilai kina na Pacific Cement Ltd (PCL), Merchant Finance Ltd (MFL) keina Fiji Television Ltd (FTV).

Na MFL, na kabani e vakalaiseni ena soli dinau e dau rawa tubu tu ga vakavinaka ena veiyabaki, ena yabaki vakailavo oqo ni oti e 14 na yabaki me sa qai lutu nona rawa ka. Na kabani e dau vakacakacakai koya ena vei yabaki sa qai mai sotava na lusi va-rawa ka ni oti e 13 na yabaki. Na tubu e rawa ni lavaki oti na ivakacavacava e lutu mai na \$ 7.53 milioni ena 2016 kina \$3.89 milioni ena 2017, qo e vakavu vakalevu mai na dua ga na ivoli na 'trade finance' ni sega ni rawa vinaka na soli dinau e vakayacori kina. Na ilavo curu mai e vakadeitaki koya toka, ia; na levu ni lavo e dinautaki e lutu ena 18% ena loma ni yabaki. Me yacova na i ka 30 Jiune 2017, na levu ni katoniyau ni lomi (loan portfolio) ena Merchant Finance sa tiko ena \$ 130 milioni kei na levu ni ivakadei (customer deposits) e sa yacova na \$124 milioni. E sivia e 4000 na lewenivanua era vakayagataka na ivoli nei MFL.

Dinagani mailutu ena 47% na tubu ni lavaki oti na ivakacavacava, keitou via vakadeitaka ga nina vakayacori tiko eso na veiveisau me rawa ni rawati kina na tubu uasivi duadua ena veigauna kece vei ira na itaukei ni sea. E tiki ni veiveisau oqo na nodra dikevi vakavinaka na via lomi, vakadonui ni lomi me rawa nira yadra tiko kina na levu ni yau ena vakayagataka ena lomi. Na veika e vakanananutaki ena veiveisau oqo e okati kina na raivou ena ituvauteva vakabisinisi salavata kei na sau rawarawa ni voli kei na kena vakadaumakataka na veika keitou kena dau kina oya na vakailavotaki ni iyau (asset financing). Qai kena ikuri me vakabulabulataki na veiwekani vakacakacaka ena loma ni kabani cokovata kevaka e laurai ni dodonu vakakina.

Ena loma ni yabaki keitou tosoya cake na neitou veiqaravi ena tabana ni taravale (Building and Construction), qo ena kena taracake na cakacaka vata kei na nodra okati mai na vei tabana tale eso ena makete ni bisinisi e vuki veiveisau sau ka tubu sara tiko vakatoto.

Ena imatai ni 9 na vula na PCL e vakadinadinataka kina na tubu vinaka duadua ena kena vakadaumakataka na volitaki ni nodratou ivoli e Viti kei na kena e vakau e vanuatani. Na kena mai leqa na iqaqi ena rua na vula sa oti e mai lutu tale kina na ua ni veiqaravi ea sa sotavi voli mai. Na kabani e uabaleta na drekidrekita ni bula vakabisinisi ea sotavi voli ena yabaki oqo. Na PCL e bulia ka veivotayaka rawa e 133,856 tani na simede ena loma ni yabaki ni vakatauvatani kei 150,544 tani ena yabaki sa oti. Na levu kece ni simede e volitaki e mai yalani ena

Our Concrete and Aggregate divisions in Basic Industries Ltd (BIL) had a strong year with our key products continuing to deliver great value to the Fijian as well as regional markets and gain market share in respective business. While improving its overall revenue from \$67.35 million in 2016 to \$73.69 million in 2017, the post-tax profits grew by 12% to \$7.93 million. During the year under review, BIL made positive contribution to the nation at large with production of 82,804 cm³ of concrete and 338,083 cm³ of aggregates.

Our star contributor to the Group revenue was RB Patel Group Ltd (RBG). More than 1/3 of group's consolidated revenue come from RBG for last 5 years. During the review period, RBG's revenue reached \$119.76 million from \$114.81 million reported in the previous year. Post-tax profits has grown from \$7.35 million in 2016 to \$8.48 million. As we adopted the alternative of IAS40, all the investment properties in the Group has been stated at fair market value. As such, investment properties at RBG has moved from \$18.61 million to \$25.93 million.

Our biggest investment in the portfolio is South Sea Cruises Ltd (SSCL). The company's brand includes South Sea Cruises, Blue Lagoon Cruises, Awesome Adventures, Malamala Beach Club, Yasawa Islands Holidays and Vinaka Fiji Volunteering. During the year, SSCL lost one of its flagship vessels, Sea Spray, while receiving two brand new 200-seater vessels namely Cougar II and Tiger IV. Day cruises to our own South Sea Island is on the increase and will be complemented with upcoming Malamala Beach Club, a five-star day cruise facility, which is a \$5 million investment. Companies performance were affected by four cyclone warnings in the early part of the financial year followed by closure of Mana Island Resort, Tropicana Resort as well as delayed re-opening of Sheraton Tokiriki. More than 210,000 passengers used the services of the company during the year.

While consolidated revenue at SSCL declined marginally from \$47.56 million in 2016 to \$46.78 million in 2017, the pre-tax profits increased from \$5.67 million in 2016 to \$7.35 million. Upcoming Malamala Beach Club, reopening of several refurbished resorts coupled with a planned exclusive service to a new luxury resort will boost income in the coming year.

Our property owning subsidiary, FHL Properties Ltd (FHL) experienced a 9% decline in net earnings due to increased building maintenance expenses. FHL reported a profit of \$2.98 million on a revenue of \$6.13 million for the FY 2017 compared to a profit of \$3.27 million earned from a revenue of \$6.76 million in 2016. FHL also manages third party properties and earns property management fees as income.

FHL owns more than 15,000 square meters of lettable space and have enjoyed 99% occupancy for last 3 years. Property portfolio of Vanua House and Ratu Sukuna house has the advantage of 13-year old Ra Marama building. The proposed FHL Tower will boost its status in the industry as a premier supply of commercial space. The delay in FHL Tower project was due to a failed partnership discussion with a neighbouring entity that has been resolved since. The project has been converted to a design & build tender and has been advertised with the closing date of end September 2017.

We wish to share with pleasure that we have been successful in turning around Fiji Television Ltd due to commanding performance by the executive team. The FTV Group earned a post-tax profit of \$575,134 from a revenue of \$10.02 million for the financial year ending 30 June 2017. During the previous year, the FTV group made a loss of \$668,124 from a revenue of \$11.36 million. During the year we managed right-size the company and improve the quality of production. FTV spent more than \$1 million on new state-of-the-art equipment for its three studios in the new location in Brown Street,

27,691 tani ni vakatauvatani ena 46,594 tani e vakau rawa ena yabaki sa oti. Keitou vakavinakataka talega na matanitu ni a veitokoni mai ka vakuai na saumi ni 'duty' ena kena sotavi na tubu ni bisinisi ena makete ni taravale (construction).

E sa daumaka tale tiko na veiqaravi ni iqaqi ena vula taucoko o Jiulai, e namaki me tosaka tikoga na kena gadrevi na simeke. Ena sogo tiko ena 3 na macawa na iqaqi ena vula o Seviteba ena kena vakavinakataka e vica na gacagacaga bibi ni iqaqi. Me kua ni vakilai na ituvatuva vei ira na dauvolivoli keitou sa otataka (order) oti tu e 25,000 tani mai Vietnam.

Na neitou tabana ni simeke, qereqere keina nukunuku ena Basic Industries Ltd (BIL) e toso sara vakavinaka na nona rawa ka ena yabaki oqo salavata kei na kena vakuri na veiqaravi uasivi ni kabani kei na nodratou ivoli, qo e vukea na isau na nona sea. E mai vinaka sara talega na levu ni lavo curu mai ka tiko sara ena \$73.69 milioni ena 2017 ni vakatauvatani ena \$67.35 milioni ena 2016, to, na tubu ni lavaki oti na ivakacavacava e tubu ena 12% me lai \$7.93 milioni. Ena kena mai dikevi na veiqaravi ni yabaki oqo e laurai ni a vakaitavi sara vakalevu BIL ena taraicake ni noda matanitu ni a cau ena 82,804 cm³ simekekei na 338,083 cm³ ena qereqere kei na nukunuku.

Na kabani e rawa tubu levu duadua ena kabani cokovata oya na RB Patel Group Ltd (RBG). Ena loma ni 5 na yabaki sa sivi e sivia na 1/3 ni nona rawa ka na kabani cokovata e vakavu mai RBG. Ni mai dikevi lesu na rawa ka ena yabaki oqo, na levu ni lavo e curu mai ena RBG tiko ena \$119.76 milioni mai na \$114.81 milioni ea ripotetaki ena yabaki sa oti. Na tubu e rawati ni lavaki oti na ivakacavacava e veisivi mai \$7.35 milioni ena 2016 kina \$8.48 milioni. Me vaka ga ni sa vakayagataki tiko na i vakarau vakadaunifika na IAS40 na vei iyau kece ni kabani e biu kina na isau e veiganiti vata kaya. Ena vuku ni tikina qo e mai tosaka kina na isau ni iyau e taukena o RBG mai na \$18.61 milioni kina \$25.93 milioni.

E dua na ivase levu ni vakatubuilavo e vagolei ena South Sea Cruises Ltd (SSCL). Na veitabana eso e taukena e okati kina na South Sea Cruises, Blue Lagoon Cruises, Awesome Adventures, Malamala Beach Club, Yasawa Islands Holidays keina Vinaka Fiji Volunteering. Ena loma ni yabaki e mai vakayalia edua na isevu ni nona waqa na SSCL, oya na Sea Spray, ea mani qai taura e rua nona waqa vovou, 200 na kena pasidia erau vakatokai na Cougar II keina Tiger IV. Na soko gade ena yanuyanu na ceva ni noda veiwasewase ena veisiga e sa qai gadrevi tikoga vakalevu, qo e sana qai vakadaumakataka cake ena kena dolavi na Malamala Beach Club, na vanua ni gade vakarautaki vakamatau, tiko ena \$5 milioni na vakatubuilavo e vakayacori kina. Na rawa ka ni kabani e mai sega ni taladrodro vinaka sara ni oti na kena vakasavui e 4 na ivakaro ni cagilaba ena itekivu ni yabaki oqo qai kena ikuri ni mai sogo na na Mana Island Resort, Tropicana Resort keina na lokuyara ni curumi na Sheraton Tokiriki. E sivia na 210,000 na pasidia era vakayagataka tiko na veiqaravi ni kabani ena loma ni yabaki.

Na ilavo cokovata e curu mai ena SSCL e lutu vakalailai ni a rawati e \$47.56 milioni ena 2016 ena 2017 e sa tiko sara ena \$46.78 milioni, na tubu okati vata kei na ivakacavacava e tubu talega ena \$7.35 milioni ni vakatauvatani ena \$5.67 milioni ena 2016. Na kena dolavi na vanua ni saravanua vou e Malamala Beach Club, keina kena dolavi vou tale eso na otela salavata keina tuvatuva mera qaravi vakatabakidua na vulagi ena otela vivinaka ka uasivi sana veivuke tiko ena rawa ka ena yabaki sa tu e matada.

Na kabani e qarava na iyau, na FHL Properties Ltd (FHL) e vakila na lutu ni veika e rawati ena 9% ni lavaki oti na ivakacavacava, e vakavu oqo mai na cakacaka ni veivakavou e vakayacori. Na FHL e rawata na tubu e \$2.98 milioni mai na \$6.13 milioni na luvu ni lavo curu mai ena YV 2017 ni vakatauvatani kei na tubu e \$3.27 milioni e rawati mai na ilavo curu mai e \$6.76 million ena 2016. Na FHL e manidiataka talega na iyau taukeni, sa qai dau lauvaka na isau ni kena manidiataki na vei iyau oqori.

Na FHL e taukena e sivia ni 15,000 m³ na vanua vakarautaki ena

Suva. With increased acquisition of international sports contents and local productions, FTV will perform beyond expectation in the company years.

FHL Fund Management Ltd (FFML) recorded a pre-tax profit of \$1.06 million for the FY 2017 compared to \$1.08 million recorded in the previous year. FFML manages Fijian Holdings Unit Trust, which is a \$95 million managed investment scheme. During the year, a reduction of 22% was noted in entry fees reflecting lower sales of units. But the management team is confident that FHUT will become attractive to investors with the improvements in the capital market and changing investment climate in the country.

Our newest venture, Life Cinema Ltd (LCL) has successfully opened two screen cinema complex in Lautoka followed by four screen cinema complex in Nakasi. During the year, Revenue at Life Cinema increased from \$2.39 million in 2016 to \$ 2.82 million in 2017. LCL made a loss of \$0.54 million for the 2017 compared to a loss of \$0.42 made in previous year. Increase in the loss was due to work on six screens which were opened during the last two months of the financial year.

More than 220,000 paid - patrons had theatrical experience of Hollywood and Bollywood movies with the latest state-of-the art equipment. To date, FHL has invested more than \$ 7 million on this venture. One of the key challenges is the industry profit margins. From the revenue, 25% is deducted as VAT, ECAL and STT, while the international distributor collects at least 50%, leaving only 25% for expenses including potential profits for the investor. With startup losses at Life Cinema having minor impact on overall performance of FHL Media Ltd, we are optimistic that the company will make a positive contribution going forward in view of outstanding customer reviews.

Challenges

We experienced diversity of challenges as well during the period under review. Apart from unforeseen external challenges, we experienced challenges in terms of governance. We are thankful to our major shareholders to step in at the right time and remedy the situation. The new board led by an experienced leader has changed the way we move forward.

We continue to work hard to strengthen Governance and board effectiveness, which we believe should be a collaborative effort by all stakeholders in the context of a dynamic business environment. Group approach is shaped by annual board evaluation, discussion with independent directors and senior management team. Over the years, we have reconstituted our board sub-committees with a view to expanding their role and increasing value addition. It is a year of learning and improving the way we look at Governance.

The most constructive board room conversations are about business intelligence and that is happening. While demonstrating the highest standards of good governance, value building and corporate sustainability would be the focus in the years to come.

We are driven by transformation. We believe in optimising the potential within each of our assets. We position them to reap the right opportunities, revitalise their offering and elevate their standing. This is our form of transformation. Every asset in our portfolio presents an opportunity for growth. The strategy is well aligned with our commitment to enhance FHL's shareholder value, ensuring healthy and sustainable returns for our shareholders' investments.

Investments

Our financial position reflects sustainability in high growth sectors of the economy, positioned well to capitalise on the new age economy. We see our future growth trajectory clearly. Investments

3 na yabaki sa oti e taukeni kina e rauta ni 99% ni veivanua oqori. Na tabavale e rua, na Vanua House kei na Ratu Sukuna House erau veitokoni ga kina Ra Marama ka sa yabaki 13 nikua. Na tabavale vou ka vakatututaki na FHL Tower ena vakadaumakataka ga na itutu ni FHL Properties me ulumatua ni kabani e vakarautaki na vanua ni veiqaravi eso. Na lokuyara ni FHL Tower e vakavu mai na kena sega ni maukokona na cakacakavata kei dua na kabani ea digitaki, ia sa mai meu veika kece sara me yacova nikau. Na ituvatuva qo e sa vakavou, vei ira era vola kerekere mai mera droinitaka ka tara (design & build) ena sogo na vola kerekere ni cava na vula o Seviteba 2017.

E ka marautaki vei au meu vakarautaka ni sa mai vakavutukana na sasaga ni kena vueti na rawa ka ni Fiji Television Ltd mai vei ira na kena veiliutaki. Na FTV Group e mai rawata na tubu ni lavaki oti na ivakacavacavae \$575,134 mai na \$10.02 milioni na ilavo curu mai ena yabaki vakailavo ka mai ena i ka 30 ni Jiune 2017. Ena gauna vata oqo ena yabaki sa oti ea lusi na FTV group ena \$668,124 mai na \$11.36 milioni na levu ni lavo curu mai. Ena loma ni yabaki keitou vakavou kina na iwiliwili ni tamata cakacaka salavata kei na kena vakadaumakataka na veika e vakarautaki mera sarava na lewenivanua. E vakayagataka na FTV e sivia ni \$1 milioni ena 3 na rumu ni caka yaloyalo (studios) ena nodratou valenivolavola vou ena Brown Street, Suva. E namaki mena uasivi cake sara na veiqaravi ena yabaki oqo ni sa rawati na laiseni ni vuqa na qito ena veiyasai vuravura kei na porokaramu vivinaka era caka ga e Viti.

Na FHL Fund Management Ltd (FFML) e mai rawa e \$1.06 milioni na tubu ni bera ni lavaki na ivakacavacava ena YV 2017 ni vakatauvatani keina \$1.08 milion e yacovi ena gauna vata oqo ena yabaki sa oti. Na FFML e maniciatata na katoniyau Fijian Holdings Unit Trust, e tiko ena katoniyau e rauta ni \$95 milioni me vakatubuilavo kina. E mai lutu na isau ni unit ena 22% ena loma ni yabaki e lailai gona kina na ilavo curu mai ena voli ni uniti. Eratou vakabauta deivaki na veiliutaki nira na malele tale mai na lewenivanua ena kena vakadaumakataka na ivoli oqo ena kena makete salavata kei na veiveisau ena vuravura ni vakatubuilavo ena noda vanua.

Na sasaga vou ni kabani cokovata, oya na Life Cinema Ltd (LCL) ka qai dolava vou ga e rua tale nona tabana e Lautoka kei Nakasi. E mai tubu na ilavo curu mai ena Life Cinema mai \$2.39 milioni ena 2016 kina \$ 2.82 milioni ena 2017. Na LCL e lailai na veika e rawata e tiko ena \$0.54 milioni ena yabaki 2017 ni vakatauvatani ena \$0.42 milioni ea lusi kina na kabani ena yabaki sa oti. Na lailai ni veika e rawati e vakavu mai na 6 na vale ni yaloyalo vovou era dolo ena iotioti ni 2 na vula ena yabaki vakailavo oqo.

E sivia ni 220,000 na dausara yaloyalo era vakadinadinatata na veiyaloyalo vivinaka eso era caka mai Hollywood kei Bollywood ena valeniyaloyalo vou oqo. Me yacova mai nikua e sa vakayagataka oti na FHL e rauta ni \$7 milioni ena sasaga oqo. Na bolebole levu ena tabana oqo sa ikoya na levu ni tubu ena rawati. Mai na ilavo curu mai, e 25% e muski me VAT, ECAL keina STT, era sa na qai taura e 50% na veitabana mai vanua tani era veivotayaka, e sa na qai vo ga e 25% me veibokoci kei na ilavo vakayagataka wili kina na tubu. E sega soti sara ni vakilai na lusi e tara na Life Cinema ena veiqaravi taucoko ni FHL Media Ltd, ia keimami nui dei tiko nina rawa me vinaka cake mai na cau ni tabana oqo mai veika era cauraka na dausarasara.

Bolebole

E vuqa sara na bolebole e sotavi ena yabaki vakailavo oqo. Ena taudaku ni bolebole e sega ni namaka kara basika ena taudaku ni kabani ea vakilai tale na bolebole ena ivakarau ni veiqaravi vinaka. Keitou vakavinavinaka vakalevu vei ira na itaukei ni sea levu taudua ena kabani ni ra vakatulewa ena gauna dodonu e viganiti kei na ituvaki ni gauna. E sa dua na noda matabose vinaka liutaki mai vua e dua na dauniveiliutaki vuku ka kila ka.

Keitou vakuria tikoga na kena vakadaumakataka na veiliutaki vinaka kei na vatulewa maqosa ni matabose, ni keitou vakabauta ni dodonu mera cakacakavata na veitabana kece sara era umani ena vuravura ni bisinisi. Na rai ni kabani cokovata oya me baleta na ituvatuva ni kabani

and acquisitions will strengthen and add value to our businesses, ensuring that your company continues to grow, delivering excellence and setting the standard in every sphere in which we operate. We recognize that we needed to grow if we are going to survive the new world order. Mergers & Acquisitions are long and complicated, but can bring significant reward, for the company when done correctly.

Within this context, we have been working on more than 15 potential projects for last few years. Some of these will eventuate during the coming 12 months while some within the next few years. The investment business is such, some of these projects may not eventuate at all. At least we are confident of making an investment in Tourism sector in the coming months while working on another service based investments.

Investments involve risks. If you do not take any risks, you are probably not going to achieve what you set out to do. Risks could be mitigated with a bit of creative thinking. That is the same we are working continuously. Our highest exposure is in tourism and that too is at the mercy of changing weather pattern, as our entire investment is sea based transport. In the ensuing months, we are planning to add-value in the different form of products including accommodation and other services.

People Capital

Fijian Holdings Group has always been a place of empowerment. This is the reason most of our employees stay with us for long and excel in their career paths. At the heart of our progress is our engaged and empowered teams. Underpinning our growth is the highly competent and professional leadership team who share a common vision. Strong organizational structure empower their performance while regular oversight facilitates focus on strategic goals.

The development of a team capable of meeting the competitive challenges of today and being fully equipped for leading FHL in the future has been a major focus. We are convinced that the only long-term sustainable advantage for FHL lies in our people, having great teams grown within and performing at a level above our competitors.

Total staff strength in the group has reached 1800 excluding associate companies. Among them more than 34% are females and more than 7% are graduates. Our staff with postgraduate qualifications accounts for 2%. Total group staff expenses amounted to \$31.35 million for the financial year making FHL group, one of the preferred employers in the country.

Future Outlook

With stakeholders at heart and Fiji's unique and valuable assets in mind, we have pushed on with these initiatives to continue our journey forward as a thoughtful, exploratory and innovative entity. Consolidation of group structure remains a strategic objective with a view of building long-term value through optimization of group resources. We aim to achieve cost efficiencies and optimum operational performance through process improvements and integrations. With the world moving towards disruptive innovations, our aim would be to leverage on the core competencies across the group to build a lasting and sustainable competitive advantage for all businesses in the group.

On a positive note, the holding company has commenced work to make most of the group companies public. The process would allow the public participation in the group companies while improving the value of the entity on the balance sheet of holding company. It is commonly accepted that a listed company tends to be more aggressive and create added value for the shareholders.

While there could be many unforeseen reasons why the future may be even more challenging and demanding than what we have

e vakavotukana ena raici lesu ni tukutuku vakayabaki, veitalanoa kei ira na Dairekita salavata ena nodra okati na veiliutaki ena veikabani kece sara. Ena veiyabaki sa oti, keitou tauyavutaka na veimatakomi lalai eso kara vauqeti ena vakarabailevutaki ni nodra veiqaravi kei cau uasivi kina veikabani. Na bulataki ni veiqaravi se veiliutaki uasivi e vulici ena veisiga salavata kei na kena vakadaumakataki.

Na ulutaga bibi ni veivosaki era vakaitavi kina nomuni lewe ni matabose e baleta na kena tosoi ki liu na nomuni kabani kei na veika e yaco volita na nomuni kabani ena gauna qo. E vakanamata na nomuni kabani ena veiyabaki sa tu mai ki liu ena veiqaravi vinaka, taraicake ni veiqaravi uasivi kei na kena vakaikuritaki na rawa ka ni kabani ena veitabagauna.

Na veveisau me vinaka na veiqaravi e vakauqeta na neimami veiqaravi. Keimami vakararavi vakalevu ena kena iyau e tu kina loma ni kabani me vakatoroicaketaki kina. Era tuvai vakamatau me rawa ni tamusuki kina ena kena gauna dodonu, vakavinakata cake na veika era cau kina kei na kena vueti taudonu ni kena ituvaki. Qori sa sala ni veveisau e nakiti me vakayacori. Na iyau kecega ena loma ni kabani cokovata e dusia tiko na sasaga me basika na tubu vakabisinisi. Na tuvatuva levu ni kabani e no vakamatau ena kena tokoni na nodra rawa ka na itaukei ni sea, vakalesui na tubu uasivi ena nodra iyau na itaukei ni sea.

