

Pacific Green Industries (Fiji) Limited
Annual Report
For the year ended 31 December 2019

Pacific Green Industries (Fiji) Limited

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Pacific Green Industries (Fiji) Limited

Directors

Mr Samuel Ram – Chairman
Mr Ravin Chandra
Mr Ashnil Prasad
Mr Abilash Ram
Mr Dominic Ryan
Mr Adish Naidu

Managing Director

Mr Ravin Chandra

Company Secretary

Miss Shabnam Prasad

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants
Level 8 Civic Tower, 272 Victoria Parade
Suva, Fiji

Bankers

Australia and New Zealand Banking Group Limited
Main Street
Nadi

Registered office and principal place of business

Queens Road
Malaqereqere
Sigatoka
Fiji
Phone contact: (679) 6500055

Pacific Green Industries (Fiji) Limited

Notice of Annual General Meeting of Pacific Green Industries (Fiji) Limited

Notice is hereby given that the Annual General Meeting of Shareholders of Pacific Green Industries (Fiji) Limited will be held at the Pacific Green Showroom, Queens Road, Malaqereqere, Sigatoka on 12 June 2020 commencing at 1.00pm for the purpose of transacting the following business:

Agenda

Ordinary Business:

1. Consideration of Financial Statements

To receive and consider the Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors, for the year ended 31 December 2019.

2. Election of Directors

To consider, and if thought fit, pass the following resolutions as ordinary resolutions:

(a) *Mr Samuel Ram*

To appoint Mr Samuel Ram director of the company who retires by rotation pursuant to Clause 107 of the Articles of Association of the Company, and being eligible, is re-elected as a director of the Company.

(b) *Mr Ashnil Prasad*

To appoint Mr Ashnil Prasad director of the company who retires by rotation pursuant to Clause 107 of the Articles of Association of the Company, and being eligible, is re-elected as a director of the Company.

3. Appointment of Auditors

To consider, and if thought fit, pass the following resolutions as ordinary resolutions:

Pursuant to the Articles of Association of the Company, M/s PricewaterhouseCoopers, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office, from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration as may be declared by the Board with the mutual consent of the auditors.

4. Confirmation of Dividend

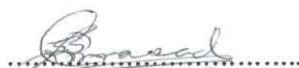
No dividends were recorded or declared during the year ended 31 December 2019.

Special Business:

All other business transacted at an AGM is a special business.

Explanatory Notes containing in relation to each of the following resolutions accompanies the Notice of Meeting.

By order of the Board of Directors



Shabnam Prasad
Company Secretary

Dated 31st March, 2020
Malaqereqere, Sigatoka, Fiji

Notes:

1. A member who is unable to attend the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf
2. The proxy need not be a member of the company.
3. A proxy form is enclosed with this notice of meeting. To be effective the form must reach the registered office of the company not less than 48 hours before the time for holding the meeting.

Pacific Green Industries (Fiji) Limited Chairman's Report

Dear Shareholders,

We are pleased to inform you that despite the challenges in the economy in 2019 and operating only for 45 weeks in the year, Pacific Green achieved \$3,883,938.00 in sales and recorded a profit of \$445,753.00. As at the end of 31 December 2019, the company had no borrowings with positive cash flows and cash at bank of \$345,000.00.

Financial Results

During the year, we had to reduce the number of working days due to declining sales. We achieved total revenue of \$3,883,938 in 2019 compared to \$4,200,214 in 2018 and recorded profit of to \$445,753 compared to \$686,520 in 2018.

The management accurately predicted the reduction in sales and profits due to the downturn in the economy. We were able to successfully reduce costs and to realise a profit because of managements quick thinking and action to implement appropriate controls and measures.

A fire at the Sigatoka, Fiji factory complex on 10 February 2019 further affected our operations.

Trading Outlook

With the outbreak of COVID-19 at the end of 2019, the predictions are that in 2020, the world economy may fall to the levels of the GFC (Global Financial Crisis) of 2007 and 2008. The year 2019 and the start of 2020 have been especially challenging with the trade war between the US and China affecting international business. These factors will have a negative impact on Fiji's income and our companies' sales and profits.