Vakatubu Bisinisi

Na ituvaki ni rawa ka ni kabani e dusia tiko nina vakaikuritaki na tubu ni kabani ena gauna vou ni vakatubu bisinisi sa tu e matada. E laurai votu nikua na kena tubu na nomuni kabani ena veisiga ni mataka. Na vakatubu bisinisi kei taukeni ni vei kabani eso e sana vukea na tu qaqa ni nomuni kabani, vakaikuritaki ni nona itutu ena makete ni bisinisi, vakadeitaka na tubu ni kabani ka me liu tikoga ena veivanua ni bisinisi e veiqaravi kina. Keimami taura rawa tiko ni dodonu meda tubu vakabisinisi kevaka e gadrevi me bula tiko na kabani ena vuravura ni bisinisi eda donumaka. Na noda cokoti vata se taukena e dua na vurevure ni bisinisi e dau taura na gauna qai vuqa talega na vakadeuci, ia ke qaravi vakavinaka sana rawa nida tamasuka na rawa ka uasivi sara.

Ena vuku ni tikina qo, na nomuni matabose e vakaitavi tiko ena 15 na vakatutu ena loma ni vica na yabaki sa sivi. E vica na vakatutu oqo sana rawa me vakavotukanataki ena loma ni 12 na vula mai oqo kei na vica ena qai yaco me dina ena vica na yabaki tu mai ki liu. Baleta ni sega nida lewe rawa na ituvaki ni vakatubu bisinisi ena so gona vakatutu oqori ena rawa ni sega ni vakavotukana. Ia, keitou nuidei nina rawati na vakatubu bisinisi ena tabana ni saravanua ena vica na vula e tu e matada kei na kena cakacakataki tale edua na ivurevure vou ni bisinisi.

Na vakatubu bisinisi kece e tu na kena ririko. Kevaka eda na levea tiko na ririko ena veigauna kece, e sana sega talega nina rawati na veika e lalawa tu kina na nomuni kabani. E rawa talega me wali na vei ririko oqori ena vakatulewa matau ni veiqaravi. Na cakacaka qo e vakuri ena veigauna kece sara. Edua na iwase levu ni vakatubu bisinisi e vakagolei kina tabana ni saravanua me vaka ni vakararavitaki ena draki e veiganiti qai salavata ni vakatubu bisini ena veivakaleleci e wasawasa. Ena vica na vula veitaravi keitou sa tuvatuva ka tiko ena kena tosoicake na ivakarau ni veiqaravi ena duidui ni voli ena vakarautaki me okati kina vanua ni vakacegu (accommodation) kei na veiqaravi tale eso.

Tamata Cakacaka

Na Kabani cokovata e dau tubera, kauwaitaka ka maroroi ira na nona tamata cakacaka. Ko ira na tamata cakacaka era taleitaka ka solia na nodra dina ena veiqaravi ena dua na gauna balavu ena Kabani. Nai takele ni toso vinaka ena Kabani sai koya na nodra cakacaka vata na tamata cakacaka. Na tubucake vakabisinisi e yavutaki ena nodra veiliutaki maqosa na kena vaka l lesilesi liu ena vei kabani ka ra wasea vata na kena lalawataki kei na kena cicivaki ni bisinisi. Na veitokoni vinaka e vakaikuritaka na levu ni rawa ka ka dau talevi vakawasoma na i tuvatuva lelevu ni kabani.

E gadrevi sara vakabibi na nodra tuberi na tamata cakacaka mera

experienced thus far, reflecting on the broad-ranging changes and policies we have adopted, we remain confident that as a Group FHL is well positioned to benefit from being more efficient, effective and competitive in the long term.

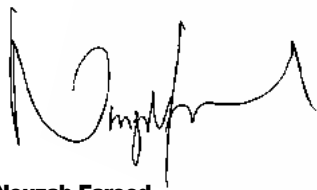
Appreciation

This past year, though filled with unexpected challenges has been a positive one overall for the Group. Our journey so far has been one of learning, achievement and continued empowerment. Your company operates in sectors that offer high growth potential in Fiji as well as in the region. We have prioritized and redoubled our efforts to grow our regional footprint.

As we seek to accelerate the pace of growth, we are fortunate to have a team of experienced, energized and competent staff as they have amply demonstrated over the past year. My sincere thanks go out to each and every member of FHL family for their contribution and commitment under challenging conditions. A special appreciation to the management and staff of FHL for their untiring efforts and continued support to build an organization that we can call a special place of work.

We are fortunate to have an engaged and experienced Board and I sincerely thank our Chairman and the board for their guidance and willingness to contribute. Finally I also wish to thank our treasured customers, strategic partners and our shareholders for their continued confidence in the group and our journey ahead.

Thank you



Nouzab Fareed

Group Chief Executive Officer
20th August 2016

sotava na bolebole, ni rawa ka vakabisinisi nikua ka vakarautaki ira ena bula ni veiliutaki ena FHL ena veisiga ni mataka. E sa kilai tu vakasigalevu na rawa ka vakavinaka sara ena i lakolako balavu oqo e yavutaki vei ira na nona tamata cakacaka. Na nodra tuberi vakavinaka na tamata cakacaka ena loma ni kabani e vukeyi ira me toka e cake nai vakatagedegede ni rawa ka mai vei ira era veiqati vata vakabisinisi.

Nai wiliwili taucoko ni tamata cakacaka ena Kabani cokovata e 1800. Mai nai wiliwili oqo e 58% na levu taucoko ni marama era veiqaravi kina ka sivia na 21% era rawata nai matai ni vola koroi ka 4% era sa rawata nai karua ni vola koroi. Na levu taucoko ni yau e vakayagataki veiira na tamata cakacaka e \$31.35 na milioni ena loma ni yabaki vakailavo oqo ena Kabani cokovata.

Rai Ki Liu

Ko i kemuni na taukei ni Kabani e yavu ni veiqaravi ena Kabani cokovata, ka sala vata kei na rairai vinaka ni noda vanua, e cakacaka vakakaukauwa kina na nomuni Kabani me rawata na veivakasama vou me rawa bisinisi vinaka kina. Na kena vakacokovatataki na veiqaravi ni Kabani cokovata ena vakanananu me na kena tarai cake eso nai tuvatuva vou me rawa ni vakayagataki vakavinaka kina na i yau ni Kabani. Na tatadra e tiko me da rawata na noda veiqaravi ena I sau vinaka duaduaka vakalevutaki kina na rawa ka ena kena I walewale vou oqo. Ena totolo ni toso ena bula vakabisinisi ena veimataka tawakilai e ka bibi me da vakayagataka na veiqaravi duidui ka rawa ka vakavinaka kina na Kabani cokovata.

E dua na I tavi e cakacaka tiko kina na Kabani cokovata ena kena tovolei me sa volitaki raraba na kena sea vei ira na lewenivanua. Na tikina oqo ena solia raraba vei ira na lewe ni vanua me ra I taukei ni kabani ka rawa ni toso cakekina na nomuni yau ena loma ni Kabani cokovata. Na tikina me da kila me baleta na veikabani e volitaki raraba na kena sea ena cicivaki vakavinaka ka na toso cake vakatotolo nai yau ni kabani.

E dina ga ni levu na bolebole e na vuku ni veisiga ni mataka mai na veika e da sotava tiko oqo, ena veiveisau ni matabose e cake, na veisau ni yavu eso, keimami sa nui dei tu ena Kabani Cokovata. Ena kenai davodavo vou oqo esa tu vakarau tu na Kabani me sotova

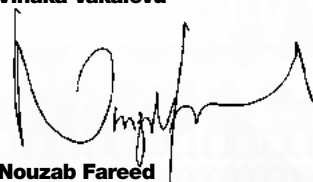
Vakavinavinaka

Ena yabaki vakailavo sa mai cava oqo, e a levu sara na bolebole sega ni namaki ka mai sotavi ia e a mai vakacavari vakavinaka na rawa ka ena kabani cokovata. Na veiqaravi vakabisinisi e yavutaki ena vuli, rawa ka kei na veitokoni. Na nomuni kabani e veiqaravi ena veitaba ni bisinisi ka rawa ka vakalevu sara e Viti kei na noda wasewase ni Pasifika oqo.

Ena kena totolo na noda cavu i kalawa ena rawaka ena tubu vakabisinisi e yavutaki mai veira na dauniveiqaravi gugumatua ka buta vinaka talega ena veiqaravi vakabisinisi era veiqaravi kina. Na noqu vakavinavinaka levu veiira kece na tamata cakacaka era veiqaravi ena loma ni kabani cokovata ena nodra veiqaravi ena yalo dina, vakatalega kina ko ira na veiliutaki ena vei kabani.

E da marautaka na kena vakatulewataki vakamatau na veiliutaki ni ra vakaitavitaki kina na kena dau ka vakabibi mai vua na turaga I liuliu ni matabose e cake ena FHL. Meu tinia ena vakavinavinakataki ira na dauvolivoli, tokani vakabisinisi kei kemuni nai taukei ni kabani ena nomuni dau tokona tuga na kabani cokovata, enai lakolako sa koto e matada.

Vinaka Vakalevu



Nouzab Fareed

Group Chief Executive Officer
20th August 2016



Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Col.Sakiusa Raivoce - Chairman
Nouzab Fareed
Pravin Patel
Veeral Patel
Kalpana Lal



BASIC INDUSTRIES LIMITED

FY17 was another record year for BIL. Revenue increased by 7.1% to \$83.552 million from \$78 million recorded the previous year. Net Profit Before Tax was \$9.926 million, up 7.8% from \$9.206 million recorded in 2016.

BIL is made up of two major divisions, Standard Concrete Industries, and Humes. Standard Concrete supplied unprecedented volumes of ready-mix concrete and concrete blocks during the year, particularly in the Western Division. Quarry aggregates and concrete pipes supply to various road upgrading projects around the country fared relatively well.

A major factor to the successful year has been the buoyant local building and industry market, driven by government's roads & infrastructure projects, Cyclone Winston rehabilitation projects and a high demand for housing. Export sales continued to trend positively, contributing 13% of the company's total revenue earned during the year.

The year had its share of challenges such as the statutory regulation changes on truck loading restrictions on local roads and bridges, cargo handling at the Kings Wharf, and new natural resource quarrying requirements. A shortage of cement supply was encountered over the last quarter of the year. New competitors continue to enter our market every year creating a very tough and competitive environment for our business.

BIL's positive growth trend is projected to continue provided the current positive market conditions do not change and there's continuous capital reinvestment into natural resource development, production capacity and capability improvements, human resource upskilling & training and market diversification.

E a dua na yabaki vinaka tale vua na BIL na yabaki vakailavo (YV) oqo. E tubu na rawaka vakailavo ena 7.1% kina \$83.552 milioni ni vakatauvatani kei na \$78 milioni e rawati ena YV sa oti. Tubu e rawati ni bera ni lavaki na ivakacavacava (NPBT) e \$9.926milioni, qo e tubu ena 7.8% mai na \$9.206 milioni e rawati ena YV16.

Na BIL e wase vakarua oya; na Standard Concrete Industries, kei na Humes. A veivotayaka na Standard Concrete ena YV qo na iwiliwili levu ni simede wakioti (ready-mix concrete) kei na buloko (concrete blocks) vakabibi kina Yasayasa vakaRa. A tubu talega na kena veivotayaki na qereqere kei na nukunuku (quarry aggregates) kei na paipo buli ena simede se kalivati (concrete pipes) me vakayagataki ena vakavinakataki ni gaunisala ena veiyasai Viti.

E rawati na tubu oqo mai na kena toso vinaka na makete ni taravale kei na veivakatoricaketaki ka liutaka tiko na Government's Roads & Infrastructure Projects (Tabana ni Gaunisala kei na Veivakatoricaketaki ni Matanitu), Cyclone Winston Rehabilitation Projects (Veivakacokotaki ni Cagilaba o Winston) kei na gagadre ni veivakavaletaki (housing). E daumaka talega na veiqaravi ni BIL ena makete mai vanuatani e vu tikoga mai na veiqaravi maqosa ni BIL ka veiganiti vata kei na isau e lavaki. Mai na lavo e rawati rawa ena yabaki oqo, e rauta ni 13% e rawati mai na ivoli e vakau e vanuatani.

E levu talega na bolebole e mai sotavi me vaka na veisau ni lawa ka vauca na cicivaki lori lelevu ena noda veigaunisala kei na kawakawa, na qaravi ni kako ena wavu levu e Suva (Kings Wharf) kei na lawa vou e baleta na nukunuku (natural resource quarrying requirements). A mai oti koso talega na simede ena katolu ni wasewase ni YV17. A tubu talega na veiqati vakabisinisi e sotavi mai vei ira na vo ni bisinisi ena makete keitou qarava.

E namaki ni na vakuri na tubu kei na rawaka ena veigauna sa tu mai eliu kevaka e sega ni veisau na ituvaki ni neitou makete ni veiqaravi salavata kei na kena vakatoricaketaki na iyau ni cakacaka, tamata cakacaka, na veika e buli, vakavinakataki na veika eda kenadau kina kei na vakarabailevutaki ni veiqaravi.



53.50%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Iowane Naiveli - Chairman
Nouzab Fareed
Malakai Naiyaga
Surendra Kumar Patel
Kaliopate Tavola
Litiana Loabuka



RB PATEL GROUP LIMITED

The financial year ended 30 June 2017 has been a rewarding one for all the stakeholders of the company. Revenues for the year stood at \$120m an increase of 4.4% over last year's \$115m. Other income, consisting mainly of rental income from our properties, was \$3.1m which was an increase of 8.4% over last year's \$2.8m. Gross Profit stood at 19.8% compared to 19.2% for last year. Net Profit after Tax was \$8.5m an increase of 15.4% over last year's \$7.3m. Earnings per share went up to 28 cents per share from 25 cents last year. An increase of 12%.

The share price increased during the year from \$3.10 to \$3.29 at the end of the financial year. This is an increase of 6%. The total increase in market return for shareholders for the financial year was an impressive 11%. The company continued to grow its reputation as a leader in shareholder returns on the SPSE.

The two construction projects, Apartments in Clarke Street, Suva and Car Park and retail shops at JetPoint in Martintar, Nadi are progressing well and should be completed within the next 12 months. There are new projects being considered by the company and the coming year should be an interesting one.

Na yabaki vakailavo (YV) e mai cava ena 30 Jiune 2017 e sa bau vakasakiti dina vei ira kece era okati kina Kabani. Na rawa ka vakailavo ni kabani e tiko ena \$120m qo e tubu ena 4.4% mai na \$115m e rawati ena yabaki sa oti. Na ivurevure ni lavo tale eso me vaka na rede ena iyau e taukena na kabani e tiko ena \$3.1m qo e tubu ena 8.4% mai na \$2.8m e rawati ena yabaki sa oti. Na tubu ni bera ni lavaki na ivakacavacava e tiko ena 19.8% ni vakatauvatani kei na 19.2% mai na yabaki sa oti. Na tubu ni lavaki oti na ivakacavacava e tiko ena \$8.5m qo e sivia na 15.4% mai na yabaki sa oti ni a rawata ga e \$7.3m. Na tubu e wasei ena sea e yacova sara na 28 na sede dua na sea ni vakatauvatani kei na 25 na sede dua na sea ena yabaki sa oti. Qo e tubu ena 12%.

E tubu talega na isau ni sea ena loma ni yabaki mai na \$3.10 kina \$3.29 ni cava na YV. Qo e veisivi ena 6%. Na levu ni tubu e vakalesui vei ira na itaukei ni sea ena YV e tiko sara ena 11%. E vakuria tikoga na Kabani na tubu levu duadua ena kena makete na SPSE.

Na vakatoroicaketaki ni bisinisi e qaravi ena gauna qo e okati kina na; Apartments (tabavale) e Clarke Street, Suva & Car Park (kelekele ni motoka) kei na vanua ni volivoli ena JetPoint e Martintar, Nadi. Sa toso vinaka sara tiko ka namaki me vakacavari ena 12 na vula mai qo. Qo e vica na veivakatoroicaketaki e nanamaki tiko kina na Kabani e sa na vakasakiti talega kina na veiqaravi e veiyabaki sa tu e matada.



100%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Ratu Aisea Vosailagi - Chairman
Nouzab Fareed
Roger Dold
Peter Duncan
Catherine Grey
Dixon Seeto



SOUTH SEAS CRUISES

South Sea Cruises produced a solid result in FY17 albeit affected by unbudgeted resort closures in the Mamanuca Islands resulting in a performance short of budget. On a positive note, day cruise revenue in particular to South Sea Island grew by 11% in FY17 as did our Resort Connection transfer numbers to the Yasawa Islands which grew by 3%.

Blue Lagoon Cruises has continued to grow and contributed a strong performance increasing occupied cabin nights by 2% on prior year as at 30 June 2017. We are forecasting this will increase by a further 12% in FY18.

The Awesome Adventures packages to the Yasawa Islands have provided good numbers to the region despite global factors making travel to Fiji for this target market less affordable. The Awesome Adventures customers being traditionally backpackers or low budget travellers are heavily reliant on competitive air fares and a favorable currency of which global events had some effect. Awesome Adventures realigned some of its offerings as of 1st April and has taken strong forward bookings in the second half of FY17 to set up a strong start to the new financial year.

E totoka sara na veika e rawata na South Sea Cruises ena yabaki vakailavo (YV) ni 2017, dina ga ni a sega ni tiko ena tuvatuva vakailavo ni yabaki na kena mai sogo na yanuyanu saravanua e Mamanuca ka vuna na kena sega ni yacovi na ituvaluva vakailavo ni yabaki oqo. Na yasana e daukena cake, oya; na rawa ka vakailavo mai na South Sea Island, e tubu kina 11% ena YV17 e vaka kina na iviliwili ni dewa yanuyanu ni saravanua (Resort Connection transfer) e tubu ena 3%.

E toso vinaka tale tikoga na Blue Lagoon Cruises ka vakaitavi sara vakalevu ena kena tawani na waqa ena 2% ni mai cava na June ni 2017 ni vakatauvatani ena gauna vata oqo ena yabaki sa oti. Keitou namaka tiko me na tubu na iviliwili oqo ena 12% ena YV18.

Na veiqaravi ni Awesome Adventures ena yatu Yasawa e vakavuna vakalevu na nodra yaco vakaiyauyau mai na saravanua, dina mada ni tu e vuqa na bolebole, era malele tikoga mai e Viti baleta ni sau rawarawa. Na veiqaravi ni Awesome Adventures e baleti ira na backpackers se o ira na saravanua e sega soti ni levu nodra vakayagataki lavo kara vakararavi vakalevu ena sau lailai ni vodovodo ni waqavuka kei na kaukauwa ni bula vakailavo e Viti. E mai veisautaka vakalailai na Awesome Adventures na veika eratou vakarautaka vei ira na saravanua ena i 1 ni Epereli, e levu sara na volayaca ena ikarua ni veimama ni YV17, e sa vakarautaki sara talega kina vakavinaka na itekitekivu ni dua tale na yabaki vakailavo vou.

Vinaka Fiji milestones initiatives achieved in FY17 included further improvements to rain harvesting capacities and the furthering of agricultural projects to improve the sustainability of people living in the Yasawa Islands.

The company encountered delays to the arrival of its two new vessels with the first vessel 'Tiger V' having arrived at the end of June 2017. This put pressure on the older fleet as well as adding non-budgeted repairs & maintenance costs. The company also suffered total loss of its 100+ year old sailing schooner the "MV Seaspray" in February 2017 which has resulted in a decreased capacity on this product despite an interim vessel was chartered.

The scope of the Malamala Beach Club project grew throughout the year to enable larger volumes of guests as well as evening events. This has put completion back to mid-2017 and opening is now scheduled in the first quarter of FY18. The tourism industry both domestically and internationally is displaying great anticipation for Malamala Beach Club's opening with South Sea Cruises holding a number of advanced group bookings already. South Sea Cruises will also commence a new 10.00am service to both Malamala Beach Club and South Sea Island to cater for the increased passenger numbers.

South Sea Cruises and Blue Lagoon Cruises achieved combined total revenue of \$50.7m (\$47.3m in FY16) for the year ending 30 June 2017 resulting in a net profit after tax of \$5.9m (\$4.6m in FY16).

The outlook for FY18 looks positive with much of the resort inventory back on line, strong forward bookings for Awesome Adventures and Blue Lagoon Cruises being held as well as the imminent opening of Malamala Beach Club.

Na ituvatuva na Vinaka Fiji e rawaka vinaka sara talega ena YV17 ena kena vakadaumakataki cake na maroroi ni wainiua kei na veika e baleta na ite me vukea na bula vakaivakarau ni lewenivanua mai yatu Yasawa.

E mai vakayalia talega eso na ilavo ni Kabani ni a vakabera na yaco mai ni rua na waqa vou, wili kina na imatai ni waqa na 'Tiger V' ka qai yaco mai ena mua ni Jiune, 2017. E mani vakavuna na bera qo me vakayagataki eso na iyau ka sega ni okati tu ena tuvatuva vakailavo ni kabani ena vakavoui kei na vakavinakataki ni so na waqa makawa. E kena ikuri na vakaleqai ni sukuna na "MV Seaspray" ena Veverueri ni 2017 ni oti e 100 vakacaca na yabaki nona soko. E vakavuna na kena lutu sobu na veika edau rawati mai na waqa oqo, dina ga ni soko-vakatawa tiko edua na waqa ena gauna qo.

Na ituvatuva e baleta na Malamala Beach Club e toso vakavinaka sara tiko, e namaki ni na vakalevutaka na iwiliwili ni sara vanua era qaravi kina, salavata kei na kena vakayagataki ena soqo ena bogi. Ena vuku ni tikina qo e sa na qai vakacavari kina na cakacaka ena veimama ni YV17 ka namaki me dolavi ena matai ni tolu na vula ni YV18. Era sa nanamaki vakalevu sara tiko na saranavanua e Viti kei vanuatani ena kena curumi na Malamala Beach Club me vaka ni ratou sa tekivu ciqoma sara tale tikoga na South Sea Cruises na volayaca. Na South Sea Cruises ena tekivutaka edua nona gauna ni veiqaravi vou ena 10 ena mataka me sotavi kina na tubu ni iwiliwili ni pasidia ena vanua ni saravanua e rua na Malamala Beach Club kei na South Sea Island.

Na South Sea Cruises kei Blue Lagoon Cruises erau mai rawata e rauta ni \$50.7m (\$47.3m in YV16) ni mai cava YV17 ena i 30 ni Jiune ka rawata na tubu ni lavaki oti na ivakacavacava ena \$5.9m ni yacovi na 30 ni Jiune ni 2017. (\$4.6m in YV16).

E namaki e dua na gauna vinaka ena YV18 me vaka ni sa na toso vakavinaka tale tu kina na neitou vanua kece ni saravanua. E vakadinadinataki ni toso vinaka na volayaca ni veiqaravi erua ena Awesome Adventures kei na Blue Lagoon Cruises me salasalavata kei na nodra nanamaki ena dolavi ni Malamala Beach Club.





50.10%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Anthony Whitton - Chairman
Naipote Katonitabua
Nikita Patel
Nouzab Fareed
Pravin Patel



PACIFIC CEMENT LIMITED

The company recorded total revenue of \$33.06m decrease of 13.20% compared to FY16 as directly contributed by cement mill breakdown which was due to wear and tear. The trunnion gear of the cement mill was the cause of the mill breakdown which was installed with the mill in 1958.

The Profit before Income tax was \$1.55m decrease by 40.80% compared to FY16. FY17 total cement sold was 134,195 tons compared to 150,543 tons in FY 2016, decrease of 10.8%.

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

The Company Directors are Anthony Whitton (Chairman), Nouzab Fareed, Pravin Patel, Nikita Patel and Naipote Katonitabua.

Na rawa ka ni kabani e tiko ena \$33.06m qo e lailai mai na 13.20% ni vakatauvatani ena YV16. Na vuna levu oya na kena mai leqa na iqaqi ni simede ka dredre me levei rawa. Na gacagaca ni qaqi e a vakaleqai oya na 'trunnion gear' ka se tekivu vakayagataki sara ena 1958.

Na tubu e rawati ni bera ni lavaki na ivakacavacava e tiko ena \$1.55m qo e lailai mai na 40.80% ni vakatauvatani ena YV16. Ena YV17 na levu kece ni simede e volitaki e rauta ni 134,195 na tani vakatauvatani kei na 150,543 na tani ena YV 2016, qo e lutu ena 10.8%.

Na PCL ena vakuria tiko na nona lewa vakamatau ena yagayataki lavo, saga na iwalewale vovou ni vakarautaki ni simede kei na vakatuburi ni bisinisi ena makete ni vakau ivoli kei na rawati ni 90% ena kena makete ena noda vanua. Na PCL e okati me kenadau ena buli simide ena wasewase ni Pasifika ka sa vakavakarakau sara tale tu ga me veiqati yani ena veiyanyanu ena Pasifika.

O ira na Dairekita ni Kabani e wili kina o Anthony Whitton (Chairman), Nouzab Fareed, Pravin Patel, Nikita Patel kei Naipote Katonitabua.



100%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:

Isikeli Tikoduadua
Nouzab Fareed
Surendra Kumar Patel
Murgessan Pillay
Shammi Lochan Lal



FHL PROPERTIES LIMITED

During the year, FHLP managed to maintain an exceptional level of occupancy throughout all its property portfolio comprising of Ratu Sukuna House, Vanua House, FHL Building and Ra Marama.

The 2017 financial year was indeed very challenging for the team however the Company recorded a total revenue of \$4.12m (2016: \$3.91m) an increase of 5.37%. FHLP operating profit before tax was \$3.49m (2016: \$3.93m). During the year, the Company declared a final dividend of \$550,000 to Fijian Holdings Limited compared to \$500,000 in the previous year.

The FHLP portfolio also undertook some major renovation works which has resulted in key tenants rolling over leasing agreements and improved occupancy. FHLP continues to find the increasing maintenance costs a challenge in this line of business whilst providing the highest standard of services to our valued tenants without impacting the return to shareholders.

The 2018 financial year is expected to be another challenging one as we will continue with the significant upgrading projects and other small works for all the buildings. We however remain positive with the projected economic outlook and with the progress of the FHL Tower project located at Gordon Street opposite Ra Marama. We anticipate another exciting year for the company.

Ena Yabaki oqo e vakadeitaka na FHLP na veiqravi uasivia duadua ena veitabavale e qarava voli me vaka na Ratu Sukuna House, Vanua House, Tabavale na FHL kei na Ra Marama.

E vuqa sara na bolebole e sotavi ena Yabaki vakailavo oqo 2017; ia na rawa ka vakailavo ni kabani e tiko ena \$4.12m (2016: \$3.91m) qo e tubu ena 5.37%. Na tubu bera ni lavaki na ivakacavacava ni FHLP operating e tiko ena \$3.49m (2016: \$3.93m). E wasea na Kabani e rauta ni \$550,000 na nona i ototi ni wase tubu kina Fijian Holdings Limited ni vakatauvatani kei na \$500,000 ena yabaki sa oti.

E vakayacora talega na Kabani eso na cakacaka levu ni kena vakavoui na veitabavale e taukena, qo e vakavuna na nodra vakuria na veidinadinati ni rede kei na vakadaumakataki ni nodra tiko na tawana voli na veitabavale oqori. Na FHLP e sotava voli na bolebole ni kena tubu tikoga na isau ni vakavoui se vakavinakataki ni veitabavale e taukena salavata kei nona vakadeitaka na ivakarau ni veiqravi uasivi vei ira na tawana ka saga me kua ni leqa na tubu e wasea vua na itaukei na nona sea.

Na Yabaki vakailavo 2018 e namaki me vakuri tiko kina na bolebole ni kena vakuri na veiqravi uasivi ni Kabani kei na vakatoricaketaki ni veitabavale keitou taukena. Keitou yalodei voli ena veika e namaki me baleta na noda bula vakailavo salavata kei na sasaga me vakavotukana na FHL Tower ka me tara ena Gordon Street veibasai kei na Ra Marama. Keitou nanamaki vakalevu ni na dua tale na yabaki vinaka kina Kabani.

80%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



Talk to us first

The Company Directors are / O iratou na Dairekita:
Sanjit Patel - Chairman
Sunil Sharma
Arun Narsey
Nouzab Fareed
Mereoni Matavou



MERCHANT FINANCE LIMITED

The FY2017 was a difficult one for MFL comprising of an aggressively competitive market in both credit and investments and the impact of some new products launched during the year.

Interest income increased by 7% due to the trade finance products available in the first part of the year, in addition, surplus funds being invested in short term deposits earned higher interest. Customers took advantage of the increased competition in the market as financial institutions competed for funds. Merchant Finance had to match or offer better rates for new and maturing term deposits which saw interest expense increasing by 26% from the previous year.

Loan impairment expense was a significant factor towards the increase in the company's overall expenses, the 250% surge was due to a \$3.9m provision on a loan which at year end, was still in recovery stage. The company is working towards recovering this debt but took a conservative approach and provided for the loan at year end.

The culmination of the above resulted in 44% decrease in Profit before Interest and Tax from \$9.4m in 2016 to \$5.3m in 2017.

Earlier in the financial year, Merchant Finance opened its Sigatoka Branch to better serve customers along the Navua – Sigatoka corridor. The demand for financial services in this corridor was evident with the branch portfolio growing from \$3.4m in July 16 to \$5.3m at the end of the financial year, an increase of 56%.

E sega soti sara ni yabaki rawarawa kina MFL na YV17 me vaka ni levu sara na veiqati vakabisinisi ena soli dinau kei na vakatubuilavo salavata kei na tara bi ni so na ivoli vovou kara sevutaki ena loma ni yabaki.

Na ilavo e rawa mai na tubu e tiko ena 7% qo e rawati mai na ivoli na trade finance ka rawati ena imatai ni wasewase qai kena ikuri na vo ni lavo era vakacurumi ena vakatubuilavo ena gauna lekaleka (short term deposit) e rawa tubu vakavinaka sara talega. Era sega ni qai guce na lewenivanua ena kena vakayagataki na ivoli oqo ena veitubutuburi ni tubu e rawati ena makete ni vakatubuilavo ka yavutaki ena veiqati ena kena makete. Ea mani saga na Merchant Finance me solia na tubu e uasivi cake se tautauvata kei na veika e soli ena makete vei ira era qai curu vou se o ira era sa matua tiko yani na katoniyau. Qo e vakavuna na tubu ni vakayagataki lavo ni kabani kina 26% ni vakatauvatani ena YV sa oti.

Na vakayagataki lavo levu duadua ni kabani e sotavi ena soli Loni (Loan) e tubu na vakayagataki lavo kina 250% rauta ni \$3.9m, ni mai cava na yabaki e se sagai tikoga me vasokumuni. E sa cakacaka tiko na Kabani ena kena kumuni na dinau qo ena sala malumu ni veiqaravi ka nuitaki mena kumuni kece ni cava na yabaki.

Na isoqoni ni vei ka e cake e mai lutu vakaca kina na tubu ni kabani kina 44% ni bera ni lavaki na ivakacavacava oya mai na \$9.4m ena 2016 kina \$5.3m ena 2017.

Also during the year, after considering its risk impact on the financial security, Management and the MFL Board halted the Trade Finance product. MFL then refocused its operations on our three core products commercial lending, personal lending and high notes.

The community is our biggest asset which is what drove the Company to give back through:

- Cash donations to Fiji Cancer Society, Lifeline Fiji (organization aimed at reducing suicide's in Fiji) ;
- Participation and awareness in municipal carnivals e.g. National Road Safety for LTA(Hibiscus festival), Nausori Crime Prevention (Tebara carnival);
- Rural assistance – sponsorship of the BUA province scholarship and Nadroga team uniform;
- Production of brochures for the Southern Division Duavata Community Policing model and Southern Division Crime Prevention tips;
- Tour of the Northern region meeting customers in Taveuni, Savusavu and Labasa to see how their business were operating in current economic circumstances, problems they were facing and how MFL could assist.

The 2018 financial year looks promising and MFL is determined to rise above past and current year challenges and provide better financial services to its customers and stakeholders. Plans are underway to restructure management and approval delegations so to assist customers with timely response and improved services. Our new Nakasi branch which will replace the Damodar Branch is due to open in September and aims to better serve the public in the Nakasi – Rakiraki stretch thus bringing financial solutions closer to you.

Ena itekivu ni yabaki ea dolavi kina na tabana vou ni Merchant Finance e Sigatoka mera qaravi vakavinaka kina na lewenivanu ena tadrua e Navua kei Sigatoka. Na gagadre ni nodra vakailavotaki na vakatikotiko ena maliwa ni vanua erua e vakadinadinataki ena levu ni veika e mai rawati. Oya mai \$3.4m ena Jiulai ni YV16 kina \$5.3m ni mai cava na YV, e tubu ena 56%.

Ni oti na kena mai dikevi, ena loma ni yabaki na ririko e basika ena ivoli na Trade Finance, sa mani vakatulewataki mai vei ira na Manidia ni Kabani kei ira na kena Dairekita me vakacegui na soli ni ivoli oqo. E sa mani qai vakanamata na veiqaravi ena tolu na ivoli e kilai kina na MFL oya na soli dinau kina kabani (commercial lending), soli dinau kina tamata cakacaka (personal lending) kei na vakatubuilavo (high notes).

Na neitou kaukauwa e tiko vei ira na lewenivanua koya gona edau guta na Kabani me cau lesu kina qaravi ni bula raraba me vaka:

- Cau ilavo kina Fiji Cancer Society, Lifeline Fiji (soqsoqo e vakaitavi ena kena vakalailaitaki na yalani koso ni bula) ;
- Vakaitavi ena veisoqo e qarava na Matabose ni Veitauni me vaka na National Road Safety for LTA (Hibiscus festival), Nausori Crime Prevention (Tebara carnival);
- Veitokoni kina taudaku ni koro lelevu – sponsorship of the BUA province scholarship and Nadroga team uniform;
- Tabaki ni tikidua nodratou na Southern Division Duavata Community Policing model kei na Southern Division Crime Prevention tips;
- Siko kina Vualiku me vakayaco veivosaki kei ira na lewenivanua e Taveuni, Savusavu kei Labasa ena ituvaki ni nodra bisinisi ni donumaki na bula vakailavo ni gauna qo, na bolebole era sotava kei na veika e rawa ni vukei ira kina na MFL.

Na yabaki vakailavo ni 2018 e solia na inuinui vinaka kina Kabani ka sa yalodei na MFL ni na uabaleta na dredre kei na vei bolebole eso e sotavi ena veigauna sa oti kei veigauna e tu mai e liu ka me vakarautaka na veiqaravi vakailavo uasivi vei ira na lewenivanua kei na veitabana raraba. E sa vakayacori na ituvatuva ni veiveisau e okati kina na veisau ni veiliutaki, na sala ni kena vakadonui na nomuni gagadre vakailavo na lewenivanua ena gauna totolo, rawarawa duadua. Na neitou tabana vou e Nakasi sana sosomitaka na tabana e Damodar ka namaki me dolavi ena Sevitaba. E kena inaki mera qaravi kina vakavinaka na lewenivanua e Nakasi me yaco sara i Rakiraki qo e sa na vakavolekata mai na iwali ni gagadre vakailavo vei kemuni.



61.70%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



The Company Directors are / O iratou na Dairekita:

Robert Lyon - Chairman
Deepak Rathod
Ajai Punja
Sereana Matakibau
Nouzab Fareed



FIJI TELEVISION LIMITED

Fiji Television Limited being Fiji's longest running Television network commenced the financial year by heavily focusing on its "free to air service" to its viewers & advertisers. During the year a special dividend of \$3.090 million was declared and paid out to our shareholders from the proceeds of the Media Niugini Ltd sale.

FTV also launched its second free to air channel on the 5th of August 2016 which is branded as "Channel 2" in line with the Digital TV growth in the country. Channel 2 is an exciting new addition to FTV's line-up, also part of the line-up is the Fiji One channel that has strengthened its presence in homes across Fiji and the Pacific since its inception in 1994 and we expect Channel 2 to build on the brand and high quality content that FTV has established over its 22 years of existence.

With Content being our core business it was yet another milestone for the Fiji TV team launching the country's first ever Midday News and Sports bulletin LIVE on Fiji One, definitely offering something more for our viewers and advertisers. We were also very proud to be able to bring home to our viewers some very big LIVE events this financial year such as the Big Bash Cricket League; 2017 Brisbane Global Rugby Tens; Test matches Fiji Vs Italy & Fiji Vs Scotland; 2017 Oceania Athletics Championship; great boxing action between Manny Pacquiao and Jeff Horn and most importantly we managed to

Na Fiji Television Limited (FTV) e kabani balavu duadua na nona vakacici bisinisi ni yaloyalo (TV) ena noda vanua, esa tekivutaka na nona yabaki vakailavo (YV) ena nona vakanamata kina "free-to-air service" me baleta ira na dausarasara keina veikabani. Ena loma ni yabaki YV qo ea wasei kina vei ira na taukei ni sea e \$3.090 milion ka a rawati mai ena kena volitaki na Media Niugini Ltd.

Ea sevutaka talega na FTV na ikarua ni nona free-to-air channel ena i ka 5 ni Okosita, ka sa vatokai me "Channel 2" qo e veitokoni tiko kina sasaga me vakatetei na Digital TV ena noda vanua. Na Channel 2 e mai tokona ga na veiqravi ni Fiji One ka sa kilai levu tu e Viti kei na Pasifika me vakatekivu mai kena tauyavu ena 1994. Keitou namaka ni na vakakina na kena kilai kei na taleitaki na Channel 2 ka vakaqacacotaka na irogorogo e kilai tani kina na Fiji One ena loma ni 22 na yabaki ni kena veiqravi.

Me vaka ni ivoli levu duadua na neitou porokaramu, keitou mai tekia kina e dua na isausau vou ena Kabani na kena sevutaki na Rogo iTukutuku ena sigalevu kei na iTukutuku ni qito ena Fiji One ena vukudra na dau taleitaka na neitou porokaramu vakatalega kina o ira na dau veivoli. Keitou cibitaka sara talega ni rawa me keitou vakaleleca mai e vuqa na porokaramu LIVE ena YV qo me vaka na; Kirikiti - Big Bash Cricket League; Rakavi le yatini - 2017 Brisbane Global Rugby; Valataki Vanua - Fiji vs Italy kei na Fiji vs Scotland;

secure another season of LIVE HSBC Sevens World Rugby Series. We were also very proud as the official broadcast rights holder of the 2016 Rio Olympics to be able to showcase LIVE to viewers in Fiji the full coverage of the Sevens Rugby Gold Medal match and also the nationwide celebration.

As part of our current broadcast license conditions that requires television stations to grow the local content, FTV launched local shows such as: Na Domomuni, Mai Muri Mai, Mavis @5.30, Meri Kahaani, Groove Classics, Great Jobs. FTV also signed an agreement with the Fiji Secondary School Rugby Union (FSSRU) for the Coca Cola Zero Deans Final 2016; Nem and Talei for the musical event "A Tribute to the Classic"; an exclusive agreement with the Republic of Fiji Military Forces to be the Official Television Broadcaster for the 2016 Ratu Sukuna Bowl Tournament; exclusive television broadcast license to broadcast LIVE and delayed coverage of the FMF Chow Games 2016; Fiji Fashion Week 2017 and Nawaka 7s.

The year also saw the resignation of the former CEO, Geoffery Smith in January 2017 to pursue a regional career. Ms Karen Lobendahn took the helm as Acting CEO and later in June was confirmed as the company's new Chief Executive Officer and also the first female CEO in the Fiji Media Industry.

In line with the evolution of technology in the TV industry, Fiji TV continuously aligns itself thus made an investment of a little over a million dollars on new equipment and upgraded our technology platform. We believe this will enhance our broadcast and services to our viewers & clients. Fiji TV also saw some changes in its Board of Directors as it had resignations and appointments. The board now consists of Robert Lyon as the Chairman and Directors are Nouzab Fareed, Ajai Punja, Deepak Rathod, and Sereana Matakibau.

2017 Oceania Athletics Championship; Veivacu - Manny Pacquiao kei Jeff Horn qai kena e uasivi duadua na kena vakadonui me keitou vakaraitaka tale na sotasota ni rakavi le yavitu na LIVE HSBC Sevens World Rugby Series. Keitou cibitaka talega na kena digitaki na neitou Kabani ni TV ena kena vakaleleci na Rio Olympics ni 2016 me rawa kina nida vakadinadinataka na qaqa nei Viti ena metali koula kei na soqo ni vakacirisalusalu e a vakayacori ena noda vanua.

E tiki ni kena soli na laiseni ni kakaburaki oya na kena tokoni na porokaramu era vakarautaki ga e Viti ea sevutaka kina na FTV na porokaramu me vaka na: Na Domomuni, Mai Muri Mai, Mavis @5.30, Meri Kahaani, Groove Classics, Great Jobs. Ea mai toqa talega na FTV na veidinadinati kei na Fiji Secondary School Rugby Union (FSSRU) me baleta na kena vakaraitaki na Coca Cola Zero Deans Final 2016; Nem kei Talei me baleta na railisu ni veimatasere eso "A Tribute to the Classic"; na veidinadinati kei na Republic of Fiji Military Forces me vakaraitaka taudua ga na FTV na sotasota ni 2016 Ratu Sukuna Bowl; e vaka kina na veidinadinati me kaburaka na sotasota ni gonevuli na FMF Chow Games 2016 LIVE kei na kena tokarua; Fiji Fashion Week 2017 kei na Nawaka 7s.

E mai tekivutaki na yabaki e na nona kere vakacegu, o Geoffery Smith mai na itutu vaka CEO ena vula o Janueri. A mai taura o Ms Karen Lobendahn na itutu vaka CEO vakatawa me yacova na mua ni vula o Jiune sa qai vakadeitaki kina na nona itutu vaka Chief Executive Officer ka sa isevu talega ni marama me cabeta na itutu vaka CEO ena tabana ni vakau itukutuku e Viti (Fiji Media Industry).

E vuku ga ni veiveisau e tara na gacagaca (technology) ni qaravi binisini ni TV e sasaga voli kina na Fiji TV me moica na nona veiqaravi me toso vata kei veisau oqo. E vakayagataka kina e sivia vakalailai na dua na milioni na dola ena voli ni veimisini vovou, vakatoricaketaki ni gacagaca ni veiqaravi tale eso. Keitou vakabauta ni veisau oqo sa na vakadaumakataka na neitou veiqaravi vei ira na lewenivanua kei ira na veikabani keimami veiwekani vakabisini tu. E mai vakayacori talega eso na veisau vei ira na Dairekita ni Fiji TV me vaka ni so era sa kerea na nodra vakacegu kei na veilesi vou. Na lewe vou ni Board ena gauna qo e okati kina na Chairman Robert Lyon kei na Dairekita Nouzab Fareed, Ajai Punja, Deepak Rathod kei Sereana Matakibau.



100%



FHL STOCKBROKERS LIMITED

FHL Stockbrokers Limited, a wholly-owned subsidiary and the broking arm of Fijian Holdings Limited, maintained a positive result for the financial year ended 30th June 2017 with a NBPT of \$10,320. Operations of the company continued efficiently under the restructure made in FY15. Active market activities, dense competition had impacted performance, but a positive outlook was maintained at all times. The 2018 financial year is expected to be another challenging one for the company, however, FHLS has established itself well in the market and is sanguine in maintaining positive results through other revenue streams such as support services to complement its main revenue driver. Simultaneously, the outlook remains progressive for trading market as investors are now becoming aware of investment opportunities available in the market.

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Emitai Boladua - Chairman
Nouzab Fareed
Catherine Grey

FHL Stockbrokers Limited, e taukeni vakataucoko ena Fijian Holdings Limited ka qarava talega na veivakasalataki ni sea ena kena makete. E mai vakadeitaka toka nona rawaka vakailavo ni mai cava na Yabaki vakailavo (YV) ena i ka 30 ni Jiune 2017 ena NBPT e \$10,320. E sega ni vakaleqai na veiqaravi ni kabani ni oti na veiveisau e vakayacori kina ena YV15. Na bulabula ni veivoli ena makete ni sea kei na levu ni veiqati vakabisinisi e mai vakilai vakalevu ena rawa ka ni kabani e sega ga ni vakadaroya me vakanamata na kina veigauna vinaka e tu mai ki liu. Na YV ni 2018 esa namaki oti tu ni na levu sara kina na bolebole, ia, na FHLS e sa vakadeitaki koya oti tu ena kena makete ka yalodei tiko ni na rawata vakavinaka na veiqaravi ni YV18 ena so tale na vurevure ni lavo ena rawati mai ena veiqaravi tale eso. Ena gauna vata talega qo e se daumaka tikoga na makete ni veivoli qai kuria na nodra sa vakaramataka tiko na lewenivanua ena cakacaka ni vakatubuilavo era dui tu ena makete ni volitaki sea.



100%



FHL FUND MANAGEMENT LIMITED

FHL Fund Management Limited, the Fund Manager for Fijian Holdings Unit Trust, recorded a total revenue of \$826,992 as compared to \$849,319 for FY 2016. The 2017 financial year was a challenging one for FFML with the stagnant market conditions and the approval delay in some of our anticipated projects during the year. We expect the 2018 financial year to be a challenging one however FFML will continue to explore viable investment opportunities for the Fund in the new financial year and is optimistic that the strategies that have been put in place will maximise competitive returns to our unitholders.

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Adrian Sofield - Chairman
Ana Tuiketei
Navin Raj
Gyaneshwar Prasad
Nouzab Fareed

Na FHL Fund Management Limited, e Manidia ni Katoniyau na Fijian Holdings Unit Trust, ena rawa ka vakailavo ni Kabani e yacova kina e \$826,992 ni vakatauvatani kei na \$849,319 ena YV 2016. Na YV 2017 e sotava kina na bolebole na FFML ni vaka me mai tu ga vakadua na makete ni Uniti kei na kena vakabera na veivakadonui ena eso na vakatutu ena loma ni yabaki. Keitou sa namaka tiko na dredre era na sotavi ena YV ni 2018 ia e nuidei tiko na FFML me vaka ni Manidatata tiko na Katoniyau na Fijian Holdings Unit Trust (FHUT), ni na vaqara na veivanua me vakatubuilavo kina na Katoniyau ena yabaki vakailavo oqo salavata kei na nuidei ni tuvatuva e vakarautaki ena kena vakalesuya mai na tubu uasivi me wasei vei ira na Dauvakatubuilavo.



69.10%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL

The Company Directors are / O iratou na Dairekita:
Nouzab Fareed - Chairman
Surendra Kumar Patel
Saleshni Warran



LIFE CINEMA LIMITED

The 2017 financial year saw the addition of six more screens bringing the total number to ten screens spread over three locations. The new theatres commenced operations in Lautoka and Nakasi in March and May 2017 respectively. We can now offer our customers better choice in Lautoka and anticipate a growth in market share after having established and operated the only cinema in Nadi since December 2014. Located in the heart of Lautoka and nestled in the new Tappoo City Lautoka, the complex is fast becoming a destination shopping place.