Our company is continuously assessing the ongoing impact of the COVID-19 and is quite aware of its potential implications, both locally and globally. We will be working with the relevant authorities to mitigate the operational risks and to ensure business continuity plans are in place to sustain a healthy business.

Our Strategy

Your board is mindful of the landscape surrounding furniture manufacturing which is becoming increasingly difficult with a shortage of skilled labor and resources. Our industry remains extremely competitive, with a large number of imported furniture entering the markets not only in Fiji but around the globe at a very low cost.

For us to stay competitive in the market, we will continue with our Research and Development strategy in order to create products that will be different from what's commonly seen in the market and have the opportunity to thrive.

Moreover, we will continue to increase our operational efficiencies through process improvements and skill-based training.

Pacific Green is built on beautifully designed, high quality, handcrafted, niche products. We remain resolute in our confidence of the underlying strength of this much-loved Brand, in its relevance for today, and in our strategies to both maintain and develop it.

Your board resolved to retain cash surplus as backup and for investment into the business should the need arise. If the economy continues its downturn, then Pacific Green will need backup funds. As a result, your board resolved not to recommend any dividend payouts for this financial year.

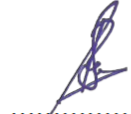
Our continued success and ability to withstand this downturn in the economy is attributable to the remarkable passion and effort towards achieving company goals by our directors, management team and employees.

In particular, I would like to thank the board for continuous support and assistance in achieving the reported results.

I am very grateful to the landowners, the Fijian Government, shareholders, customers, suppliers and business partners for their continuous support.

On behalf of Pacific Green, I request all shareholders and board members to promote our product and sales, so that we can sustain our sales goals and work towards profitable growth in 2020 and beyond.

Vinakavakalevu



.....
Samuel Ram
Chairman

Pacific Green Industries (Fiji) Limited

Directors' Report

The directors present their report together with the financial statements of the Company for the year ended 31 December 2019 and the auditors' report thereon.

Directors

The directors in office of the Company at the date of this report are:

Mr Samuel Ram – Chairman
Mr Ravin Chandra
Mr Ashnil Prasad
Mr Abilash Ram
Mr Dominic Ryan
Mr Adish Naidu

Principal Activity

The principal activity of the Company during the year was the manufacture and sale of furniture and architectural products made from coconut palmwood.

Results

The net profit after income tax of the Company for the year ended 31 December 2019 was \$445,753. (2018: \$686,520).

Dividends

There were no dividends declared/paid for the year 2019. (2018: \$304,769)

Reserves

The directors recommend that no amounts be transferred to reserves in respect of the year ended 31 December 2019.

Subsequent events

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020. The outbreak is causing unprecedented social disruption, and global economic and financial markets volatility. As the emergence of the situation is in its earlier stages, the full extent of exposures to and impacts on the Company are uncertain. The Company is assessing and closely monitoring emerging risks.

There is, at the date of this report, no other matter or circumstance that has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- (i) the company's operations in future financial years;
- (ii) the results of those operations in future financial years; or
- (iii) the company's state of affairs in future financial years.

Pacific Green Industries (Fiji) Limited

Directors' report (continued)

Director's equity interests

Mr. Ravin Chandra and the Late Mr. Peter Ryan own 3,046,877 ordinary shares collectively as at 31 December 2019. There are no other director held interests in the Company.

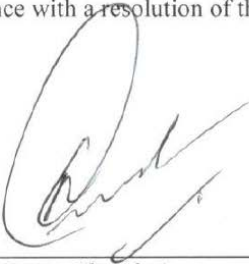
State of affairs

In the opinion of the directors the accompanying statement of financial position give a true and fair view of the state of affairs of the Company as at 31 December 2019 and the accompanying statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, change in equity and cash flows of the Company for the year then ended, and all related party transactions have been recorded and adequately disclosed in the attached financial statements.