The cinema in Nakasi has also shown good response from patrons. A large population of Hindi speaking and loving audience in and around that area is anticipated to grow our business. With the expansion plans completed for now, our Team will focus on providing the best entertainment in the cinema industry. We have the capacity to deliver the best customer expectations.

The availability of quality movies during the peak seasons will be critical to enhance cinema performance.

We look forward to the new financial year and remain excited to run all cinemas for the full 12 month terms bring world class entertainment to the Fijian public.

Na Yabaki vakailavo ni 2017 e dola vou tale kina e ono na vanua ni yaloyalo me kauta cake na kena iwiliwili kina tini ena tolu na vanua e Viti. Erau a dolavi na valeniyaloyalo vou e Lautoka kei Nakasi ena vula o Maji kei Me ni yabaki oqo 2017. Sa na rawa ni keitou vakarautaka na digidigi uasivi vei ira na lewenivanua e Lautoka ka namaki na tubu ena neitou makete ni sea ni oti na kena vakadinadinataki na isevu ni valeniyaloyalo mai Nadi ena Tiseba ni 2014. E tubu sara tiko vakatotoalo na kilai ni tabana vou e Lautoka vei ira na lewenivanua vakabibi ni tiko ena lomadonu kei Lautoka ena tabavale vou na Tappoo City.

E vakaraitaki vinaka tale tikoga na valeniyaloyalo vou e Nakasi. E namaki ni na tokona na tubu ni bisinisi e kea na iwiliwili levu ni lewenivanua era madila ena vosa vakaldia kara tiko volita na vanua o Nakasi. Me vaka ni sa vakacavari vakavinaka na kena vakatoroicaketaki na bisinisi ni Kabani sa na vakatabakidua na sasaga na gauna qo ena kena vakarautaki na ivoli uasivi duadua ena vuravura ni yaloyalo yavala me rawa ni keitou sotava na nodra gagadre na lewenivanua.

Na kena vakarawarawataki na veiyaloyalo vivinaka eso ena vakaqacacotaka na neitou veiqaravi vakatalega kina na rawa ka ni kabana.

Keitou nanamaki vakalevu ena yabaki vakailavo sa tu e matada, salavata kei na ituvatuva me vakayagataki tiko na neitou valeniyaloyalo kece e Viti ena loma ni 12 na vula ena kena vakaraitaki na iyaloyalo uasivi vei ira na noda lewenivanua.

NEWWORLD IGA

15.4%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



NEWWORLD LIMITED

The financial year 2016 was challenging for the company. The competitiveness and other challenges of retail industry are ever increasing in Fiji and the Company is making all out efforts to out-perform them which are reflected in the results achieved by the Company. The Company posted an increase in sales of 7.73% and a post tax net profit of \$8.21m.

Taking into account the impressive performance of IGA Stores, the Company has opened another IGA store in Greig St, Suva in April 2017. The management is confident of replicating its success story here also. A new Labasa shop was opened in Dec 2016.

These new stores are expected to attract more customers by offering width and depth in product range besides unmatched customer services and also contribute in a major way to the Company's top and bottom line.

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

Na yabaki vakailavo ni 2016 e sotavi vata kei na kena bolebole. Na veiqati vakabisinisi kei na bolebole tale eso ena vuku ni makete ni veivoli esa veitubutuburi tikoga e Viti ka saga tikoga na Kabani me uabaleta na veibolebole kece oqori ka vakavotukana na tikina qo ena rawaka ni kabani. E mai tubu na veika e volitaka na Kabani ena 7.73% kei na tubu ni lavaki oti na ivakacavacava e toka ena \$8.21m.

Qo e okati tiko kina na totoka ni rawa ka ena tabana na IGA Stores, e sa mai dolava talega na Kabani edua tale nodratou IGA store ena Greig St, Suva ena Epereli ni 2017. Era nuidei tiko na manidia ni Kabani nina rawa ni tokaruataki na rawaka vata oya ena tabana vou oqo. E dola talega edua na tabana vou mai Labasa ena Tiseba ni 2016.

Na veitabana vovou oqo e namaki mera na malele vakalevu kina na lewenivanua ena rabailevu kei na titobu ni veika era na volitaki kina salavata kei na vakasakiti ni veiqaravi mai vei ira na vakaillesilesi, ka ra cau vakalevu ena rawaka ni kabani.

Ena taudaku ni kena qarai na veivanua ni vakatubu bisinisi, e ilova matua na veiliutaki ena Kabani na kena vakavinakataki na ivakarau ni cakacaka, walewale ni cakacaka kei na nodra vakatoroicaketaki na dauniveiqaravi okati kina na nodra vakacacacakataki na lewenivanua era na mai cau ena rawaka vinaka ni kabani me vakalesui kina na ivakayaga uasivi vei ira na taukeni sea ena kabani. Na sasaga oqo e vakavurea na vakatulewa vei ira na veiliutaki ena Newworld ena kena taurivaki eso na tubu me tokona na veibinisi vovou ni kabani. E namaki me na tamusuki na tubu uasivi ena veibisinisi vovou qo ena gauna mai muri. Era na vakuria tiko na veiliutaki na ivalewale vou ni vakatubu bisinisi oqo ena veigauna mai liu ni sotavi vata kei na kena gauna dodonu.



10%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



GOODMAN FIELDER INTERNATIONAL (FIJI) PTE LIMITED

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, Mana, Meadow Lea, Meadow Fresh, Edmonds, Sunshine and Praise.

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 all key categories with excellent growth in the last 12 months, despite some setbacks in the Fijian market.

As part of our ongoing commitment towards growth and development, Goodman Fielder has invested heavily in sourcing and developing new product categories designed to expand beyond traditional food categories and offer complementary products to health conscious Fijians. New product ranges include Health and Sports supplements like Mana Whey Protein, Nuts & Seeds, Sugar Free Ice Cream, Protein bars and breakfast cereal to name a few.

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

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

Goodman Fielder e yaca ni Kabani vakairogorogo ena nona ivoli, sotavi ni gagadre ni lewenivanua, vakabauti vakalevu na nona ivoli qai taleitaki sara talega vakalevu me vaka ni a tiki ni noda susugi cake mai ena veisiga. E kena dau ena ivoli na toa, ice cream, kakana mamada (snacks), kedra na manumanu (stock feed) kei na kakana era dau taleitaka na dauvolivoli (consumer food products), qai kena ikuri ni cibitaka voli na Kabani na vakarautaki vakamaqosa ni nona ivoli kei qarauni ni kakana bulabula. E sivia na va na i tabagauna na nona vakaurautaka na Goodman Fielder na ivoli ena "Fijian Made" kei na "Fijian Grown", na ivoli era kilai levu ena noda veivuvale me vaka na Crest Chicken, Tuckers Ice Cream, Twisties, Mana, Meadow Lea, Meadow Fresh, Edmonds, Sunshine kei na Praise.

Na gauna qo e ulumatua ni nona rawaka vakailavo na kabani na ivoli na toa, ka tarava na ice-cream kei na kakana mamada (snacks). E marautaka na Kabani ni se liu voliga ena makete ni nona ivoli ena kena ivakadegedege duidui qai salavata kei na tubu uasivi ena loma ni 12 na vula sa oti, dina ga ni vakilai eso na bolebole ena kena makete e Viti.

E tiki ni neitou cau ena tubu kei na vakatoricaketaki ni Goodman Fielder, oya na kena qarai ka vakarautaki eso na ivoli vovou me vakarabailavutaka na noda digidigi mai na ivoli era sa kilai levu tu qai salavata kei na kena sotavi na nodra gagadre na lewenivanua era via volia na kakana bulabula. Na ivoli vovou oqo e okati kina na veikae tokona na tiko bulabula kei na qito (Health and Sports supplements) me vaka na Mana Whey Protein, Nuts & Seeds, Sugar Free Ice Cream, Protein bars kei na breakfast cereal.

E udolu na lewe i Viti ena veitabatamata era vakanamata kina ivoli kilai levu ni Goodman Fielder na Fijian Made kei na Fijian Grown me vakaurataka na kedra mai na gauna era yadra kina me yacova nira vakarau moce. Na Goodman Fielder Fiji ena vakuria na nona veiqaravi uasivi, salavata kei na na vakarautaki ni voli bulabula vei ira kece na veivuvale, ena noda veikoro, ena veisiga kece sara.



25%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



MARSH FIJI LIMITED

2016 has been a record year for Marsh Fiji. The success with new and expanded business contributed significantly to our growth. Marsh continues to attract talent and has the most experienced local team that has its advantage. There has been significant growth from new medical business and to maintain a high level service delivery, two of the most senior local medical underwriters have recently joined the Marsh consulting team.

Emphasis in extending our services to small/medium businesses has led to the formation of our SME division. With this development, small and medium enterprises can now enjoy the benefit of non-standard policy coverage.

Marsh Fiji manages premium in the vicinity of \$84 million and remains the largest and leading risk consulting and insurance broking firm in Fiji. Marsh is part of the global Marsh & McLennan Companies (MMC) which is listed on the New York Stock Exchange. It comprises of over 60,000 colleagues globally with presence in over 130 countries. The local shareholders of Marsh Fiji are Fijian Holdings (25%) and Unit Trust of Fiji (10%).

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

Na 2016 e sa bau dua na yabaki vakairogoroqo vei Marsh Fiji. Na tubu ni Kabani e vakaitavi vakalevu kina na veibisinisi vovou kei na vakarabailevutaki ni bisinisi tiko rawa. Era malele kina kabani na tamata cakacaka kecega okati kina o ira na kenadau ena noda vanua ka ra veiqaravi voli kina nikua. E vakilai vakalevu na tubu mai na veika vovou e vakarautaki tu ena tabana ni bula salavata ena kena vakataudeitaki tikoga na ivakarau ni veiqaravi uasivi. E rua vei ira na kena dau ena ivakatagedege ni veiqaravi oqo erau qai lewena wale tikoga qo na matailawalawa ni dauveivakasalataki ena Marsh.

E mai tauyavu na tabana ni SME ni oti na kena vakabibitaki na nodra qaravi na veibisinisi lalai eso. Ena vuku ni tikina oqo sa na rawa mera okati talega na veibisinisi lalai ena "non-standard policy coverage".

Na Marsh Fiji e veiqaravi ena rauta ni \$84 milioni ka dua vei ira na Kabani levu e Viti me veivakasalataki ena ririko ka vakarautaka na inisua ena noda vanua. Marsh e tiki ni Kabani levu e vuravura na Marsh & McLennan Companies (MMC) ka volitaki nona sea ena New York Stock Exchange. E sivia na 60,000 na kena vakalesilesi era veiqaravi tu ena sivia na 130 na veimatanitu. Na Fijian Holdings (25%) kei na Unit Trust of Fiji (10%) erau taukeni sea ena Marsh Fiji.

Na Marsh e vakarautaka na iwali ni ririko kei na inisua me vukea na levei ni ririko, vakadewataki ni ririko se qarauni ni ririko ni veika vakailavo me vakalesuya na tubu ni rawa ka vakailavo kei na tu qaqa ni bula vakailavo ni veikabani se tamata yadudua. Keitou qarava na lewai vakamatau ni ririko, soli vakasala ena ririko kei na duidui porokaramu ni inisua me ganita na veibisinisi, tabana vakamatanitu kei na veitabana duidui eso ena noda vanua. Ena taudaku ni veiqati vakabisinisi e vakuria na Marsh Fiji na rawaka vakailavo vinaka sara. Qo e vu vakalevu ena veinutaki e soli vei ira na ivakalesilesi yalodina era veiqaravi ena noda vanua.



30%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



GOLDEN MANUFACTURERS LIMITED

Golden Manufacturers Limited (GML) has been the market leader in corrugating industry in Fiji since its establishment in 1982. With growing confidence in Fiji's economy, the company has, over the years continued to invest in new plant and machinery. The company now has fully automated state of the art machineries to produce high quality packaging products to meet the ever-changing needs of our customers, whilst operating in an environmentally friendly atmosphere.

GML has a wide range of customer base both in Fiji and the South Pacific. The company has maintained its very loyal customer base through quality packaging products and exceptional customer service. We have the capability to take up any challenges and strive to meet customer satisfaction by continually raising even further, our already high standards. We are continuously exploring new markets and expanding our customer base.

The company is currently in the final stages of commissioning its state of the art label manufacturing plant. We expect this to be in operation by the end of October this year. The state of the art Label Manufacturing plant consists of Brand new 2017 Multi Substrate six colour Flexo and five colour Gravure Press from Denmark and Converting Equipment from Canada. The plant will be one of its kind in Fiji and the South Pacific.

GML is continuously exploring new packaging solutions with a view to diversifying its business and servicing customers with new products. With the label project commissioning almost complete and ready for official launch in the last quarter of the year, Golden is well placed for another decade of success both with its corrugating and label business.

Na Golden Manufacturers Limited (GML) e liutaka na makete ni bisinisi e kena dau kina me vakatekivu mai na kena tauyavu ena 1982. E veivakabauti kina bula vakailavo ni matanitu e vakuria tikoga na kabani na vakaduri ni vanua ni bulibuli kei na voli misini vovou. Ena gauna qo e sa vakayagataka na Kabani na veimisini eso ena kena ivakatagedegede e cake me qarava na paketetaki ni voli se iyaya (packaging) ka sotava na gagadre ni lewenivanua salavata kei na maroroi ni veikabula tu wavoliti keda.

E rabailevu na veiqaravi ni GML vei ira na lewenivanua e Viti kei na veivanua ena Pasifika. E vakadeitaki ira tiko na nona dauvolivoli yalodina ena taucoko ni veiqaravi. Keitou tu vakarau me keitou sotava na bolebole ni veiqaravi me rawa nira yalo vakacegu na dauvolivoli, ka vakuria na veiqaravi me uasivi sara mai na veiqaravi sa uasivi rawa tu.

Na Kabani e nanamaki tiko ena iotioti ni kalawa me qaravi na valenitabaivola (Label Manufacturing Plant). Keitou namaka me dolavi ena mua ni Okotova ni yabaki qo. Na vale vou ni tabaivola (Label Manufacturing plant) qo, ena okati kina e dua na "Brand new 2017 Multi Substrate sixour Flexo" keina "five colour Gravure Press" erau vakau sara mai Denmark. Na Converting Equipment e vakau mai Canada. Na tabana qo ena kena isevu e Viti kei na Ceva ni Pasifika.

NA GML ena vakuria tikoga na sasaga me laurai na veiwalewale vovou ni kena vakadaumakataki na paketetaki (packaging) ni voli se iyaya eso ena vakanananu e tiko me vakarabailevutaka na nona bisinisi ka veivakacegui vei ira na lewenivanua ena nona ivoli vovou.

Ni vakarau me mai vakacavari na veika e baleta na valevou ni tabaivola (Label Manufacturing Plant) ena iotioti ni vula tolu e sa nanamaki na Golden ena veiyabaki sa tu mai ki liu, ena veika ena rawata mai ena bisinisi e rua (corrugating kei label business).



21%

Fijian Holdings Shareholdings
Wase ni Sea ena Kabani qo a taukena na FHL



PERNIX (FIJI) LIMITED

The year ended was again a very challenging one for Pernix (Fiji) Limited ("Pernix"). Variability in O&M revenue is primarily driven by the level of diesel generation determined by FEA. Pernix post completion of Kinoya Power Station was awarded the Lautoka Remand Centre, which was completed in 2016. Pernix continues to look into participating in specialized projects in areas in which the company has specialty. Pernix has performed ahead of budgeted revenue and EBITDA for the Financial year ended 31 December 2016. While there was unexpected maintenance cost, overhead was reduced significantly compared with the prior period.

Pernix continues to grow in 2017, and is ahead of budgeted revenue and EBITDA as of 30th June. Pernix has employed over 80 employees of which 95% are local Fijians.

Pernix has a long-term agreement with Fiji Electricity Authority to operate and maintain the diesel power plant in Kinoya and Vuda. Pernix continues to break the record on its risk score audit, all location achieving over 99% result.

E mai vakacavara na yabaki na Pernix (Fiji) Limited ("Pernix") ena vuqa sara na bolebole lelevu. Na bolebole ena kena sega ni vakadeitaki koya rawa na rawaka mai na O&M ka vakatulewataki ena vakayagataki ni waiwai ena generator mai vei FEA. Na veika e rawata o Pernix ni cava na qaravi ni Kinoya Power Station e veivuke ena kena soli na cakacaka ena Lautoka Remand Centre, ka sa mai vakacavari ena 2016. E vakuria tiko na Pernix na nona raica me vakaitavi ena veivakatoricaketaki e vakatabakidua ena veika e kena dau kina na kabani. E sa tiko sara e liu na rawaka nei Pernix ni vakatauvatani kei na tuvatuva vakailavo ni nona rawaka kei na EBITDA ena yabaki vakailavo ka mai cava ena i ka 31 ni Tiseba 2016. Eso na cakacaka ni vakavou ea sega ni namaki na isau era qaravi kina e mani veivuke vakalevu ni a sega ni sivia sara na sausaumi ena veika era dau lavaki ni vakatauvatani ena yabaki sa oti.

E vakuria o Pernix na nona tubu ena 2017, ka sa tiko e liu na nona rawaka ni vakatauvatani kei na tuvatuva vakailavo ni nona rawaka kei na EBITDA ni mai cava na i ka 30 ni Jiune. E vakacakacakataka o Pernix e rauta ni 80 na tamata cakacaka ka rauta ni 95% vei ira oqori era lewenivanua e Viti.

Esa tu oti na nona veidinadinati na Pernix kei na Fiji Electricity Authority me qarava ka vakadeitaka na tabana ni vakavure kaukauwa e Kinoya kei Vuda ka vakayagataki kina na waiwai. E cavu isausau talega o Pernix ena sogoivola e baleta na sotavi ni ririko ka tiko ena 99% na veika e rawati ena nodratou vanua kece ni veiqaravi.

Fijian Holdings Limited and Subsidiary Companies

FINANCIAL STATEMENTS

Year Ended 30 June 2017

Directors' Report Tukutuku Ni Dairekita	54
Statement By Directors Nodratou Rai Na Dairekita	57
Independent Audit Report Tukutuku Ni Dau Ni Fika	58
Statements of Profit or Loss and Other Comprehensive Income Tukutuku Ni Rawa Ka Vakailavo	64
Statements of Financial Position Tukutuku Ni Yau ni Kabani	66
Statements of Cash Flows Tukutuku Ni Lavo Qaqa	67
Statements of Changes in Equity Tukutuku Ni Veisau Ena Akaude Ni Taukei Ni Kabani	68
Notes to and Forming Part of the Financial Statements Vakamacala Ka Lewe Talega Ni Tukutuku Vakailavo	70
Listing requirements of the South Pacific Stock Exchange Tukutuku E Vinakati Mai Na South Pacific Stock Exchange	125
Proxy Form	129



DIRECTORS' REPORT

TUKUTUKU NI DAIREKITA

In accordance with a resolution of the Board of Directors, the directors of Fijian Holdings Limited ("the Company") present their report together with the financial statements of the Company and the Fijian Holdings Limited Group ("the Group") being the Company, its controlled entities and associates for the year ended 30 June 2017.

1. DIRECTORS

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

Adrian Sofield	- Chairman – Appointed 9 th March, 2017
Iowane Naiveli	
Sakiusa Raivoce	
Aisea Waka Vosailagi	
Ulaiasi Taoi	- Resigned 5 October 2016
Isikeli Tuituku	- Resigned 18 October 2016
Viliame Cegumalua	- Resigned 18 October 2016
Viliame Naupoto	- Resigned 18 October 2016
John O'Connor	- Resigned 18 October 2016
Isikeli Tikoduadua	- Appointed 18 October 2016
Anthony Whitton	- Appointed 18 October 2016
Sanjit Patel	- Appointed 18 October 2016
Robert Lyon	- Appointed 18 October 2016
Faiz Khan	- Appointed 18 October 2016; Resigned 9 March 2017
Yogesh Karan	- Appointed 21 March 2017

2. PRINCIPAL ACTIVITIES

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

3. TRADING RESULTS

The profit after income tax of the Group attributable to the members of the Company for the year ended 30 June 2017 was \$21.892 million (2016: restated \$14.557 million) and for the Company was \$22.986 million (2016: \$20.851 million).

4. DIVIDENDS

The directors declared a final dividend of \$3.655 million (2016: \$3.351 million) for "A" class and "B" class shareholders from the profits for the year ended 30 June 2016. The Company paid an interim dividend of \$3.686 million (2016: \$3.656 million) for "A" class and "B" class shareholders during the year.

Total dividends paid for the year ended 30 June 2017 amounted to \$7.341 million (2016: \$7.007 million).

5. BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, inadequate to any substantial extent.

DIRECTORS' REPORT - CONT'D
TUKUTUKU NI DAIREKITA

6. ASSETS

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

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

7. SIGNIFICANT EVENTS

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

8. RELATED PARTIES TRANSACTIONS

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

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

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.

DIRECTORS' REPORT - CONT'D TUKUTUKU NI DAIREKITA

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	-	100,000	-	-
Aisea Waka Vosailagi	-	-	-	20,760,977

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

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

Dated this 17th day of August 2017.


Chairperson


Director

STATEMENT BY DIRECTORS
NODRATOU RAI NA DAIREKITA

In the opinion of the directors:

- (a) the accompanying statements of profit or loss and other comprehensive income of the Company and of the Group are drawn up so as to give a true and fair view of the results of the Company and of the Group for the year ended 30 June 2017,
- (b) the accompanying statements of financial position of the Company and of the Group are drawn up so as to give a true and fair view of the state of the affairs of the Company and of the Group as at 30 June 2017,
- (c) the accompanying statements of changes in equity of the Company and of the Group are drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2017,
- (d) the accompanying statements of cash flows of the Company and of the Group are drawn up so as to give a true and fair view of the cash flows of the Company and of the Group for the year ended 30 June 2017,
- (e) at the date of this statement, there are reasonable grounds to believe that the Company and its subsidiaries will be able to pay their debts as and when they become due and payable;
- (f) all related party transactions have been adequately recorded in the books of the Company and the Group and reflected in the attached financial statements; 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 17th day of August 2017.


Chairperson


Director

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 2017, 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 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and of the Group as at 30 June 2017, 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 Group and Company in accordance with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Goodwill (\$56m) – Group	
Refer to Note 2.9 and 19 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group's annual testing of goodwill for impairment has been assessed as a key audit matter, given the size of the balance (being 11% of total assets) and the degree of judgement applied by us on assumptions applied by the Group, including those which are affected by expected future market or economic conditions.</p> <p>We focused on the significant forward-looking assumptions the Group applied in their value in use model, including:</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • Assessing the integrity of the value in use model used, including the accuracy of the underlying calculation formulas.

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

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • forecast cash flows – adverse weather conditions and resort closures can impact the Group through route cancellations and deferrals. • forecast growth rates –the model is sensitive to changes in this assumption, reducing available headroom. • discount rate - these vary according to the conditions and environment. <p>These conditions increase the risk of inaccurate forecasts and the possibility of goodwill being impaired</p>	<ul style="list-style-type: none"> • Comparing the forecast cash flows contained in the value in use model to Board approved forecasts. • Assessing the accuracy of previous Group forecasts to help evaluate the forecasts incorporated in the model. • Considering the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Comparing the consistency of the growth rate to the Group's stated plan and strategy, past performance, industry trends and our experience regarding the feasibility of these in the industry and economic environment in which they operate. • Comparing the discount rate to publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • Assessing the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Valuation of unlisted securities (\$275m) – Company

Refer to Note 2.4 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 available for sale 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 to valuing them.</p>	<p>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.