Dated 24th day of March 2020.

Signed in accordance with a resolution of the directors.

Director


(Ravin Chandra)

Director


(Samuel Ram)

Pacific Green Industries (Fiji) Limited

Directors' Declaration

The directors of the Company have made a resolution that declared:

- (a) In the directors' opinion, the attached financial statements for the year ended 31 December 2019:
 - i. give a true and fair view of the financial position of the Company as at 31 December 2019 and of the performance of the Company for the year ended 31 December 2019;
 - ii. have been prepared in accordance with the Companies Act 2015.
- (b) They have received declarations as required by Section 395 of the Companies Act 2015.
- (c) At the date of this declaration, in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated 24th day of March 2020.

For and on behalf of the board and in accordance with a resolution of the directors.

Director



(Ravin Chandra)

Director



(Samuel Ram)



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF PACIFIC GREEN INDUSTRIES (FIJI) LIMITED

As auditor for Pacific Green Industries (Fiji) Limited for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pacific Green Industries (Fiji) Limited during the financial year.

PricewaterhouseCoopers
Chartered Accountants

A handwritten signature in dark ink, appearing to read 'Williki Takiveikata', written over a light grey rectangular background.

by

A handwritten signature in dark ink, appearing to read 'Williki Takiveikata', written over a light grey rectangular background.

Williki Takiveikata
Partner
24 March 2020

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
T: (679)3313955 / 3315199, F: (679) 3300947

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



Independent Auditor's Report

To the Shareholders of Pacific Green Industries (Fiji) Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Pacific Green Industries (Fiji) Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



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 year. 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.

Key audit matter	How our audit addressed the key audit matter
<p><i>Completeness of Sales Revenue</i></p> <p>Revenue is recognised when the control of the underlying product has been transferred to the customer.</p> <p>The point in time of transfer of control does vary depending on the individual terms of the contract of sale. For local furniture sales, this usually occurs when the product is received by the customer, however, for some international sales, transfer occurs upon loading of the product onto the relevant carrier at the port of departure.</p> <p>There is a risk that revenue may be understated as a result of sales being made to customers but not being recorded in the financial statements. Management comprises of only a small number of personnel and management can potentially override controls in place to achieve this.</p>	<p>We identified completeness of sales revenue as a significant risk, requiring special audit consideration.</p> <p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> • Understanding and considering the appropriateness of the company's revenue recognition and accounting policies for the different types of sales. • Understanding, evaluation and validation of controls over the sales business process. • Substantive test of details over sales transactions including verification of the sales against commercial invoices, verification of evidence of receipt of the products by the customers, settlement of the sales transaction, and for international sales, examination of the related shipping documents to ensure the time of recognition of revenue is appropriate. • Completing cutoff testing to ascertain that revenue had been recorded in the correct period and recorded completely for the sales. • Testing the sequence of the invoices and validating reasons for missing invoice numbers from the sequence for the period 1 January 2019 to 31 December 2019. • A selection of manual journals posted in the sales revenue accounts were tested back to supporting documentation. • The movement in Gross Profit margins between the current year and the prior year was also reviewed and the reasons for the movement verified. • We also considered the adequacy of the company's disclosures in respect of revenue.



Other information

Directors and management are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2019 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Management for the Financial Statements

Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act, 2015, and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors and management are responsible for assessing the Company'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 the directors and management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors and management are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the 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 the financial statements.



As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and management.
- Conclude on the appropriateness of the directors and managements 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

We communicate with directors and management 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.

From the matters communicated with the directors and management, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

In our opinion the financial statements have been prepared in accordance with the requirements of the Fiji Companies Act 2015 in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.

Restriction on Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 396(1) of the Fiji Companies Act 2015. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers", written in a cursive style.

**PricewaterhouseCoopers
Chartered Accountants**

A handwritten signature in black ink, appearing to read "Wiliki Takiveikata", written in a cursive style.