The key audit matter	How the matter was addressed in our audit
<p>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>	<ul style="list-style-type: none"> Assessing the significant unobservable inputs in the investee company valuations of capitalizations rates, forecast dividend yield, adjusted market multiples, forecasted earnings and recoverable amount of net tangible assets as follows; <ul style="list-style-type: none"> Comparing investee companies' performance and net assets included in the future maintainable earnings valuation technique to the respective audited financial statements of the investee companies Considering dividends received from investee companies over the last four years to the future profitability/EBITDA included in the capitalisation of dividends approach valuation technique. Comparing Price Earnings ratios/EBITDA multiples included in the future maintainable earnings valuation technique to publicly available information for similar listed entities. 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 and forecast dividend yield rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; and Considering the appropriateness of the disclosures in the financial statements in respect of unlisted securities against the requirements of the accounting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report 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, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

In our opinion:

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

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

KPMG
KPMG

17 August, 2017
Suva, Fiji

Steve Nutley, Partner



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



INDEPENDENT AUDITORS' REPORT - CONT'D TUKUTUKU NI DAU NI FIKA

FINANCIAL STATEMENTS 30TH JUNE 2017

INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2017

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 2017 and up to the date of this report there have been:

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

KPMG

KPMG

17 August, 2017

Suva, Fiji


Steve Nutley, Partner

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

	Notes	Group		Company	
		2017 \$'000	2016 \$'000 (Restated) ¹	2017 \$'000	2016 \$'000
Continuing operations					
Revenue					
Operating revenue	35	297,350	293,552	26,909	26,078
Other income	5(a)	<u>6,877</u>	<u>7,064</u>	<u>164</u>	<u>201</u>
		<u>304,227</u>	<u>300,616</u>	<u>27,073</u>	<u>26,279</u>
Expenses					
Changes in inventories of finished goods and work in progress		(90,396)	(91,162)	-	-
Raw materials and consumables used		(52,082)	(51,885)	-	-
Direct operating expenses		(27,422)	(25,678)	-	-
Staff costs		(31,357)	(27,584)	(1,383)	(1,103)
Depreciation and amortisation		(10,501)	(10,796)	(120)	(126)
Provision for diminution in value of investments		-	(1,148)	-	(1,664)
Impairment loss on property, plant & equipment and contract assets		-	(2,158)	-	-
Bad and doubtful debts		(6,277)	(2,486)	-	-
Other operating expenses	5(b)	<u>(49,026)</u>	<u>(44,662)</u>	<u>(1,934)</u>	<u>(1,700)</u>
		<u>(267,061)</u>	<u>(257,559)</u>	<u>(3,437)</u>	<u>(4,593)</u>
Operating profit		<u>37,166</u>	<u>43,057</u>	<u>23,636</u>	<u>21,686</u>
Finance income		280	521	863	1,087
Finance costs		(4,095)	(10,251)	(2,124)	(2,331)
Net finance costs	6	<u>(3,815)</u>	<u>(9,730)</u>	<u>(1,261)</u>	<u>(1,244)</u>
Share of profit in associates, net of tax	23	<u>3,872</u>	<u>1,485</u>	<u>-</u>	<u>-</u>
Profit before income tax		<u>37,223</u>	<u>34,812</u>	<u>22,375</u>	<u>20,442</u>
Income tax (expense)/ benefit	7(a)	<u>(6,152)</u>	<u>(8,031)</u>	<u>611</u>	<u>409</u>
Profit from continuing operations		<u>31,071</u>	<u>26,781</u>	<u>22,986</u>	<u>20,851</u>
Discontinued operation					
Loss from discontinued operations, net of tax	8	<u>-</u>	<u>(3,372)</u>	<u>-</u>	<u>-</u>
Profit after tax		<u>31,071</u>	<u>23,409</u>	<u>22,986</u>	<u>20,851</u>
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	15(h)	<u>1,164</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total items that will not be reclassified to profit or loss		<u>1,164</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that are or may be reclassified subsequently to profit or loss					
Net change in fair value of available-for-sale financial assets		3,748	1,483	21,369	20,499
Reclassification of foreign currency differences on disposal of foreign operations		-	5,717	-	-
Net change in foreign currency translation reserve		<u>(319)</u>	<u>(330)</u>	<u>-</u>	<u>-</u>
Total items that are or may be reclassified subsequently to profit or loss		<u>3,429</u>	<u>6,870</u>	<u>21,369</u>	<u>20,499</u>
Other comprehensive income, net of tax		<u>4,593</u>	<u>6,870</u>	<u>21,369</u>	<u>20,499</u>
Total comprehensive income		<u>35,664</u>	<u>30,279</u>	<u>44,355</u>	<u>41,350</u>
		=====	=====	=====	=====

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

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - CONT'D
TUKUTUKU NI RAWA KA VAKAILAVO**

	Notes	2017 \$'000	Group 2016 \$'000 (Restated) ¹
Profit attributable to:			
Equity holders of the holding company		21,892	14,557
Non-controlling interest	22	<u>9,179</u>	<u>8,852</u>
		31,071	23,409
		=====	=====
Total comprehensive income attributable to:			
Equity holders of the holding company		26,084	21,550
Non-controlling interest	22	<u>9,580</u>	<u>8,729</u>
		35,664	30,279
		=====	=====
Basic and diluted earnings per share	31	Cents <u>72</u>	Cents <u>48</u>
		=====	=====
Basic and diluted earnings per share -continuing operations	31	<u>72</u>	<u>59</u>
		=====	=====

¹ See note 18

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

STATEMENTS OF FINANCIAL POSITION
TUKUTUKU NI YAU NI KABANI

	Notes	2017 \$'000	Group 2016 \$'000 (Restated) ¹	2015 \$'000 (Restated) ¹	Company 2017 \$'000	2016 \$'000
ASSETS						
Cash and cash equivalents	10(a)	21,027	24,827	7,959	156	156
Held-to-maturity investments	11	-	-	20,764	-	-
Available-for-sale financial assets	20	45,163	38,862	19,437	281,899	257,464
Investments in associates	23	20,161	18,962	19,427	-	-
Loans, advances and receivables	12	160,004	159,932	131,088	29,797	25,771
Inventories	14	34,791	30,515	34,896	-	-
Current tax asset	7(b)	-	-	-	340	587
Assets held for sale	17(a)	1,416	1,416	21,031	-	-
Contract assets	16	257	325	2,080	-	-
Investment properties	18	36,739	26,962	23,177	-	-
Property, plant and equipment	15	138,071	124,259	127,281	155	157
Intangible assets	19	62,296	62,296	62,651	-	-
Deferred tax assets	7(c)	5,139	2,932	3,781	892	34
Total assets		525,064	491,288	473,572	313,239	284,169
LIABILITIES						
Payables	24	35,584	36,216	33,668	462	626
Dividends payable	26	1,668	747	1,192	-	-
Employee entitlements	25	1,470	2,042	1,719	274	373
Current tax liability	7(b)	392	952	163	-	-
Liabilities held for sale	17(b)	-	-	6,875	-	-
Borrowings	27	225,619	211,842	205,934	51,393	59,074
Deferred tax liabilities	7(c)	9,958	8,951	8,183	-	-
Total liabilities		274,691	260,750	257,734	52,129	60,073
Net assets		250,373	230,538	215,838	261,110	224,096
SHAREHOLDERS EQUITY						
Share capital	28	30,465	30,465	30,465	30,465	30,465
Reserves	29	24,998	20,824	13,952	109,839	88,470
Retained earnings		146,728	132,177	124,627	120,806	105,161
Attributable to members of the holding company		202,191	183,466	169,044	261,110	224,096
Non-controlling interest	22	48,182	47,072	46,794	-	-
Total shareholders' equity		250,373	230,538	215,838	261,110	224,096

¹ See note 18

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

For and on behalf of the Board.


Chairperson


Director

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

STATEMENTS OF CASH FLOWS
TUKUTUKU NI LAVO QAQA

	Note	Group 2017 \$'000	2016 \$'000	Company 2017 \$'000	2016 \$'000
Cash flows from operating activities:					
Cash receipts from customers		291,417	294,425	-	-
Cash paid to suppliers and employees		(257,972)	(247,172)	(3,530)	(2,778)
Cash generated from/ (used in) operating activities		33,445	47,253	(3,530)	(2,778)
Dividends received		3,564	2,993	16,440	22,825
Management fees received		-	-	1,047	1,238
Management fees paid		(2,244)	(1,638)	-	-
Net customer loans granted		(7,438)	(29,515)	-	-
Net increase in deposits		5,875	27,117	-	-
Interest received		22,130	20,570	617	1,079
Other income received		-	-	112	378
Interest paid		(9,318)	(8,352)	(2,172)	(3,128)
Income tax refunds		-	311	-	-
Income taxes paid	7(b)	(7,897)	(5,994)	-	-
Net cash from operating activities		38,117	52,745	12,514	19,614
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(29,858)	(11,472)	(118)	(58)
Acquisition of contract cost	16	(19)	(333)	-	-
Acquisition of investment property		(741)	(3,573)	-	-
Investment in available-for-sale financial assets		(77)	(101)	-	-
Deposit paid		-	(4,548)	-	(4,548)
Proceeds from disposal of available-for-sale financial assets		-	11	-	-
Proceeds from disposal of property, plant and equipment and assets held for sale		311	1,360	27	35
Acquisition of intangible assets		(28)	(171)	-	-
Disposal of discontinued operation, net of cash disposed of	8	-	12,978	-	-
Net advances from subsidiaries		-	-	3,500	1,088
Net cash used in investing activities		(30,412)	(5,849)	3,409	(3,483)
Cash flows from financing activities:					
Dividends paid to the holding company's shareholders	9	(7,341)	(7,007)	(7,341)	(7,007)
(Payments)/ proceeds from sale of investment securities		(1,005)	2,001	-	-
Proceeds from issue of shares		-	330	-	-
Dividends paid to non-controlling interests	22	(7,577)	(9,476)	-	-
Net movement in loans		3,781	(13,157)	(3,663)	(8,296)
Net cash used in financing activities		(12,142)	(27,309)	(11,004)	(15,303)
Net (decrease)/increase in cash and cash equivalents		(4,437)	19,587	4,919	828
Cash and cash equivalents at beginning of year		8,502	(10,027)	(9,197)	(10,025)
Effect of exchange rate changes on cash		(43)	(1,058)	-	-
Cash and cash equivalents at end of year	10(a)	4,022	8,502	(4,278)	(9,197)
		=====	=====	=====	=====

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

STATEMENTS OF CHANGES IN EQUITY

FIJIAN HOLDINGS AND SUBSIDIARY COMPANIES

TUKUTUKU NI VEISAU ENA AKAUDE NI TAUKEI NI KABANI

FINANCIAL STATEMENTS 30TH JUNE 2017

GROUP	Attributable to owners of the Company					Non-controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Other Reserves ¹ \$'000	Retained Earnings \$'000	Total \$'000			
Balance at 1 July 2015, as previously reported	30,465	13,952	112,905	157,322	46,812	204,134	
Restatement (see note 18)	-	-	11,722	11,722	(18)	11,704	
Restated balance at 1 July 2015	30,465	13,952	124,627	169,044	46,794	215,838	
Total comprehensive income							
Profit	-	-	14,557	14,557	8,852	23,409	
Other comprehensive income	-	6,993	-	6,993	(123)	6,870	
Total comprehensive income	-	6,993	14,557	21,550	8,729	30,279	
Transactions with owners of the Company							
Contributions and distributions							
Dividends paid to owners of the Company	-	-	(7,007)	(7,007)	(8,912)	(15,919)	
Total contributions and distributions	-	-	(7,007)	(7,007)	(8,912)	(15,919)	
Changes in ownership interests							
Acquisition of subsidiary with NCI	-	-	-	-	461	461	
Decrease in non-controlling interest through acquisition	-	(121)	-	(121)	-	(121)	
Total changes in ownership interests	-	(121)	-	(121)	461	340	
Total transactions with owners of the Company	-	(121)	(7,007)	(7,128)	(8,451)	(15,579)	
Balance at 30 June 2016	30,465	20,824	132,177	183,466	47,072	230,538	
Balance 1 July 2016	30,465	20,824	132,177	183,466	47,072	230,538	
Total comprehensive income							
Profit	-	-	21,892	21,892	9,179	31,071	
Other comprehensive income	-	4,192	-	4,192	401	4,593	
Total comprehensive income	-	4,192	21,892	26,084	9,580	35,664	
Transactions with owners of the Company							
Contributions and distributions							
Dividends paid to owners of the Company	-	-	(7,341)	(7,341)	(8,459)	(15,800)	
Total contributions and distributions	-	-	(7,341)	(7,341)	(8,459)	(15,800)	
Changes in ownership interests							
Acquisition of NCI	-	-	-	-	(11)	(11)	
Decrease in non-controlling interest through acquisition	-	(18)	-	(18)	-	(18)	
Total changes in ownership interests	-	(18)	-	(18)	(11)	(29)	
Total transactions with owners of the Company	-	(18)	(7,341)	(7,359)	(8,470)	(15,829)	
Balance at 30 June 2017	30,465	24,998	146,728	202,191	48,182	250,373	

(1) See note 29

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

STATEMENTS OF CHANGES IN EQUITY - CONT'D TUKUTUKU NI VEISAU ENA AKAUDE NI TAUKEI NI KABANI

FIJIAN HOLDINGS AND SUBSIDIARY COMPANIES FINANCIAL STATEMENTS 30TH JUNE 2017

	Attributable to owners of the Company					
	Share Capital \$'000	Reserves ¹ \$'000	Retained Earnings \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
COMPANY						
Balance at 1 July 2015	30,465	67,971	91,317	189,753	-	189,753
Total comprehensive income						
Profit	-	-	20,851	20,851	-	20,851
Other comprehensive income	-	20,499	-	20,499	-	20,499
Total comprehensive income	-	20,499	20,851	41,350	-	41,350
Transactions with owners of the Company						
Contributions and distributions						
Dividends paid to owners of the Company	-	-	(7,007)	(7,007)	-	(7,007)
Total contributions and distributions	-	-	(7,007)	(7,007)	-	(7,007)
Total transactions with owners of the Company	-	-	(7,007)	(7,007)	-	(7,007)
Balance at 30 June 2016	30,465	88,470	105,161	224,096	-	224,096
Balance at 1 July 2016	30,465	88,470	105,161	224,096	-	224,096
Total comprehensive income						
Profit	-	-	22,986	22,986	-	22,986
Other comprehensive income	-	21,369	-	21,369	-	21,369
Total comprehensive income	-	21,369	22,986	44,355	-	44,355
Transactions with owners of the Company						
Contributions and distributions						
Dividends paid to owners of the Company	-	-	(7,341)	(7,341)	-	(7,341)
Total contributions and distributions	-	-	(7,341)	(7,341)	-	(7,341)
Total transactions with owners of the Company	-	-	(7,341)	(7,341)	-	(7,341)
Balance at 30 June 2017	30,465	109,839	120,806	261,110	-	261,110

(1) See note 29

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

1. GENERAL INFORMATION

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

The consolidated financial statements of the Company as at and for the year ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "group entities") and the group's interest in associates. The Company and its subsidiaries are incorporated and domiciled in Fiji and Papua New Guinea.

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

These consolidated financial statements were authorised for issue by the Board of Directors on 17 August 2017.

1.1 Statement of compliance

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

1.2 Basis of accounting

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

Items	Measurement bases
Available for sale financial assets	Fair value
Investment properties	Fair value
Island properties	Fair value

Restatement

The Group re-assessed its accounting for investment properties during 2017. The Group has previously recognised investment properties using the cost model, whereby, after initial recognition of the asset classified as investment properties, the asset was carried at cost less accumulated depreciation and accumulated impairment losses. During 2017, the Group voluntarily changed the method of accounting for investment properties as management believes that the revaluation model more effectively demonstrates the financial position of investment properties and is more aligned to practices where the properties are held to earn rentals. In addition, the activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates may be derived. After initial recognition, the Group now uses the revaluation model, whereby investment properties will be measured at fair value at the date of the revaluation. The Group applied the revaluation model retrospectively. The effect of this adjustment is disclosed in Note 18.

Standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published which are relevant to the Group and are mandatory for accounting periods beginning after 1 July 2016, but the Group does not plan to early adopt them. The impact of these standards and interpretations on the financial statements of the Company and the Group has not yet been fully determined.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

1. GENERAL INFORMATION (continued)

1.2 Basis of accounting (continued)

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

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

1.3 Change in presentation

The Directors re-assessed the presentation of statements of financial position for the Group. The Group has previously presented the statements of financial position using the current and non-current classifications. During 2017, the Directors voluntarily changed the presentation of statements of financial position showing assets and liabilities in their order of liquidity as Directors believe that this presentation provides reliable and more relevant information than separate current and non-current classifications. The change in presentation has been applied retrospectively.

1.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 2.1(i) – Business combinations
 Note 2.4 – Available for sale financial assets
 Note 2.4.3 – Financial assets impairment
 Note 2.5 – Property, plant and equipment impairment
 Note 2.6 – Investment properties impairment and valuation
 Note 2.10 – Intangible assets impairment

1.5 Functional and presentation currency

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Company and consolidated financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in the method of accounting for investment properties from the cost model to the revaluation model (refer note 1.2).

2.1 Principles of consolidation

(i) *Business combinations*

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

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

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

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

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

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

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

(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 subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) *Loss of control*

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.1 Principles of consolidation (continued)

(v) *Transactions eliminated on consolidation*

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

(vi) *Interests in equity accounted investees*

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

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

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

2.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Fijian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. If the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests.

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

2.3 Cash and cash equivalents

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

2.4 Financial assets

2.4.1 Classification

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.4 Financial assets – continued

2.4.1 Classification – continued

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

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

(b) Held-to-maturity investments

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

(c) Available-for-sale financial assets

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

(d) Loans and receivables

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

2.4.2 Recognition and measurement

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.4 Financial assets – continued

2.4.3 Impairment

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

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

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

2.5 Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer note 2.10).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.5 Property, plant and equipment – continued

(ii) *Subsequent expenditure*

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

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

(iii) *Depreciation and amortisation*

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

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

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

(iv) *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this re-measurement 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.

2.6 Investment properties

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

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

2.7 Assets held for sale and discontinued operations

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.8 Inventories

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

2.9 Intangible assets

(a) Goodwill

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

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

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

(b) Management rights

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

2.10 Impairment of non-financial assets

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

2.11 Trade and other creditors

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

2.12 Borrowings

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

2.13 Current and deferred income tax

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.13 Current and deferred income tax – continued

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

Deferred income tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

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

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

2.14 Employee entitlements

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

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

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

2.15 Leases

A Group company is the lessee

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

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

A Group company is the lessor

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.16 Revenue recognition

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

Sales of goods

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

Sales of services

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

Interest income

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

Dividend income

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

Rental income

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

2.17 Dividend distribution

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

2.18 Provisions

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

2.19 Basic and diluted earnings per share

Basic and diluted earnings per share is determined by dividing profit after income tax attributable to shareholders of the holding company by the weighted average number of ordinary shares outstanding during the financial year.

2.20 Rounding

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

2.21 Transactions and balances

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

2.22 Comparative figures

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

3. ACQUISITION OF INVESTMENTS

Pernix (PNG) Limited

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

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

4 FINANCIAL RISK MANAGEMENT

4.1 Risk Management Framework

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

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

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

(a) Market risk

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

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

(i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters. Major foreign exchange transactions relate to importation of goods and services with settlement based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency (refer notes 1.5 and 2.21)

Two of the Group's subsidiaries; Pacific Cement Ltd and Basic Industries Ltd, operate in Fiji and procure assets, raw materials and supplies from principal suppliers based predominantly in New Zealand, Australia and Japan. As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimise the exposure to foreign exchange losses. As an additional measure, the companies negotiate competitive rates with their bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due. The Group's exposure to foreign exchange risk is not material.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4 FINANCIAL RISK MANAGEMENT – continued

4.1 Risk Management Framework – continued

(a) *Market risk – continued*

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity of other entities that are publicly traded are quoted on the South Pacific Stock Exchange.

Sensitivity analysis

The table below sets out the effect on equity of a reasonably possible increase in the individual equity market prices of listed equities of 5% at 30 June 2017 and 30 June 2016. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Impact on equity	616	533	321	304

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

(iii) Interest rate risk

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

In one of the Group's subsidiaries; Merchant Finance 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 always tries to maintain an interest spread that it believes is sufficient to cater for the risk it is taking and is above the cost of its funds and is sufficient to cover operating costs. Interest spread is monitored monthly and is submitted to the Reserve Bank of Fiji (RBF) for monitoring purposes.

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

	Group		Company	
Financial instrument	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets				
Deposits with financial institution	11,711	9,263	-	-
Government securities	10,275	10,300	-	-
Cash and cash equivalents	1,571	1,070	102	102
Loans and advances	167,601	164,848	14,251	11,487
	191,158	185,481	14,353	11,589
Financial liabilities				
Bank overdraft	17,005	16,325	4,434	9,353
Bank loans	77,022	70,174	27,881	30,523
Fixed term deposits and short term borrowings (unsecured)	131,592	125,343	19,078	19,198
Total	225,619	211,842	51,393	59,074

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4 FINANCIAL RISK MANAGEMENT – continued

4.1 Risk Management Framework – continued

(a) *Market risk – continued*

(iii) *Interest rate risk – continued*

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

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Bank overdraft	17,005	16,325	4,434	9,353
Bank loans	69,187	62,629	27,881	30,523
Total	86,192	78,954	32,315	39,876

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 2016.

	Group		Company	
	Equity \$'000	Profit or loss before tax \$'000	Equity \$'000	Profit or loss before tax \$'000
30 June 2017				
Variable rate instruments	862	862	323	323
30 June 2016				
Variable rate instruments	790	790	399	399

Neither the Company nor the Group is subject to material interest rate risk from financial instruments which are at fixed interest.

(b) *Credit risk*

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4 FINANCIAL RISK MANAGEMENT – continued

4.1 Risk Management Framework – continued

(b) Credit risk – continued

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

	Group 2017 \$'000	Group 2016 \$'000
Loans and advances		
Neither past due nor impaired	131,359	130,663
Past due but not impaired	31,342	31,751
Individually impaired	4,653	2,434
Gross loans and advances	167,354	164,848
Less: unearned revenue	31,600	31,549
Less: allowance for impairment	5,472	4,071
Net loans and advances	130,282	129,228
Other receivables		
Neither past due nor impaired	29,722	30,704
Past due but not impaired	-	-
Individually impaired	2,609	7,333
Gross other receivables	32,331	38,037
Less: allowance for impairment	2,609	7,333
Net other receivables	29,722	30,704
Cash and cash equivalents	21,027	24,827
Available for sale financial assets	21,986	19,563
Total	203,017	204,322

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

Details relating to MFL are set out below:

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

Financial assets classified as past due but not impaired are further classified as Standard or Special Mention with arrears below 60 days. These accounts are closely monitored to ensure that they do not deteriorate further. Security inspections are undertaken on these accounts to verify the value of the collateral pledged. These assets are monitored by specialist collection teams on a daily basis and further monitored by management at each month end. Where necessary management restructures these loans to enhance recovery.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4. FINANCIAL RISK MANAGEMENT – continued

4.1 Risk Management Framework – continued

(b) Credit risk – continued

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

In order to manage credit risk, MFL closely monitors existing customers in ensuring a debt service ratio greater than 1 and loan to value ratio of 85% is maintained, and ensuring that all new customers go through comprehensive credit screening. Furthermore, customer accounts are graded internally and all existing customers are categorised as excellent, good, satisfactory or limited. Further the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes. All loans and advances are generally secured by collateral.

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

- Mortgages over residential properties.
- Hire Purchase Agreements and Bill of Sale over vehicles and machinery
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities and term deposits.

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to further minimise the potential for credit loss, MFL will seek additional collateral from the counterparty once impairment indicators are identified for the relevant individual loans and advances.

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

Credit risk concentration

The credit risk concentration for MFL is as follows:

	2017 (%)	2016 (%)
Industry		
Agriculture	9.68	7.58
Building and construction	22.97	17.75
Manufacturing	3.19	5.18
Mining and quarrying	0.42	0.90
Private individuals	9.74	11.18
Professional and business services	3.05	3.16
Transport, communication and storage	37.71	38.34
Wholesale, retail, hotels and restaurants	8.88	9.70
Others	4.36	6.21
Total	100.00	100.00

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4. FINANCIAL RISK MANAGEMENT – continued

4.1 Risk management framework – continued

(c) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations arising from its financial liabilities. Prudent and careful management of the Group's liquidity position is essential in order to ensure that adequate funds are available to meet the Group's ongoing financial obligations. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business of the Group, management aims at maintaining flexibility in funding by keeping committed credit lines available.

A summary of the contractual maturity analysis of the Group's borrowings and other non-derivative financial liabilities as at 30 June is set out below on an undiscounted basis including estimated interest payments:

Non- derivative financial liabilities	Contractual cash flows						
	Carrying amount	Total	On demand	Up to 1 year	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2017							
Bank Overdrafts	17,005	17,005	17,005	-	-	-	-
Secured bank loans	77,022	84,799	-	13,293	35,204	10,370	25,932
Deposits from customers and short term borrowings	131,592	142,640	2,000	87,681	31,133	20,478	1,348
Creditors and accruals	35,584	35,584	-	35,584	-	-	-
	261,203	280,028	19,005	136,558	66,337	30,848	27,280
30 June 2016							
Bank Overdrafts	16,325	16,325	16,325	-	-	-	-
Secured bank loans	70,174	81,690	-	14,371	12,541	28,704	26,074
Deposits from customers and short term borrowings	125,343	129,744	-	90,265	10,068	26,816	2,595
Creditors and accruals	36,216	36,216	-	36,216	-	-	-
	248,058	263,975	16,325	140,852	22,609	55,520	28,669

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4 FINANCIAL RISK MANAGEMENT – continued

4.1 Risk management framework – continued

(c) Liquidity risk – continued

Additional details relating to MFL are set out below:

In order to comply with the Reserve Bank's requirements and the Banking Act 1995, MFL must hold as liquid deposits an amount equivalent to 10% of its total borrowed funds. The MFL Board ensures that the investment standalone is sufficient to meet the Unimpaired Liquid Assets Ratio requirements which are covered entirely by long term bonds.

The daily liquidity position is monitored. For MFL, the key measure used for managing liquidity risk is the ratio of net liquid assets to deposits from customers. Monthly maturity mismatch reports are prepared and analysed. Maturity reports of term deposits are actioned via pre-analysis (calling customer to determine the status of re-investment) and MFL Board Asset and Liability Committee (ALCO) is kept informed.

MFL's liquidity exposure is measured by calculating its Net Liquidity Gap and by comparing current ratios with targets. MFL Board/ ALCO monitors the Company'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.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and be in compliance with statutory requirements.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

4 FINANCIAL RISK MANAGEMENT – continued

4.2 Capital risk management – continued

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

	2017 \$'000	2016 \$'000
Total Borrowings (excluding deposits from customers)	101,614	93,711
Less: Cash and cash equivalents (Note 10)	(4,022)	(8,502)
Net debt	97,592	85,209
Total capital	250,373	230,538
Gearing ratio	39%	37%

Additional details relating to MFL are set out below:

MFL is subject to externally imposed capital requirements by the Reserve Bank of Fiji. MFL's objectives when managing capital are:

- To comply with the capital requirements set by the Reserve Bank of Fiji;
- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of the business.

Capital adequacy and the use of regulatory capital are monitored daily by MFL's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Fiji, for supervisory purposes.

The Reserve Bank of Fiji requires MFL to (a) hold at least 10% of its total holdings in liquid assets and (b) maintain a ratio of total regulatory capital to risk-weighted assets at or above 15%. MFL complied with these requirements during the year.

MFL also measures its Credit Loss Reserve requirement on an annual basis and during the current year transferred an amount of nil (2016: \$nil) to this reserve in compliance with Reserve Bank of Fiji guidelines.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

5 PROFIT

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
The profit before income tax has been determined after:				
(a) Crediting as other income				
Net gain on disposal of property, plant and equipment and assets held for sale	262	254	27	22
Management fees	104	104	-	-
Rental income	2,679	2,520	-	-
Fee income	687	678	-	-
Change in fair value of investment properties	724	1,861	-	-
Other income	<u>2,421</u>	<u>1,647</u>	<u>137</u>	<u>179</u>
	<u>6,877</u>	<u>7,064</u>	<u>164</u>	<u>201</u>
	=====	=====	=====	=====

In the financial statements of the Company, dividends received from subsidiary and other companies amounting to \$25,607,000 (2016: \$24,780,000) are treated as part of operating revenue. See note 21 for further details.

(b) Charging as expense

Auditors' remuneration:				
- audit fees - KPMG	290	287	74	73
- other auditors	91	84	-	-
- other services - KPMG	95	30	30	-
- other auditors	103	76	60	30
Directors' emoluments				
- for services as directors	541	428	210	213
- for other services	84	33	83	38
Provision for impairment/write-off of inventories	192	147	-	-
FNPF contributions	2,701	2,397	173	101
Marketing and promotion	3,696	4,251	31	15
Rent	2,332	2,058	219	226
Repairs and maintenance	6,640	5,443	-	-
Management fee	935	1,032	-	-

6. NET FINANCE COSTS

Exchange gain	137	465	-	-
Interest income	<u>143</u>	<u>56</u>	<u>863</u>	<u>1,087</u>
Finance income	<u>280</u>	<u>521</u>	<u>863</u>	<u>1,087</u>
Exchange loss	(384)	(648)	-	-
Reclassification of foreign currency differences on disposal of foreign operations	-	(5,717)	-	-
Interest expense	<u>(3,711)</u>	<u>(3,886)</u>	<u>(2,124)</u>	<u>(2,331)</u>
Finance costs	<u>(4,095)</u>	<u>(10,251)</u>	<u>(2,124)</u>	<u>(2,331)</u>
Net finance costs recognised in profit or loss	(3,815)	(9,730)	(1,261)	(1,244)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

7. INCOME TAX

(a) Income tax expense

The amount of income tax attributable to the financial year differs from the amount prima facie payable on the profit. The difference is reconciled as follows:

	Group		Company	
	2017 \$'000	2016 \$'000 (Restated)	2017 \$'000	2016 \$'000
Profit before income tax	<u>37,223</u>	<u>34,812</u>	<u>22,375</u>	<u>20,442</u>
Prima facie tax payable at 10% (2016: 10%)	3,722	3,481	2,238	2,044
<u>Add/ (deduct):</u>				
Impact of difference in tax rate	3,328	3,524	-	-
Dividends received	(185)	(144)	(2,561)	(2,478)
Exempt income	(270)	(372)	-	-
Other permanent differences	86	1,461	12	220
Impact of equity accounted profit	(430)	(165)	-	-
Other	-	96	-	-
Change in tax losses and timing differences not previously brought to account	383	208	-	-
Transitional dividend tax at 1%	230	336	-	-
(Over)/under provision in prior year	<u>(712)</u>	<u>(394)</u>	<u>(300)</u>	<u>(195)</u>
Income tax expense/ (benefit) attributable to profit	6,152 =====	8,031 =====	(611) =====	(409) =====

Total income tax expense/ (benefit) is made up of:

Current income tax expense/ (benefit)	7,169	6,472	-	(246)
Deferred tax	(1,200)	1,617	(858)	32
Transitional dividend tax at 1%	230	336	-	-
(Over)/under provision in prior years	<u>(47)</u>	<u>(394)</u>	<u>247</u>	<u>(195)</u>
Income tax expense/ (benefit) attributable to profit	6,152 =====	8,031 =====	(611) =====	(409) =====

(b) Current tax liability/ (asset)

Balance at beginning of year	952	163	(587)	(155)
Income tax paid	(7,897)	(5,994)	-	-
Income tax refund	-	311	-	-
Current income tax expense/ (benefit)	7,169	6,472	-	(246)
Transfer of balance (from)/ to VAT account	(15)	58	-	9
Transitional dividend tax at 1%	230	336	-	-
(Over)/under provision in prior years	<u>(47)</u>	<u>(394)</u>	<u>247</u>	<u>(195)</u>
Balance at end of year	<u>392</u> =====	<u>952</u> =====	<u>(340)</u> =====	<u>(587)</u> =====

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

7. INCOME TAX – continued

(c) Deferred tax assets and liabilities

	Group		Company	
	2017 \$'000	2016 \$'000 (Restated)	2017 \$'000	2016 \$'000
<u>Deferred tax assets</u>				
Property, plant & equipment	66	96	17	17
Annual leave	227	183	3	16
Doubtful debts	3,482	2,124	1	1
Inventory provisions	210	185	-	-
Others	9	83	-	-
Unrealised foreign exchange gain	3	9	-	-
Tax losses	1,142	252	871	-
	<u>5,139</u>	<u>2,932</u>	<u>892</u>	<u>34</u>
<u>Deferred tax liabilities</u>				
Property, plant & equipment	(9,027)	(7,956)	-	-
Cyclone reserve deposit	(119)	(118)	-	-
Fair value on revaluation	(812)	(877)	-	-
	<u>(9,958)</u>	<u>(8,951)</u>	<u>-</u>	<u>-</u>

As at 30 June 2017, Group companies had unrecouped income tax losses of approximately \$1.8 million (2016: \$1.2 million) available to offset against future years' taxable income. The benefit at 20% (2016: 20%) tax rate amounting to approximately \$0.4 million (2016: \$0.2 million) has not been brought to account as realisation is not considered to be probable. Under the existing income tax laws, assessed tax losses may only be carried forward for 4 years in succession.

The benefit will only be obtained if:

- (i) the companies derive future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;
- (ii) the companies continue to comply with the conditions for deductibility imposed by the law; and
- (iii) no change in tax legislation adversely affect the companies in realising the benefit from the deductions for the losses.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

7. INCOME TAX – continued

(c) Deferred tax assets and liabilities – continued

Movement in temporary differences during the year

Group	1 July 2016 \$'000 (Restated)	Recognised in profit or loss \$'000	30 June 2017 \$'000
<i>Deferred tax assets</i>			
Property, plant & equipment	96	(30)	66
Annual leave	183	44	227
Doubtful debts	2,124	1,358	3,482
Others	83	(74)	9
Inventory provisions	185	25	210
Unrealised foreign exchange loss	9	(6)	3
Tax losses	252	890	1,142
	<u>2,932</u>	<u>2,207</u>	<u>5,139</u>
<i>Deferred tax liabilities</i>			
Property, plant & equipment	(7,956)	(1,071)	(9,027)
Cyclone reserve deposit	(118)	(1)	(119)
Fair value on revaluation	(877)	65	(812)
	<u>(8,951)</u>	<u>(1,007)</u>	<u>(9,958)</u>

	1 July 2015 \$'000 (Restated)	Recognised in profit or loss \$'000 (Restated)	30 June 2016 \$'000 (Restated)
<i>Deferred tax assets</i>			
Property, plant & equipment	425	(329)	96
Annual leave	184	(1)	183
Doubtful debts	2,370	(246)	2,124
Others	-	83	83
Inventory provisions	165	20	185
Unrealised foreign exchange loss	5	4	9
Tax losses	632	(380)	252
	<u>3,781</u>	<u>(849)</u>	<u>2,932</u>
<i>Deferred tax liabilities</i>			
Property, plant & equipment	(7,198)	(758)	(7,956)
Cyclone reserve deposit	(108)	(10)	(118)
Fair value on revaluation	(877)	-	(877)
	<u>(8,183)</u>	<u>(768)</u>	<u>(8,951)</u>

Company	1 July 2016 \$'000	Recognised in profit or loss \$'000	30 June 2017 \$'000
<i>Deferred tax assets</i>			
Annual leave	16	(13)	3
Doubtful debts	1	-	1
Property, plant & equipment	17	-	17
Tax losses	-	871	871
	<u>34</u>	<u>858</u>	<u>892</u>

	1 July 2015 \$'000	Recognised in profit or loss \$'000	30 June 2016 \$'000
<i>Deferred tax assets</i>			
Annual leave	17	(1)	16
Doubtful debts	30	(29)	1
Property, plant & equipment	19	(2)	17
	<u>66</u>	<u>(32)</u>	<u>34</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

8. DISCONTINUED OPERATIONS

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

Basic Industries (PNG) Limited

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

Media Niugini Limited

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

Fiji Television Limited – Sky Pacific division

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

FHL Logistics Limited

In December 2013, the Group ceased operations of its wholly owned subsidiary, FHL Logistics Limited. The subsidiary was classified as a discontinued operation from the 2014 financial year and this continued into the 2017 financial year.

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

8. DISCONTINUED OPERATIONS – continued

(a) Results of discontinued operations

	FHL Logistics Limited		Media Niugini Limited		Sky Pacific		Basic Industries (PNG) Limited	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	10,381	-	9,846	-	536
Expenses	-	-	-	(9,452)	-	(13,787)	-	(1,180)
Results from operating activities	-	-	-	929	-	(3,941)	-	(644)
Income tax	-	-	-	(93)	-	-	-	-
Results from operating activities, net of tax	-	-	-	836	-	(3,941)	-	(644)
Gain/(loss) on sale of discontinued operation	-	-	-	384	-	(575)	-	568
Income tax on gain on sale of discontinued operation	-	-	-	-	-	-	-	-
Profit/ (Loss) from discontinued operations	-	-	-	1,220	-	(4,516)	-	(76)

Impact on earnings per share

	2017	2016
Basic loss per share	-	7 cents
Diluted loss per share	-	7 cents

Of the net loss from discontinued operation of \$nil (2016: \$3,372,000), \$nil (2016: \$2,106,000) is attributable to the owners of the Company.

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

	FHL Logistics Limited		Media Niugini Limited		Sky Pacific		Basic Industries (PNG) Limited	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash from operating activities	-	-	-	103	-	1,183	-	(132)
Net cash used in financing activities	-	-	-	-	-	-	-	-
Net cash used in investing activities	-	-	-	-	-	-	-	-
Net cash inflow/(outflow) for the year	-	-	-	103	-	1,183	-	(132)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

8. DISCONTINUED OPERATIONS – continued

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

30 June 2016	Media Niugini Limited	Sky Pacific	Basic Industries (PNG) Limited	Total
	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	9,204	3,687	2,121	15,012
Loans, advances and receivables	1,410	-	1,299	2,709
Inventories	684	376	-	1,060
Cash and cash equivalents	4,084	-	-	4,084
Goodwill	860	-	-	860
Deferred tax	(231)	-	-	(231)
Borrowings	-	-	(1,897)	(1,897)
Payables	(2,716)	(105)	(1,333)	(4,154)
Net assets and liabilities	13,295	3,958	190	17,443
Consideration received, satisfied in cash	13,679	3,383	-	17,062
Cash and cash equivalents disposed of	(4,084)	-	-	(4,084)
Net cash inflows	9,595	3,383	-	12,978

9. DIVIDENDS PAID

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Ordinary - A class				
Dividend paid at 24 cents (2016: 23 cents)	<u>2,522</u>	<u>2,407</u>	<u>2,522</u>	<u>2,407</u>
Ordinary - B class				
Dividend paid at 24 cents (2016: 23 cents)	<u>4,819</u>	<u>4,600</u>	<u>4,819</u>	<u>4,600</u>
	<u>7,341</u>	<u>7,007</u>	<u>7,341</u>	<u>7,007</u>
	=====	=====	=====	=====

10. CASH AND CASH EQUIVALENTS

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

Cash on hand and at bank	19,456	23,757	54	54
Term deposits	<u>1,571</u>	<u>1,070</u>	<u>102</u>	<u>102</u>
	21,027	24,827	156	156
Bank overdrafts (Note 27)	(<u>17,005</u>)	(<u>16,325</u>)	(<u>4,434</u>)	(<u>9,353</u>)
	<u>4,022</u>	<u>8,502</u>	(<u>4,278</u>)	(<u>9,197</u>)
	=====	=====	=====	=====

b) Financing facilities

Facilities available to the Group are bank overdrafts. Financing facilities of \$37.50 million were available to the Group as at 30 June 2017 (2016: \$37.50 million) of which \$12.30 million (2016: \$12.27 million) was utilised. See also note 27.

11. HELD-TO-MATURITY INVESTMENTS

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

During the year to 30 June 2016, Merchant Finance Limited, a subsidiary, redeemed a number of term deposits prior to their maturity date. As a result, the held to maturity portfolio of all the entities in the Group has been "tainted" and no financial instruments may be classified as held to maturity for a period of two years in accordance with the requirements of IAS 39. The portfolio has therefore been reclassified to available for sale financial assets and been marked to market through other comprehensive income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

12. LOANS, ADVANCES AND RECEIVABLES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Trade receivables	14,877	22,942	-	-
Provision for impaired receivables	(2,595)	(7,266)	-	-
	12,282	15,676	-	-
Net loans and advances - third parties (Note 13)	59,642	63,728	-	-
- related parties	247	-	2,601	5,457
Other receivables - third parties	8,886	6,493	81	151
- related parties	2,432	2,713	10,175	8,843
Provision for impaired receivables	(14)	(67)	(14)	(14)
	83,475	88,543	12,843	14,437
	=====	=====	=====	=====
Non-current				
Net loans and advances - third parties (Note 13)	70,640	65,500	-	-
- related parties	-	-	11,650	6,030
Other receivables	5,889	5,889	5,304	5,304
	76,529	71,389	16,954	11,334
	=====	=====	=====	=====
TOTAL	160,004	159,932	29,797	25,771
	=====	=====	=====	=====
Provision for impairment				
Balance at beginning of year	7,333	9,096	14	3,951
Additional provisions made	348	2,444	-	-
Bad debts written off	(4,618)	(4,121)	-	(3,937)
Reversal of provisions	(454)	(86)	-	-
Balance at end of year	2,609	7,333	14	14
	=====	=====	=====	=====

Related party loans and advances are unsecured.

13. LOANS AND ADVANCES

Gross term receivables	167,354	164,848	-	-
Unearned income	(31,600)	(31,549)	-	-
	135,754	133,299	-	-
Individually assessed allowance	(2,687)	(1,127)	-	-
Collective allowance	(2,785)	(2,944)	-	-
	130,282	129,228	-	-
	=====	=====	=====	=====

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

13. LOANS AND ADVANCES – continued

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<u>Maturity analysis</u>				
Not longer than 3 months	19,809	19,902	-	-
Longer than 3 and not longer than 12 months	41,624	45,141	-	-
	61,433	65,043	-	-
Unearned income	(514)	(880)	-	-
Individually assessed allowance	(1,145)	(41)	-	-
Collective allowance	(132)	(394)	-	-
Current (Note 12)	59,642	63,728	-	-
Longer than 1 year and not longer than 5 years	95,247	92,533	-	-
Longer than 5 years	10,674	7,272	-	-
	105,921	99,805	-	-
Unearned income	(31,086)	(30,669)	-	-
Individually assessed allowance	(1,542)	(1,086)	-	-
Collective allowance	(2,653)	(2,550)	-	-
Non-current (Note 12)	70,640	65,500	-	-
	130,282	129,228	-	-
	=====	=====	=====	=====
<u>Impairment of loans and advances</u>				
	2017 \$'000		2016 \$'000	
	Individual allowance for impairment	Collective allowance for impairment	Individual allowance for impairment	Collective allowance for impairment
Balance at beginning of year	1,127	2,944	2,032	2,215
Increase in impairment allowances	6,283	-	807	729
Reversals of impairment	-	(159)	-	-
Write off against provisions	(4,723)	-	(1,712)	-
Balance at end of year	2,687	2,785	1,127	2,944
	=====	=====	=====	=====

14. INVENTORIES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Raw materials, spares, stores and supplies	11,288	13,081	-	-
Finished goods	20,135	17,301	-	-
Goods in transit	4,484	1,057	-	-
Provision for obsolescence	(1,116)	(924)	-	-
	34,791	30,515	-	-
	=====	=====	=====	=====

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

15. PROPERTY, PLANT AND EQUIPMENT

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

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Freehold land and improvements - at cost/ deemed cost	8,600	9,801	-	-
Island properties - at directors' valuation	8,000	8,000	-	-
Leasehold land, improvements and buildings at cost/ deemed cost	55,618	59,658	-	-
Accumulated depreciation	(9,765)	(10,312)	-	-
	45,853	49,346	-	-
Plant and equipment - at cost/ deemed cost	172,171	155,931	1,176	1,138
Accumulated depreciation	(110,250)	(100,711)	(1,021)	(981)
Allowance for impairment	(3,658)	(3,658)	-	-
	58,263	51,562	155	157
Capital works in progress - at cost	17,355	5,550	-	-
	138,071	124,259	155	157
	=====	=====	=====	=====

(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 and improvements \$'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 2016	9,801	8,000	49,346	51,562	5,550	124,259
Transfers to investment property	(1,201)	-	(2,683)	-	-	(3,884)
Additions	-	-	110	2,348	25,631	28,089
Disposals	-	-	-	(80)	-	(80)
Transfer from capital work in progress	-	-	76	13,281	(13,826)	(469)
Depreciation/ amortisation	-	-	(996)	(8,848)	-	(9,844)
Carrying amount at 30 June 2017	8,600	8,000	45,853	58,263	17,355	138,071

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

15. PROPERTY, PLANT AND EQUIPMENT – continued

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

Company	Freehold land and improvements \$'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 2016	-	-	-	157	-	157
Additions	-	-	-	118	-	118
Disposals	-	-	-	-	-	-
Depreciation	-	-	-	(120)	-	(120)
Carrying amount at 30 June 2017	-	-	-	155	-	155

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

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

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

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

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

(f) Investment properties are transferred to property, plant and equipment where they are occupied by Group companies. There is impact on profit or loss of this transfer as investment properties are held at fair value upon transfer, the change in fair value of investment properties that are occupied by Group companies are reversed and depreciation charge is recorded.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

15. PROPERTY, PLANT AND EQUIPMENT – continued

- (g) During 2016, the subsidiary Blue Lagoon Cruises Limited engaged the services of Dover Marine to carry out a valuation to determine the fair value of the vessel *Mystique Princess*. Based on this valuation the subsidiary wrote down the *Mystique Princess* to its residual value resulting in an impairment loss of \$2,158,17.
- (h) During 2017, 3 buildings were transferred to investment properties because they were no longer used by the Group's subsidiaries; Fiji Television Limited and RB Patel Group Limited, and it was decided that the buildings would be leased to third parties. Immediately before the transfer, the Group remeasured the property to fair value and recognised a gain of \$1,164,000 in OCI. The valuation techniques and significant observable inputs used in measuring the fair value of the buildings at the date of the transfer were the same as those applied to investment property at the reporting date.

16. CONTRACT ASSETS

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cost at beginning of year	3,506	4,329	-	-
Additions	19	333	-	-
Accumulated amortisation	(2,321)	(2,234)	-	-
Accumulated impairment	(947)	(947)	-	-
Disposal	-	(1,156)	-	-
Closing balance	<u>257</u>	<u>325</u>	<u>-</u>	<u>-</u>

These costs relate to Fiji Television Limited and the amounts recorded as contract assets related to decoders that were hired out to customers. The costs were amortised over the estimated life. These decoders were sold to Digicel Fiji Limited as part of the sale of the Sky Pacific operations. During the year, Fiji Television Limited hired out radio equipment worth \$19,000 (2016: \$333,000) to the Fiji Police Force. These assets remain the property of Fiji Television Limited; however they have been transferred from property, plant and equipment and included under contract assets due to the nature of the assets.