Wiliki Takiveikata

**24 March 2020
Suva, Fiji**

Pacific Green Industries (Fiji) Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Revenue		3,883,938	4,200,214
Cost of sales		<u>(2,029,525)</u>	<u>(2,335,171)</u>
Gross profit		1,854,413	1,865,043
Distribution expenses		(88,600)	(106,251)
Administrative and other operating expenses		<u>(1,269,053)</u>	<u>(995,814)</u>
Profit before income tax	5	496,760	762,978
Income tax expense	7(a)	<u>(51,007)</u>	<u>(76,458)</u>
Net profit after income tax		445,753	686,520
Other comprehensive income		-	-
Total comprehensive income for the year		<u>445,753</u>	<u>686,520</u>
Basic and diluted earnings per share	14	0.06	0.09

The above statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 18 to 33.

Pacific Green Industries (Fiji) Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Share capital	Share premium reserve	Accumulated losses	Total
	\$	\$	\$	\$
2018				
Balance at 1 January 2018	8,123,444	-	(4,111,733)	4,011,711
<i>Comprehensive income</i>				
Profit for the year	-	-	686,520	686,520
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	686,520	686,520
<i>Transactions with owners</i>				
Dividends declared/paid (4 cents per share)	-	-	(304,769)	(304,769)
Balance at 31 December 2018	8,123,444	-	(3,729,982)	4,393,462
2019				
Balance at 1 January 2019	8,123,444	-	(3,729,982)	4,393,462
<i>Comprehensive income</i>				
Profit for the year	-	-	445,753	445,753
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	445,753	445,753
<i>Transactions with owners</i>				
Dividends declared/paid (Nil per share)	-	-	-	-
Balance at 31 December 2019	8,123,444	-	(3,284,229)	4,839,215

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 18 to 33.

Pacific Green Industries (Fiji) Limited
Statement of Financial Position
As at 31 December 2019

	Notes	2019 \$	2018 \$
Assets			
Non-current assets			
Property, plant and equipment	8	2,933,375	2,891,961
Right-of-use asset	16	1,060,734	-
Biological asset - Eco Park Project	9	94,503	94,503
Total non-current assets		<u>4,088,612</u>	<u>2,986,464</u>
Current assets			
Cash and cash equivalents	10	345,511	730,421
Trade and other receivables	11	85,724	57,831
Inventories	12	1,590,029	1,468,931
Prepayments and other deposits		165,023	590,579
Current income tax		28,095	-
Total current assets		<u>2,214,382</u>	<u>2,847,762</u>
Total assets		<u>6,302,994</u>	<u>5,834,226</u>
Equity			
Share capital	13	8,123,444	8,123,444
Accumulated losses		(3,284,229)	(3,729,982)
Total equity		<u>4,839,215</u>	<u>4,393,462</u>
Liabilities			
Non-current liabilities			
Lease liability	16	116,564	-
Deferred tax liability	7(b)	56,175	54,345
Total non-current liabilities		<u>172,739</u>	<u>54,345</u>
Current liabilities			
Current income tax		-	26,529
Trade and other payables	15	908,726	1,359,890
Lease liability	16	382,314	-
Total current liabilities		<u>1,291,040</u>	<u>1,386,419</u>
Total liabilities		<u>1,463,780</u>	<u>1,440,764</u>
Total equity and liabilities		<u>6,302,994</u>	<u>5,834,226</u>

Signed in accordance with a resolution of the directors this 24th day of March 2020.

Director
(Ravin Chandra)

Director
(Samuel Ram)

The above statement of financial position is to be read in conjunction with the notes to financial statements set out on pages 18 to 33.

**Pacific
Pacific Green Industries (Fiji) Limited
Statement of Cash Flows
For the year ended 31 December 2019**

	Notes	2019 \$	2018 \$
Operating activities			
Cash receipts in the course of operations		3,856,046	4,255,361
Cash payments in the course of operations		(3,367,118)	(3,645,619)
Interest paid on lease liability		(10,412)	-
Income tax paid		(103,801)	(46,032)
		<u>374,715</u>	<u>563,710</u>
Insurance proceeds		77,400	-
Cash flows from operating activities		<u>452,115</u>	<u>563,710</u>
Investing activities			
Purchases of property, plant and equipment	8	(513,074)	(144,700)
Proceeds from sale of property, plant and equipment		3,700	35,000
Cash flows used in investing activities		<u>(509,374)</u>	<u>(109,700)</u>
Financing activities			
Dividends paid		-	(304,769)
Principal elements of lease payments	17	(327,651)	-
Cash flows used in financing activities		<u>(327,651)</u>	<u>(304,769)</u>
Net (decrease) /increase in cash held		(384,910)	149,241
Cash and cash equivalents at 1 January		730,421	581,180
Cash and cash equivalents at 31 December	11	<u>345,511</u>	<u>730,421</u>

The above statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 18 to 33.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements
For the year ended 31 December 2019

1. Reporting entity

Pacific Green Industries (Fiji) Limited (the “Company”) is a public limited Company incorporated and domiciled in the Republic of Fiji. The address of the Company’s registered office and principal place of business is Queens Road, Malaqereqere, Sigatoka, Republic of Fiji. The Company is primarily involved in the manufacture and sale of furniture and architectural products made from coconut palmwood.

Stock exchange listing

The Company is listed on the South Pacific Stock Exchange since 5 June 2001.

2. Basis of preparation

(a) Statement of accounting

The financial statements of the Company have been drawn up in accordance with the provisions of the Companies Act 2015 and International Financial Reporting Standards (IFRSs) and IFRIC interpretations as issued by the International Accounting Standards Board. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements were approved by the Board of Directors on 24th March 2020.

(b) Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Company

Adjustments recognised on adoption of IFRS 16

The Company has adopted IFRS 16 Leases as issued by the IASB in January 2016 with a date of transition of 1 January 2019, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Company did not early adopt IFRS 16 in previous periods.

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate comparative figures. On the initial application of IFRS 16, no adjustments had to be made to the opening retained earnings as at 1 January 2019. Consequently, for note disclosures, the consequential amendments have only been applied to the current period. The comparative period note disclosures repeat those disclosures made in the prior year.

The implementation of IFRS 16 Leases required the Company to change its accounting policy as a lessee under lease contracts as set out below and in Note 17. The other changes did not have any material impact on the Company.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to certain leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.2%.

Lease prepayments previously included within property, plant and equipment have been reclassified to right of use asset at their carrying amounts as at 1 January 2019.

Reconciliation of differences between operating lease commitments disclosed as at 31 December 2018 and lease liabilities recognised as at 1 January 2019 is as follows:

Operating lease commitments disclosed as at 31 December 2018	571,952
Impact of discounting using the lessee’s incremental borrowing rate	<u>(396,573)</u>
Lease liability recognised as at 1 January 2019	<u><u>175,379</u></u>

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

2. Basis of preparation (continued)

The following table summarises the impact of adopting IFRS 16 on the Company's Statement of Financial Position. There was no material impact on the Company's Statement of Profit and Loss and Other Comprehensive Income and Statement of Cash Flows.

Line items that were not affected by the change have not been included:

Statement of Financial Position (extract)	31-Dec-18	IFRS 16	1-Jan-19
Assets			
Property, Plant and Equipment	2,891,961	(243,531)	2,648,430
Right of use asset	-	418,910	418,910
Liabilities			
Lease Liabilities	-	175,379	175,379

Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the practical expedient permitted by the standard where the Company has elected not to reassess whether a contract is or contains a lease at the date of initial application of IFRS 16.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2020 and not early adopted

There are no new standards, amendments or interpretations that have been released and not yet adopted that are expected to have a significant financial impact on the Company in future periods.

(c) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Fiji Dollars, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated to Fiji dollars at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account in the statement of profit or loss and other comprehensive income.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

2. Basis of preparation (continued)

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3(b) – Property plant & equipment
- Note 3(h) – Impairment

3. Significant accounting policies

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

(a) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(b) Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials, direct labour and an appropriate proportion of overheads, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in the statement of profit or loss and other comprehensive income.