17. ASSETS HELD FOR SALE

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(a) Total assets held for sale	<u>1,416</u>	<u>1,416</u>	<u>-</u>	<u>-</u>
(b) Total liabilities held for sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Assets classified as held for sale consist of a block of land in Suva belonging to Merchant Finance Limited.

Assets and liabilities of disposal group held for sale

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

18. INVESTMENT PROPERTIES

	Group		Company	
	2017 \$'000	2016 \$'000 Restated	2017 \$'000	2016 \$'000
Valuation				
Opening balance	25,961	22,961	-	-
Acquisitions	6	3,400	-	-
Transfers from/(to) property, plant and equipment	5,030	(2,261)	-	-
Change in fair value	724	1,861	-	-
Closing balance	<u>31,721</u>	<u>25,961</u>	<u>-</u>	<u>-</u>
Work in progress				
Opening balance	1,001	216	-	-
Acquisitions	<u>4,017</u>	<u>785</u>	<u>-</u>	<u>-</u>
Closing balance	<u>5,018</u>	<u>1,001</u>	<u>-</u>	<u>-</u>
Carrying amount				
Opening balance	26,962	23,177	-	-
	=====	=====	=====	=====
Closing balance	<u>36,739</u>	<u>26,962</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

Investment properties occupied by the Group are transferred to property, plant and equipment on consolidation. Changes in fair values are recognised as gains in profit or loss and included in 'other income'. All gains are unrealised.

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 every 3 years. In the intervening years the Directors review the carrying value of the investment properties. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Inter-relationship between key unobservable inputs and fair value measurement</i>
Sales (Direct Comparison) whereby the comparable developments are compared to the subject properties on a common denominator with equated adjustments made to allow for differences and comparability. This approach considers the sale price levels of similar and comparable properties in the localities.	Not applicable	Not applicable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

18. INVESTMENT PROPERTIES - continued

Restatement of investment properties

The consolidated 2016 comparatives for investment properties have been restated as explained in note 1.2. The following table summarises the impacts on the Group's consolidated financial statements:

i) Consolidated statement of financial position

	Impact of restatement		
	As previously reported	Adjustments	As restated
30 June 2016			
Investment properties, excluding WIP	9,719	16,242	25,961
Others	465,327	-	465,327
Total assets	475,046	16,242	491,288
Deferred tax liabilities	(5,314)	(3,637)	(8,951)
Others	(251,799)	-	(251,799)
Total liabilities	(257,113)	(3,637)	(260,750)
Retained earnings	(119,554)	(12,623)	(132,177)
Non-controlling interests	(47,090)	18	(47,072)
Others	(51,289)	-	(51,289)
Total equity	(217,933)	(12,605)	(230,538)

ii) Consolidated statement of profit or loss and OCI

	Impact of restatement		
	As previously reported	Adjustments	As restated
For the year ended 30 June 2016			
Other income	5,203	1,861	7,064
Depreciation and amortisation	(10,894)	98	(10,796)
Income tax expense	(6,973)	(1,058)	(8,031)
Others	35,172	-	35,172
Profit after tax	22,508	901	23,409
Total comprehensive income	29,378	901	30,279

There is no material impact on the Group's basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the years ended 30 June 2017 and 2016.

19. INTANGIBLE ASSETS

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Goodwill on consolidation	62,620	62,620	-	-
Provision for impairment on goodwill	(6,912)	(6,912)	-	-
Management rights	5,877	6,377	-	-
Software	711	211	-	-
F1 Audio Visual Copyright	1,151	1,151	-	-
Provision for impairment	(1,151)	(1,151)	-	-
Total intangible assets	62,296	62,296	-	-
	=====	=====	=====	=====
Movements during the year are as follows:				
Opening net book amount	62,296	62,651	-	-
Additions	570	171	-	-
Amortisation charge on software	(70)	(25)	-	-
Amortisation of management rights	(500)	(501)	-	-
Total intangible assets	62,296	62,296	-	-
	=====	=====	=====	=====

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

19. INTANGIBLE ASSETS - continued

(a) FHL Retailing Limited

Impairment test for goodwill

Goodwill of \$12.112m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary which holds the Group's 51% investment in RB Patel Group Ltd.

Management value the investment in RB Patel Group Ltd at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for RB Patel Group Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2017 of \$3.24 (2016: \$3.10) less estimated cost to sell. A decrease in RB Patel Group Limited's share price by more than \$1.12 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 2017 was determined to be lower than its recoverable amount of \$49,335,000 (2016: \$44,686,000).

Impairment test for management rights

Management rights is considered a CGU. The recoverable amount of the CGU is determined based on value in use calculations. Free cash flow from management rights was computed based on the forecast management fee income for the next 15 years net of management fee expense and income tax expense thereon.

These projections were based on financial budgets approved by management for the year ending June 2018. Cash flows beyond June 2018 are extrapolated using the estimated growth rates in the underlying business. The growth rate does not exceed the long term average growth rate in which the CGU operates. The key assumptions used in the value in use calculation are as follows:

	2017	2016
	<i>In percent</i>	
Discount rate	10.0	10.0
Terminal value growth rate	2.0	2.0

The weighted average growth rates are based on management's assessment. The discount rate used reflects the risk adjusted rate of return. The carrying amount of the CGU in 2017 was determined to be lower than its recoverable amount. Management rights are being amortised over the remaining life on a straight line basis.

(b) South Sea Cruises Limited

Impairment test for goodwill

Goodwill of \$46.143m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated. The carrying amount of the CGU in 2017 was determined to be lower than its recoverable amount of \$102.413m (2016: \$89.837m). The key assumptions used in the estimation of value in use were as follows:

	2017	2016
	<i>In percent</i>	
Discount rate	11.3	13.0
Terminal value growth rate	2.5	2.5
Budgeted EBITDA growth rate (average of next five years)	10.0	7.0

The discount rate was a post-tax measure based on the historical industry average weighted-average cost of capital, with a debt leveraging of 40% at a market interest rate of 4%.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the long-term compound annual EBITDA growth rate estimated by management, consistent with the assumption that a market participant would make.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

19. INTANGIBLE ASSETS – continued

(b) South Sea Cruises Limited - continued

Impairment test for goodwill - continued

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

An adverse movement in a key assumption that would lead to impairment is set out below. Management has identified that a reasonably possible change in two key assumptions could cause further impairment of goodwill as follows:

	2017 Movement in percent	Impairment (\$'000)
Discount rate increases	1.0	1,460
Terminal value growth rate decreases	1.5	1,492

(c) Fiji Television Limited

Impairment test for goodwill

Goodwill of \$1.984m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary which holds the Group's 61.7% investment in Fiji Television Limited. Management value the investment in Fiji Television Limited at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for Fiji Television Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2017 of \$1.84 (2016: \$2.39) less estimated cost to sell. A decrease in Fiji Television Limited's share price by more than \$1.16 would result in impairment. The fair value measurement was categorised as a Level 1 fair value based on quoted prices. The carrying amount of the CGU in 2017 was determined to be lower than its recoverable amount of \$11,526,000 (2016: \$14,936,000).

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(a) Listed/quoted securities				
- Amalgamated Telecom Holdings Ltd	4,637	3,339	-	-
- Fijian Holdings Unit Trust	5,328	5,096	5,326	5,093
- Pacific Green Industries Ltd	1,038	1,038	-	-
- Fiji Care Insurance	120	90	-	-
- Kontiki Growth Fund	90	101	-	-
- Communications (Fiji) Ltd	2	2	-	-
- Flour Mills of Fiji Ltd	1,103	986	1,103	986
	<u>12,318</u>	<u>10,652</u>	<u>6,429</u>	<u>6,079</u>
(b) Unlisted securities				
Shares in subsidiary companies				
- Basic Industries Ltd	-	-	27,117	11,626
- South Sea Cruises Limited	-	-	55,500	55,500
Blue Lagoon Cruises Holdings Ltd*				
Blue Lagoon Cruises Limited*				
- FHL Media Limited	-	-	32,647	33,187
Fiji Television Limited*				
Life Cinema Limited*				
- FHL Logistics Ltd	-	-	-	-
- FHL Retailing Ltd	-	-	47,687	44,832
RB Patel Group Limited*				
- FHL Stockbrokers Limited	-	-	596	583
- Pacific Cement Limited	-	-	7,036	6,116
- FHL Fund Management Ltd	-	-	1,811	1,335
- FHL Properties Limited	-	-	26,527	25,770
- Merchant Finance Limited	-	-	42,082	39,928
	<u>-</u>	<u>-</u>	<u>241,003</u>	<u>218,877</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS – continued

(b) Unlisted securities - continued

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Shares in other companies				
- Goodman Fielder International (Fiji) Ltd	2,200	2,200	2,200	2,200
- Golden Manufacturers Ltd (Note 23)	-	-	16,699	16,699
- Marsh Ltd (Note 23)	-	-	6,111	6,111
- New World Ltd	5,691	3,871	5,691	3,871
- South Pacific Stock Exchange	15	15	-	-
- Fiji Gas Company Ltd	1,230	979	-	-
- Pernix (Fiji) Limited (Note 23)	-	-	2,100	2,100
- Asian Paints (South Pacific) Ltd	1,666	1,527	1,666	1,527
	<u>10,802</u>	<u>8,592</u>	<u>34,467</u>	<u>32,508</u>
Other				
-Deposits with financial institutions	11,711	9,263	-	-
-Government securities	10,275	10,300	-	-
-Other	57	55	-	-
	<u>22,043</u>	<u>19,618</u>	<u>-</u>	<u>-</u>
Total investments	<u>45,163</u>	<u>38,862</u>	<u>281,899</u>	<u>257,464</u>
	=====	=====	=====	=====

The split between current and non- current is as follows:

Current	11,711	9,263	-	-
Non Current	<u>33,452</u>	<u>29,599</u>	<u>281,899</u>	<u>257,464</u>
Total investments	<u>45,163</u>	<u>38,862</u>	<u>281,899</u>	<u>257,464</u>
	=====	=====	=====	=====

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

(c) Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value is estimated using inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

20. AVAILABLE- FOR- SALE FINANCIAL ASSETS – continued

(c) Valuation of financial instruments - continued

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

	Carrying amount					Fair value			
	Held-to-maturity \$'000	Loans and receivables \$'000	Available- for-sale \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group									
30 June 2017									
Financial assets measured at fair value									
Local listed equities	-	-	12,318	-	12,318	12,318	-	-	12,318
Unlisted equities	-	-	10,802	-	10,802	-	1,230	9,572	10,802
Other equities	-	-	57	-	57	-	-	57	57
Deposits with financial institutions	-	-	11,711	-	11,711	-	11,711	-	11,711
Government bonds	-	-	10,275	-	10,275	-	10,275	-	10,275
	-	-	45,163	-	45,163				
Company									
30 June 2017									
Financial assets measured at fair value									
Local listed equities	-	-	6,429	-	6,429	6,429	-	-	6,429
Unlisted equities	-	-	275,470	-	275,470	-	-	275,470	275,470
	-	-	281,899	-	281,899				

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS – continued

(c) Valuation of financial instruments – continued

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

20. AVAILABLE- FOR- SALE FINANCIAL ASSETS – continued

(c) Valuation of financial instruments - continued

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	<p><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 (2017: 3-10%; 2016: 5-10%) Forecast dividend yield Adjusted market multiple (2017: 7-9; 2016: 5-9) 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 and independent valuation conducted by Simmons Corporate.

During the financial year ended 30 June 2017, there were no transfers in and out of fair value hierarchy levels mentioned above. There are no material movements between the opening and closing balances in Level 3 of the fair value hierarchy. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair value.

	Group \$'000	Company \$'000
Balance at 1 July 2015	7,287	225,443
Gain included in OCI		
- Net change in fair value	381	25,942
Balance at 30 June 2016	<u>7,668</u>	<u>251,385</u>
Balance at 1 July 2016	7,668	251,385
Gain included in OCI		
- Net change in fair value	1,961	24,085
Balance at 30 June 2017	<u>9,629</u>	<u>275,470</u>

Sensitivity analysis

For the fair values of equity securities – available-for-sale, a reasonably possible change of 5% 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	(2,853)	2,853
Adjusted market multiple	3,648	(3,648)
Forecast dividend yield	1,668	(1,668)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

21. DETAILS OF INVESTMENTS

Name of company	Place of incorporation/ principal country of operation	Ownership interest		Dividend income for the Company	
		2017 %	2016 %	2017 \$'000	2016 \$'000
(a) Listed/quoted securities					
Fijian Holdings Unit Trust	Fiji	25.2	25.2	211	282
Flour Mills of Fiji Ltd	Fiji	4.3	4.3	18	16
				229	298
(b) Unlisted securities					
Subsidiary companies:					
Basic Industries Ltd	Fiji	51.1	51.1	4,573	4,599
South Sea Cruises Ltd	Fiji	100.0	100.0	5,100	4,500
- Blue Lagoon Cruises Holdings Ltd	Fiji	100.0	100.0	-	-
- Blue Lagoon Cruises Ltd	Fiji	96.1	96.1	-	-
FHL Logistics Ltd	Fiji	100.0	100.0	-	-
FHL Retailing Ltd	Fiji	100.0	100.0	2,000	1,500
- RB Patel Group Limited	Fiji	53.5	53.5	-	-
FHL Stockbrokers Ltd	Fiji	100.0	100.0	30	-
Pacific Cement Limited	Fiji	50.1	50.1	1,454	1,355
FHL Fund Management Limited	Fiji	100.0	100.0	650	600
FHL Properties Ltd	Fiji	100.0	100.0	550	500
FHL Media Limited	Fiji	100.0	100.0	2,600	1,500
- Fiji Television Limited	Fiji	61.7	61.6	-	-
- Life Cinema Limited	Fiji	69.1	69.1	-	-
Merchant Finance Ltd	Fiji	80.0	80.0	4,800	7,574
				21,757	22,128
(c) Other companies					
Asian Paints (South Pacific) Ltd	Fiji	8.9	8.9	128	85
Goodman Fielder International (Fiji) Ltd	Fiji	10.0	10.0	-	89
Golden Manufacturers Ltd	Fiji	30.0	30.0	1,710	1,350
Pernix (Fiji) Limited	Fiji	21.0	21.0	63	-
Marsh Ltd	Fiji	25.0	25.0	900	600
New World Ltd	Fiji	15.4	15.4	820	230
				3,621	2,354
				25,607	24,780
				=====	=====

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.

22. NON-CONTROLLING INTERESTS - continued

30 June 2017	Basic Industries Limited	Pacific Cement Limited	Merchant Finance Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Limited	Blue Lagoon Cruises Limited	Intra-group eliminations	Total
NCI percentage	48.99%	49.83%	20.00%	46.53%	38.30%	30.87%	3.92%		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets	21,920	7,049	101,362	50,510	5,377	8,617	14,502		
Current assets	21,023	14,626	63,604	19,450	12,001	753	609		
Non-current liabilities	(1,851)	(494)	(37,541)	(9,874)	(383)	(5,691)	(1,901)		
Current liabilities	(16,449)	(7,423)	(93,145)	(21,710)	(2,457)	(2,770)	(354)		
Net assets	24,643	13,758	34,280	38,376	14,538	909	12,856		
Net assets attributable to NCI	12,073	6,856	6,856	17,856	5,568	281	504	(1,812)	48,182
Revenue	73,690	33,057	17,599	123,140	(10,295)	(2,991)	3,343		
Profit/(loss)	7,936	1,139	3,891	8,482	575	(542)	2,154		
OCI	-	-	(24)	996	(151)	-	-		
Total comprehensive income	7,936	1,139	3,867	9,478	424	(542)	2,154		
Profit/(loss) allocated to NCI	3,888	568	778	3,946	220	(167)	84	(138)	9,179
OCI allocated to NCI	-	-	(5)	464	(58)	-	-	-	401
Cash flows from operating activities	5,468	4,406	8,855	10,073	(1,500)	(482)	15		
Cash flows from investing activities	(3,533)	(2,208)	(266)	(5,803)	(614)	(3,714)	6		
Cash flows from financing activities (dividends to NCI: \$7.577 million)	(6,028)	(1,809)	(8,159)	(5,162)	(3,253)	4,631	-		
Net increase (decrease) in cash and cash equivalents	(4,093)	389	430	(892)	(5,367)	435	21		

22. NON-CONTROLLING INTERESTS – continued

30 June 2016	Basic Industries Limited	Pacific Cement Limited	Merchant Finance Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Limited	Blue Lagoon Cruises Limited	Intra-group eliminations	Total
NCI percentage	48.99%	49.83%	20.00%	46.53%	38.40%	30.87%	3.93%		\$'000
Non-current assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	18,041	5,613	81,769	46,805	5,495	4,378	15,057		
Non-current liabilities	18,557	15,045	79,694	19,299	17,903	1,111	102		
Current liabilities	(1,134)	(26)	(32,086)	(9,803)	(1,390)	(2,029)	(1,933)		
	(13,256)	(5,114)	(94,463)	(21,607)	(4,805)	(2,009)	(2,524)		
Net assets	22,208	15,518	34,914	34,694	17,203	1,451	10,702		
Net assets attributable to NCI	10,880	7,733	6,983	16,143	6,606	448	421	(2,142)	47,072
Revenue	67,354	38,093	17,156	117,672	(11,568)	(2,568)	3,508		
Profit/(loss)	6,607	2,150	7,536	7,351	(668)	(428)	152		
OCI	-	-	800	-	(737)	-	-		
Total comprehensive income	6,607	2,150	8,336	7,351	(1,405)	(428)	152		
Profit/(loss) allocated to NCI	3,237	1,071	1,507	3,420	(257)	(132)	6	-	8,852
OCI allocated to NCI	-	-	160	-	(283)	-	-	-	(123)
Cash flows from operating activities	15,474	6,932	10,023	6,645	2,295	9	(30)		
Cash flows from investing activities	(2,708)	(677)	(3,644)	(1,815)	7,590	(1,024)	-		
Cash flows from financing activities (dividends to NCI: \$9.476million)	(5,488)	(2,885)	(7,013)	(4,774)	(3,886)	1,269	-		
Net increase (decrease) in cash and cash equivalents	7,278	3,370	(634)	56	5,999	254	(30)		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

23. INVESTMENTS IN ASSOCIATES

The Group's share of profit after tax in its equity accounted investees for the year was \$3.872 million (2016: \$1.485 million). The Group has interests in the following associates which are considered individually immaterial:

Marsh Limited
Golden Manufacturers Limited
Pernix (Fiji) Limited

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Profit/ (loss) \$'000
2017	104,885 =====	69,485 =====	75,557 =====	61,600 =====	13,958 =====
2016	82,483 =====	52,615 =====	76,517 =====	72,824 =====	3,693 =====

Reconciliation of the carrying value of investments in associates:

	Group	
	2017 \$'000	2016 \$'000
Opening balance	18,962	19,427
Equity accounted earnings of associates (net of tax)	3,872	1,485
Dividends from associates (Note 21c)	(2,673)	(1,950)
Closing balance	20,161 =====	18,962 =====

24. PAYABLES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Trade creditors	17,893	20,277	-	-
Accruals and other creditors	17,416	15,290	462	626
	35,309 =====	35,567 =====	462 =====	626 =====
Non-current				
Trade creditors	275	649	-	-
	275 =====	649 =====	- =====	- =====
TOTAL	35,584 =====	36,216 =====	462 =====	626 =====

25. EMPLOYEE ENTITLEMENTS

Current				
Annual leave	850	728	31	159
Bonus and gratuity	508	817	243	214
	1,358 =====	1,545 =====	274 =====	373 =====
Non-current				
Bonus and gratuity	74	319	-	-
Long service leave	38	178	-	-
	112 =====	497 =====	- =====	- =====
	1,470 =====	2,042 =====	274 =====	373 =====

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

26. DIVIDENDS PAYABLE

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Dividends	1,668	747	-	-
	=====	=====	=====	=====

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

27. BORROWINGS

Current

Bank overdrafts				
secured (Note 10)	17,005	16,325	4,434	9,353
Term loans				
secured	13,972	12,579	2,822	2,717
Fixed term deposits and term borrowings (unsecured)				
	<u>90,880</u>	<u>93,268</u>	<u>2,948</u>	<u>7,973</u>
	<u>121,857</u>	<u>122,172</u>	<u>10,204</u>	<u>20,043</u>

Non-current

Term loans				
secured	63,050	57,595	25,059	27,806
Fixed term deposits and term borrowings (unsecured)				
	<u>40,712</u>	<u>32,075</u>	<u>16,130</u>	<u>11,225</u>
	<u>103,762</u>	<u>89,670</u>	<u>41,189</u>	<u>39,031</u>
TOTAL	<u>225,619</u>	<u>211,842</u>	<u>51,393</u>	<u>59,074</u>
	=====	=====	=====	=====

The bank overdraft, stand by facilities, and term loans of the subsidiary companies with Australia and New Zealand Banking Group Limited ("ANZ Bank", "ANZ Banking Group Limited") are secured by registered equitable mortgages over all the assets and undertakings of the companies, including uncalled and unpaid capital of the respective companies.

- i. Fijian Holdings Limited – the loan and bank overdraft with ANZ Bank are secured by Scrip Lien Stamped to \$59m and Scrip Lien over shares in Basic Industries Limited, shares in Merchant Finance Limited, shares in South Sea Cruises Limited, shares in Golden Manufacturers Limited, shares in FHL Media Limited, shares in Pernix (Fiji) Limited, Scrip Lien given by FHL Retailing Limited over shares in RB Patel Group Limited, Scrip Lien, given by the FHL Trustees Limited, over shares in Pernix (Fiji) Limited, Naked deposit given Fijian Holdings Trust Management Limited (100% FHL owned) over 1 ordinary share in South Sea Cruises Limited, and First Registered Charge (Mortgage debenture), given by FHL including its uncalled and unpaid capital. (Being a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid or uncalled capital of that Security Provider).
- ii. South Sea Cruises Limited – the loan and bank overdraft with ANZ Bank are secured as follows:
 - First registered mortgage debenture by South Sea Cruises Limited being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital stamped to \$33,427,146.
 - First registered ships mortgage over MV Tiger IV, MV Dau Sara Cakau, MV Yasawa Flyer II, MV Cheetah, MV Ocean Dreaming and MV Cougar II. Agreement to mortgage over MV Tiger IV, MV Yasawa Flyer II and MV Dau Sara Cakau. Deed of covenant over MV Tiger IV, MV Yasawa Flyer II and MV Dau Sara Cakau.
 - Irrevocable Undertaking over MV Yasawa Flyer II.
 - Master lease agreement between Australia and New Zealand Banking Group Limited and South Sea Cruises Limited.
 - Cross guarantee between South Sea Cruises Limited, Blue Lagoon Cruises Limited and Blue Lagoon Cruises Holdings Limited.
 - First registered mortgage debenture by Blue Lagoon Cruises Limited, being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

27. BORROWINGS - continued

- First registered land mortgage over certificate of title number 1248, being land comprising Nanuya Island.
 - First registered ships mortgage over Fiji Princess and Mystique Princess belonging to Blue Lagoon Cruises Limited.
- iii. RB Patel Group Limited – the loan and bank overdraft with ANZ Bank are secured as follows:
- First registered mortgage debenture given by the company over all its present and future assets and undertakings and its uncalled and unpaid capital, stamped to \$20 million.
 - First registered mortgage over properties (CT No. 23400) situated at corner of Dovi Road and Ratu Mara Road, Laucala Beach Estate, Nasinu, (CT No. 7082) situated at Martintar, Nadi, (CT No. 34330) situated at Tavewa Avenue, Lautoka, (CL No. 53120) situated at Tavewa Avenue, Lautoka and (CT No. 39150) situated at Queens Road, Lami.
 - A Deed of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of \$6 million each.
 - Deed of Variation of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and the company, increasing maximum debt to \$6 million each.