Subsequent costs

The cost of replacing an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognised. The costs of the day-to-day servicing of the property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The straight-line method of depreciation is used and depreciation rates have been applied as follows:

Leasehold land	term of lease
Buildings	1.25%
Motor vehicles	20%
Office furniture and equipment	10%
Plant and equipment	5%

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

(c) Leases

As explained earlier in Note 2.b (i), the Company has changed its accounting policy for operating leases where the Company is the lessee. The new policy is described in note 17 and the impact of the change in note 2.b.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

3. Significant accounting policies (continued)

i) Lease payments (before 1 January 2019)

Payments made under operating leases are recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(d) Biological assets

The Company has engaged in an Eco park project which consists of planting exotic, high-end hardwoods (sandalwood, teak and mahogany). In measuring fair value of the plants, management estimates and judgements are required for the determination of fair value.

At this stage the fair value of these plants cannot be reliably measured as very little biological transformation has taken place since initial cost incurrence and the impact of the biological transformation on price is not expected to be material, and its cost is approximated to be its fair value.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred and bringing them to their existing condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Impairment

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or through OCI), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial statements and the contractual terms of the cash flows.

The Company's financial assets measured at amortised cost consist of cash and cash equivalents and receivables.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

i) Financial assets – (continued)

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, gains/(losses) arising from de recognition, foreign exchange gains/(losses) and impairment losses are recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the financial asset. Refer to Note 4 for the details of the approach.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater value of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(g) Employee benefits

Contributions paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits are included in the statement of profit or loss and other comprehensive income. Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the relative service is provided.

(h) Trade and other payables

Trade and other payables are not interest-bearing and are stated at cost. A liability is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, liabilities are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good to a customer. Revenue is presented net of returns, allowances and trade discounts.

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of furniture	The Company manufactures and sells a range of furniture products made from coconut palmwood locally and overseas. Customers are required to pay a deposit before the production of furniture commences. The price of furniture is dependent on the type of furniture being purchased and discounts may be given at the discretion of management. Revenue is recognized when the control of the goods has transferred, being when they are delivered to the customer, and there are no unfilled obligations that could affect the customers' acceptance of the goods. For overseas sales, obligations are met and control is transferred as per specific contractual arrangements, which usually have transfer happening at bill of lading date. Payment is due immediately, when the customer takes delivery of the furniture.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

3. Significant accounting policies (continued)

(j) Income tax

Income tax expense comprises current and deferred income tax. Current income tax and deferred income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income 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.

Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred income tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred income 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.

(k) Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to members of the Company by the weighted average number of shares of the Company.

Diluted earnings per share is the same as basic earnings per share for the Company as there are no ordinary shares that are considered to be dilutive.

4. Financial risk management

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(a) Foreign currency risk management

The Company is mainly exposed to foreign exchange risk arising from various currency exposures with respect to purchase of inventory, primarily with respect to the AUD and USD. Foreign exchange risk may arise from future commercial transactions and liabilities. Management has set up bank accounts in USD, AUD and FJD to reduce any negative impact.

(b) Credit risk management

Credit risk refers to the risk that a customer or counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with credit worthy customers as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counter parties are continuously monitored. Credit exposure is controlled by customer credit limits that are reviewed and approved by the management on a regular basis

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

4. Financial risk management (continued)

(b) Credit risk management (continued)

Customers that fail to meet the Company's benchmark credit worthiness may transact with the Company only on a prepayment basis. In any case, the Company predominantly requires that a deposit be paid before commencing production and that the balance is settled before the product is dispatched. The Company does not require collateral in respect of trade and other receivables.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2019	2018
	\$	\$
Cash at bank	344,451	729,361
Trade and other receivables	85,724	57,831
	<u>430,175</u>	<u>787,192</u>

Expected credit loss assessment

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables. Trade and other receivables comprise of trade receivable from a related party (Post and Rail Pty Limited), staff loans and other security deposits. Historically sales are settled on delivery.