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

- Registered equitable mortgage debenture given by the company over all its assets and undertakings including its uncalled and called but unpaid capital.
 - A Deed of Pari Passu between Westpac Banking Corporation, ANZ Banking Group Limited and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.
 - Registered first mortgage over properties (CL No. 718652) situated at the corner of Kings & Adi Davila Roads, Nakasi, Nausori and (NL No. 15761) situated at Labasa.
- iv. Basic Industries Limited – the loan and bank overdraft with ANZ Bank is secured by a registered first mortgage debenture over all assets and undertakings of the company including its uncalled and unpaid premiums.
- v. Life Cinema Limited – the loan and bank overdraft with Westpac Banking Corporation (WBC) are secured by:
- Registered first fixed & floating charge by Life Cinema Limited over all its assets and undertakings including its uncalled and called but unpaid capital.
 - Letter of comfort from shareholding company, Fijian Holdings Limited.
 - Letter of comfort from shareholding company, RB Patel Group Limited.
 - Non-disturbance deed between the company, Pacific Management Consulting Limited (the manager) and WBC.
 - Non-disturbance deed between the company, RB Patel Group Limited (the lessor) and WBC

The bank overdraft facility and bank loan from ANZ Banking Group Limited 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 \$6,250,000 to ANZ Banking Group Limited.
- vi. FHL Properties Limited: \$6.137 million – the loans with ANZ Bank are secured by a first registered mortgage over CT 19239 (Vanua House), first registered mortgage debenture over the assets and undertakings of the Company (this is a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid/ uncalled capital of the Company), first registered mortgage over CT 4098 (Ratu Sukuna House), and first registered mortgage over CT 12609 (Ra Marama House).
- vii. Pacific Cement Ltd: \$2.594 million – the loan with ANZ Bank is secured by a first registered mortgage debenture over all the company's assets and undertakings, stamped at \$9.1 million.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

27. BORROWINGS – continued

- viii. Fiji Television Limited: \$0.552 million- the loans with ANZ Bank are secured by a first registered mortgage debenture over all of the Company's assets and undertakings. During the previous year the Company drew a term loan and a finance lease facility from ANZ for asset and vehicle financing for a term of 5 years. These facilities attract a variable interest rate of 3.90% and 5% per annum respectively.

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

Fixed term deposits and short term borrowings are related to customer deposits with Merchant Finance Ltd and Fijian Holdings Unit Trust.

28. SHARE CAPITAL

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Issued and fully paid				
10,464,650 'A' class ordinary shares (20,000,000 authorised)	10,465	10,465	10,465	10,465
20,000,000 'B' class ordinary shares (20,000,000 authorised)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	<u>30,465</u>	<u>30,465</u>	<u>30,465</u>	<u>30,465</u>
	=====	=====	=====	=====

Shares have no par value.

The Company's ordinary 'A' class shares are listed on the Restricted Board of the South Pacific Stock Exchange. The iTaukei Affairs Board and the iTaukei Trust Fund (formerly Fijian Trust Fund) each hold 10 million of the Company's "B" class ordinary shares of \$1 each.

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

29. RESERVES

Available for sale reserve

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

Credit loss reserve

The credit loss reserve relates to Merchant Finance Limited in accordance with the requirements of the Reserve Bank of Fiji.

Other equity reserve

Other equity reserve relates principally to acquisition of minority interest shareholdings in Blue Lagoon Cruises Limited and RB Patel Group Limited.

Asset revaluation reserve

The asset revaluation reserve consists of increments arising from the revaluation of the Group's property, plant and equipment.

Foreign currency translation reserve

The foreign currency translation reserve relates to foreign currency translation as at year end on consolidation of subsidiary companies operating in foreign jurisdictions whose financial statements and transactions are denominated in a currency other than the functional and presentation currency of the Group.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

29. RESERVES - continued

Common control reserve

The acquisition of FHL Media in 2013 was accounted for as a common control transaction as at the time of this transaction both FHL Media and the Company were controlled by the same shareholder group. As a common control transaction, the acquisition did not reflect the fair value of assets and liabilities acquired or recording of additional goodwill at the time of the acquisition of FHL Media. The acquisition balance sheet of FHL Media reflected the carrying values for assets and liabilities acquired from FHL Media's consolidated accounting records. The difference between the fair value of the consideration given and the carrying value of the assets and liabilities acquired was recognised as a common control reserve in the consolidated financial statements. Upon disposal of all interests in FHL Media Limited by the Group, this reserve will be transferred to retained earnings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D **FIJIAN HOLDINGS AND SUBSIDIARY COMPANIES**
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO **FINANCIAL STATEMENTS 30TH JUNE 2017**

29. RESERVES - continued

(a) Group	Asset Revaluation Reserve \$'000	Credit Loss Reserve \$'000	Common Control Reserve \$'000	Available for Sale Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Equity Reserve \$'000	Total \$'000
Balance at 1 July 2015	5,756	2,425	9,926	2,463	(5,708)	(910)	13,952
Foreign currency movement	-	-	-	-	(47)	-	(47)
Decrease in non-controlling interests	-	-	-	-	-	(121)	(121)
Reclassification to retained earnings	-	-	-	-	5,717	-	5,717
Fair value movements	-	-	-	1,323	-	-	1,323
Balance at 30 June 2016	5,756	2,425	9,926	3,786	(38)	(1,031)	20,824
Foreign currency movement	-	-	-	-	(197)	-	(197)
Decrease in non-controlling interests	-	-	-	-	-	(18)	(18)
Revaluation of property, plant and equipment	636	-	-	-	-	-	636
Fair value movements	-	-	-	3,753	-	-	3,753
Balance at 30 June 2017	6,392	2,425	9,926	7,539	(235)	(1,049)	24,998
(b) Company							
Balance at 1 July 2015	-	-	-	67,971	-	-	67,971
Fair value movements	-	-	-	20,499	-	-	20,499
Balance at 30 June 2016	-	-	-	88,470	-	-	88,470
Fair value movements	-	-	-	21,369	-	-	21,369
Balance at 30 June 2017	-	-	-	109,839	-	-	109,839

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

30. OPERATING LEASES

Operating lease commitments

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

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	2,960	5,334	-	-
Later than 1 year but not later than 5 years	6,369	5,084	-	-
Later than 5 years	<u>11,753</u>	<u>8,403</u>	<u>-</u>	<u>-</u>
	21,082	18,821	-	-
	=====	=====	=====	=====

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

Operating lease commitments – where a group company is the lessor

The group leases certain properties at varying terms and conditions. The future minimum lease payments receivable under these leases are as follows:

Not later than 1 year	5,004	4,634	-	-
Later than 1 year but not later than 5 years	7,037	6,309	-	-
Later than 5 years	<u>3,769</u>	<u>3,686</u>	<u>-</u>	<u>-</u>
	15,810	14,629	-	-
	=====	=====	=====	=====

Amounts recognised in profit or loss

During 2017, investment property rentals of \$5.252 million (2016: \$4.878 million) were included in 'Operating revenue'. Direct operating expenses (including repairs and maintenance), were as follows:

Income-generating property	815	966	-	-
Vacant property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	815	966	-	-
	=====	=====	=====	=====

31. EARNINGS PER SHARE

The calculation of earnings per share at 30 June 2017 was based on the profit attributable to ordinary shareholders of \$21,892,000 (2016: restated \$14,557,000) and a weighted average number of ordinary shares outstanding of 30,465,000 (2016: 30,465,000), calculated as follows:

	Group	
	2017	2016
	\$'000	\$'000
		(Restated)
Profit after income tax attributable to members of the holding company	21,892	14,557
Loss from discontinued operations	<u>-</u>	<u>3,372</u>
Profit after tax from continuing operations	21,892	17,929
Weighted average number of shares outstanding	<u>30,465</u>	<u>30,465</u>
	=====	=====
Basic and diluted earnings per share – continuing operations	\$ 0.72	\$ 0.59
Basic and diluted earnings per share	\$ 0.72	\$ 0.48

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
32. CONTINGENT LIABILITIES				
Non performance guarantees given by the bank on behalf of subsidiary companies	2,842	4,110	-	-
Non performance guarantees given by the bank on behalf of the holding company	270	270	270	270

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

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

33. CAPITAL COMMITMENTS

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

Approved but not contracted	417	9,468	-	-
Approved and contracted	10,770	26,358	-	-
	=====	=====	=====	=====

Commitments in respect of loans and approved credit commitments offered but not yet advanced as at balance date amounted to approximately \$2,783,000 (2016: \$1,868,000).

34. RELATED PARTY INFORMATION

Directors

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

Adrian Sofield	- Chairman – Appointed 9 th March, 2017
Iowane Naiveli	
Sakiusa Raivoce	
Aisea Waka Vosailagi	
Ulaiasi Taoi	- Resigned 5 October 2016
Isikeli Tuituku	- Resigned 18 October 2016
Viliame Cegumalua	- Resigned 18 October 2016
Viliame Naupoto	- Resigned 18 October 2016
John O'Connor	- Resigned 18 October 2016
Isikeli Tikoduadua	- Appointed 18 October 2016
Anthony Whitton	- Appointed 18 October 2016
Sanjit Patel	- Appointed 18 October 2016
Robert Lyon	- Appointed 18 October 2016
Faiz Khan	- Appointed 18 October 2016; Resigned 9 March 2017
Yogesh Karan	- Appointed 21 March 2017

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

34. RELATED PARTY INFORMATION – continued

Identity of related parties

All material ownership interests in related parties are disclosed in Note 21. The Group also has related party transactions within the Group which are eliminated upon consolidation.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Group:

Name	Title
Fijian Holdings Limited	
Nouzab Fareed	Chief Executive Officer
Abilash Ram	General Manager Finance
Catherine Grey	Manager Human Resources
Mereoni Matavou	Manager Legal/Company Secretary
Fiji Television Limited	
Geoffrey Smith	Chief Executive Officer (resigned on 31 January 2017)
Karen Lobendhan	Acting Chief Executive Officer (appointed on 31 January 2017)
South Sea Cruises Limited	
Peter Duncan	Chief Executive Officer (resigned on 6 December 2016)
Brad Rutherford	Chief Executive Officer (appointed on 6 December 2016)
Basic Industries Limited	
Mosese Volavola	Chief Executive Officer
Pacific Cement Limited	
Sowani Tuidrola	Chief Executive Officer
Merchant Finance Limited	
Napolioni Batimala	Chief Executive Officer (resigned on 22 June 2017)
Rowena Fong	Acting Chief Executive Officer (appointed on 22 June 2017)
RB Patel Group Limited	
Deepak Rathod	Chief Operating Officer

The aggregate compensation of the key management personnel of the Group comprising only short-term benefits amounted to \$2.661 million (2016: \$2.089 million).

Transactions with related parties

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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

34. RELATED PARTY INFORMATION – continued

Transactions with related parties – continued

Management fees

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

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Merchant Finance Ltd	-	-	108	108
FHL Retailing Ltd	-	-	720	720
FHL Fund Management Limited	-	-	96	96
FHL Properties Limited	-	-	240	240
Pacific Cement Limited	-	-	90	90
FHL Media Limited	-	-	48	48

Dividend income

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

Interest income

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

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

Interest expense

The Company has also obtained loans and advances from its subsidiary and related companies during the year. Interest expense paid by the Company during the year is as follows:

FHL Media Ltd	-	-	302	280
FHL Retailing Ltd	-	-	81	50
FHL Stockbrokers Limited	-	-	15	14
FHL Fund Management Limited	-	-	6	279

Amounts receivable from related parties

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

Loans receivable

FHL Properties Limited	-	-	-	66
FHL Retailing Ltd	-	-	6,030	6,030
South Sea Cruises Limited	-	-	8,221	5,457

Other receivables

Basic Industries Ltd	-	-	785	639
Pacific Cement Limited	-	-	760	-
FHL Fund Management Ltd	-	-	11	-
FHL Properties Ltd	-	-	1,145	947
Golden Manufacturers Limited	-	-	1,510	750
South Sea Cruises Limited	-	-	3,500	2,453
Merchant Finance Ltd	-	-	2,400	4,054
Pernix Limited	-	-	63	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

35. SEGMENT INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Construction	Sales of cement, concrete and concrete products
Property	Owners and administrators of properties, and rental of property
Finance	Asset, trade and loan financing, and acceptance of term deposits
Tourism	Provision of sea transportation services and boat charters
Media	Television and communications
Retail	Retailing and wholesaling of general merchandise
Investment	Equity investments

35. SEGMENT INFORMATION - continued
Primary Reporting - Business Segments
2017

<u>External Operating Revenue</u>	<u>Construction</u> \$000	<u>Property</u> \$000	<u>Finance</u> \$000	<u>Tourism</u> \$000	<u>Media</u> \$000	<u>Retail</u> \$000	<u>Investment</u> \$000	<u>Other Investments</u> \$000	<u>Inter Segment</u> \$000	<u>TOTAL GROUP</u> \$000
Sale of goods	105,110	-	-	-	-	119,762	-	-	(12,295)	212,577
Rental and property management	-	3,901	-	-	-	-	-	-	-	3,901
Rendering of services	-	-	-	46,181	12,772	-	-	-	(3,285)	55,668
Interest revenue	-	-	21,675	-	-	-	-	-	-	21,675
Interest expense	-	-	(5,393)	-	-	-	-	-	42	(5,351)
Other	-	-	-	-	-	-	26,909	8,830	(26,859)	8,880
Total operating revenue/ net interest income										297,350
Result										
Profit before income tax – continuing operations	11,482	3,497	4,902	7,354	476	9,439	22,375	3,921	(26,223)	37,223
Income tax expense	(2,407)	(513)	(1,010)	(1,696)	148	(957)	611	(328)	-	(6,152)
Other material non-cash items:										
– Impairment losses on non financial assets	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	(3,633)	(152)	(593)	(1,730)	(1,620)	(1,032)	(120)	(562)	(1,059)	(10,501)
Acquisition of property, plant and equipment	7,844	73	260	13,071	5,315	1,178	118	230	-	28,089
Total assets	64,618	40,583	164,966	65,471	47,693	69,960	312,898	76,133	(317,258)	525,064
Total liabilities	26,217	11,660	130,686	47,462	10,613	31,584	51,789	8,232	(43,552)	274,691

35. SEGMENT INFORMATION - continued
Primary Reporting - Business Segments
2016

	<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>Investments</u> <u>\$000</u>	<u>Inter</u> <u>Segment</u> <u>\$000</u>	<u>TOTAL</u> <u>GROUP</u> <u>\$000</u>
<u>External Operating</u> <u>Revenue</u>										
Sale of goods	104,948	-	-	-	-	114,816	-	-	(11,811)	207,953
Rental and property management	-	3,660	-	-	-	-	-	-	-	3,660
Rendering of services	-	-	-	47,348	13,784	-	-	-	(3,294)	57,838
Interest revenue	-	-	20,208	-	-	-	-	-	-	20,208
Interest expense	-	-	(4,273)	-	-	-	-	-	-	(4,273)
Other	-	-	-	-	-	-	26,078	8,289	(26,201)	8,166
Total operating revenue/ net interest income										293,552
<u>Result</u>										
Profit before income tax – continuing operations	11,356	6,788	9,400	5,670	2,576	13,388	20,442	3,461	(38,269)	34,812
Income tax expense	(2,600)	(1,179)	(1,864)	(1,126)	(435)	(1,390)	409	(417)	571	(8,031)
Other material non-cash items:										
– Impairment losses on non financial assets	-	-	-	(2,158)	-	-	-	-	-	(2,158)
Depreciation and amortisation expense										
	(3,533)	(94)	(581)	(2,229)	(1,134)	(1,150)	(126)	(1,040)	(909)	(10,796)
Acquisition of property, plant and equipment										
	5,462	195	2,093	2,394	2,040	453	58	37	-	12,732
Total assets	57,256	55,694	161,462	52,321	46,868	66,104	284,169	72,185	(304,771)	491,288
Total liabilities	19,529	14,776	126,549	34,868	8,172	31,410	60,073	8,092	(42,719)	260,750

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

36. EVENTS SUBSEQUENT TO BALANCE DATE

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

LISTING REQUIREMENTS OF THE SOUTH PACIFIC STOCK EXCHANGE
TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC STOCK EXCHANGE

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS

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

- a) Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 30 June 2017 included

	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sakiusa Raivoce	-	100,000	-	-
Aisea Waka Vosailagi	-	-	-	20,760,977

- b) Distribution of Shareholding

<u>Holding</u>	<u>No. of Holders</u>	<u>% Holding</u>
Less than 500 shares	292	0.95%
501 to 5,000 shares	673	10.04%
5,001 to 10,000 shares	60	4.06%
10,001 to 20,000 shares	58	8.13%
20,001 to 30,000 shares	16	3.80%
30,001 to 40,000 shares	16	5.14%
40,001 to 50,000 shares	11	4.88%
50,001 to 100,000 shares	30	22.50%
100,001 to 1,000,000 shares	15	40.50%
Total	1,171	100.00%

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

	<u>Name</u>	<u>No. of shares</u>
1	Itaukei Land Trust Board	859,666
2	Itaukei Affairs Board	760,977
3	Cakaudrove Provincial Holdings Company Limited	400,000
	Cicia Plantation Co-op Soc Ltd	400,000
4	Ratu Sir K Mara Education Trust Fund	300,000
5	Tailevu Dairy Farmers Co-op Association Ltd	220,000
6	Macuata Provincial Council	203,614
7	Mualevu Tikina Holdings Ltd	200,000
8	Vanua Ko Lovoni Investment Ltd	179,805
9	Bua Provincial Council	156,348
10	Duavata Holdings Limited	141,000
11	Mualevu Koro Invest Co Ltd	108,754
12	itaukei Land Trust Board ATF Mataqali Serau, Nabiti, Dreketi, Macuata	107,028
13	Moala Tikina Council	101,005
14	Serua Provincial Council	100,092
15	Dogotuki Tikina Council	100,000
	Lomati Village Investment Limited	100,000

**LISTING REQUIREMENTS OF THE SOUTH PACIFIC
 STOCK EXCHANGE - CONT'D**
**TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC
 STOCK EXCHANGE**

c) Top 20 shareholders in "A" class shares – continued

	<u>Name</u>	<u>No. of shares</u>
15	Mavana Investment Ltd	100,000
	Munia Holdings Ltd	100,000
	Nabukebuke Holdings Ltd	100,000
	Naqarani Holdings Ltd	100,000
	Nasoqo Farming Enterprises Ltd	100,000
	Kiri Verewale Richmond	100,000
	Sakiusa and Anaseini Raivoce	100,000
16	Vatulele Island Holdings	97,990
17	Kadavu Provincial Council	94,899
18	Rewa Provincial Council	93,601
19	Vukicea Investment Limited	90,000
20	Mataqali Natabutale	84,743

d) Share price details:

Highest share price during the year was \$4.50

Lowest share price during the year was \$4.03

Share price at year end was \$4.50

e) Attendance at Board Meetings:

<u>Name</u>	<u>No of meeting</u>	<u>No attended</u>
Iowane Naiveli	8	7
Sakiusa Raivoce	8	8
Ratu Aisea Waka Vosailagi	8	6
Ulai Taoi (resigned 5 October 2016)	4	4
Isikeli Tuituku (resigned 18 October 2016)	4	4
Isikeli Tikoduadua (appointed 18 October 2016)	4	3
Viliame Cegumalua (resigned 18 October 2016)	4	4
Viliame Naupoto (resigned 18 October 2016)	4	3
John O'Connor (resigned 18 October 2016)	4	3
Robert Lyon (appointed 18 October 2016)	4	4
Anthony Whitton (appointed 18 October 2016)	4	4
Sanjit Patel (appointed 18 October 2016)	4	4
Faiz Khan (appointed 18 October 2016; resigned 9 March 2017)	2	1
Yogesh Karan (appointed 21 March 2017)	2	2
Adrian Sofield (appointed 9 March 2017)	3	3

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

Company Secretary – Mereoni Matavou (appointed 1 July 2016)

**LISTING REQUIREMENTS OF THE SOUTH PACIFIC
STOCK EXCHANGE - CONT'D
TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC
STOCK EXCHANGE**

**FIJIAN HOLDINGS AND SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS 30TH JUNE 2017**

g) Disclosure under Section 6.31(viii)

	FHL Fund Management Ltd	South Sea Cruises Ltd	FHL Properties Ltd	FHL Stockbrokers Ltd	FHL Retailing Ltd	Basic Industries Ltd	Pacific Cement Ltd	FHL Logistics Ltd	Merchant Finance Ltd	FHL Media Ltd
Turnover	\$'000 1,998	\$'000 46,181	\$'000 3,901	\$'000 37	\$'000 126,557	\$'000 72,053	\$'000 33,057	\$'000 -	\$'000 16,282	\$'000 12,772
Other income	54	600	2,238	8	3,392	1,637	-	-	1,317	550
	2,052	46,781	6,139	45	129,949	73,690	33,057	-	17,599	13,322
Depreciation	(60)	(1,730)	(152)	(2)	(1,532)	(2,902)	(732)	-	(593)	(1,620)
Interest income/(expense)	41	(1,267)	(219)	27	(925)	(75)	37	-	-	(132)
Other expenses	(966)	(36,431)	(2,272)	(57)	(115,212)	(60,786)	(30,807)	-	(12,105)	(11,093)
Income tax expense	(239)	(1,696)	(513)	(4)	(1,041)	(1,991)	(416)	-	(1,010)	148
Profit after tax	828	5,657	2,983	9	11,239	7,936	1,139	-	3,891	625
Assets	2,020	78,298	40,583	734	130,511	42,943	21,675	1	164,966	47,693
Liabilities	188	47,462	11,660	139	38,571	18,300	7,917	918	130,686	10,613
Shareholder's Funds	1,832	30,836	28,923	595	91,940	24,643	13,758	(917)	34,280	37,080

**LISTING REQUIREMENTS OF THE SOUTH PACIFIC
 STOCK EXCHANGE - CONT'D**
**TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC
 STOCK EXCHANGE**

h) 5 Year Comparative

Year	2013	2014	2015	2016	2017
Dividend payment (\$m)	6.00	6.40	6.70	7.01	7.34
Return on investment (%)	6%	6%	7%	11%	12%
Earnings per share (¢)	31	32	35	48	72
Group total assets (\$m)	476.00	458.86	473.57	491.29	525.06
Group shareholders fund (\$m)	202.00	200.13	215.84	230.54	250.37
Group operating revenue (\$m)	217.17	245.75	256.10	293.55	297.35
Company operating revenue (\$m)	17.90	17.65	26.47	26.08	26.90
Group profit before tax (\$m)	18.17	18.30	23.90	34.81	37.22
Company profit before tax (\$m)	9.89	10.90	12.33	20.44	22.38



Appointment of Proxy

I/We

being a member of Fijian Holdings Limited, hereby appoint:

as our proxy, to vote for us on our behalf at the Thirty Second Annual General Meeting of Fijian Holdings Limited to be held on 17th October 2017

(please select appropriate section)

A.

Shareholder Signature

Witness Name & Signature

Signed this day of 2017

B.

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

The Common Seal of

Was hereunto affixed in the Presence of the Undersigned who certify that they are Proper officers authorized to attest the Affixing of the Seal of the said Company:

Director

Director / Secretary

Signed this day of 2017

Send Proxy Form to:

Fax: 330 5020

Mail:

P.O Box 2011
Government Building
Suva
Fiji

Email: Mereoni.Matavou@fijianholdings.com.fj

or hand-deliver to:

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