The impairment allowance for trade and other receivables was assessed with reference to the past default history, and current financial standing of the respective counterparties. Based on the assessment performed, management deemed that the impairment loss was immaterial.

While cash and cash equivalents and other receivables are also subject to the impairment requirements of IFRS 9, the impairment loss is deemed immaterial.

(c) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate banking facilities and collecting advance deposits from clients and continuously monitoring forecast and actual cash flows. At 31 December 2019 and 31 December 2018, the Company's non-derivative financial liabilities comprised of trade and other payables and income tax payables. The contractual maturity dates for all their liabilities is less than 12 months from the respective reporting dates, at the values as stated in the statement of financial position, or any other interest-bearing debt.

(d) Interest rate risk management

The Company can be exposed to interest rate risk if its overdraft facility is on variable interest rates. As at 31 December 2019 there was no bank overdraft.

(e) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders.

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

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

	2019	2018
	\$	\$
5. Profit before income tax		
Included in profit before tax are the following items of revenue and expenses:		
Fire loss	187,432	-
Insurance proceeds for fire loss	(73,317)	-
Net loss	<u>114,115</u>	<u>-</u>
Amortisation	-	13,009
Audit fees	20,500	20,500
Bank charges	11,459	11,933
Depreciation- property, plant and equipment	128,906	120,806
Right of use asset	9,325	-
Interest expense- lease liability	10,412	-
	2019	2018
	\$	\$
6. Personnel expenses		
Wages and salaries included in cost of sales	653,907	654,827
Other wages and salaries	378,032	347,010
Executive directors' remuneration	<u>228,000</u>	<u>187,500</u>
	1,259,939	1,189,337
FNU levy	12,759	11,893
FNPF	<u>92,333</u>	<u>87,153</u>
Net amount included in the profit or loss	<u><u>1,365,031</u></u>	<u><u>1,288,383</u></u>

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

7. (a) Income tax

Income tax expense recognised in the statement of profit or loss and other comprehensive income

	2019	2018
	\$	\$
Current income tax	49,177	69,397
Deferred income tax	1,830	7,061
Income tax expense	<u>51,007</u>	<u>76,458</u>
Reconciliation of income tax expense		
Operating profit before tax	<u>496,760</u>	<u>762,978</u>
Income tax expense @ 10%	49,676	76,298
Tax effects		
- Expenses not deductible for tax purposes	4,180	5,722
- Export incentive	(3,682)	(5,027)
- Prior year adjustments	833	(535)
Income tax expense	<u>51,007</u>	<u>76,458</u>

(b) Deferred income tax liability

The deferred income tax liability reflects the net effect of the following temporary difference at the income tax rate of 10%:

	2019	2018
	\$	\$
Property, plant & equipment	<u>56,175</u>	<u>54,345</u>

Movement in temporary differences during the year comprise of the following:

	2019	2018
	\$	\$
Balance at 1 January	54,345	47,284
Charged to profit or loss	1,830	7,061
Balance at 31 December	<u>56,175</u>	<u>54,345</u>

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

8. Property, plant and equipment

	Premises	Plant and equipment	Motor vehicles	Office furniture and equipment	Total
	\$	\$	\$	\$	\$
Cost					
Balance at 1 January 2018	2,736,343	952,829	124,238	337,550	4,150,960
Additions	-	16,891	122,936	4,873	144,700
Disposals	-	(111,216)	(38,241)	(296,047)	(445,504)
Balance at 31 December 2018	2,736,343	858,504	208,933	46,376	3,850,156
Balance at 1 January 2019	2,736,343	858,504	208,933	46,376	3,850,156
Additions	44,164	261,723	198,920	8,267	513,074
Disposals	(32,815)	(161,486)	(32,826)	-	(227,127)
Transfer to right of use asset	(321,027)	-	-	-	(321,027)
Balance at 31 December 2019	2,426,665	958,741	375,027	54,643	3,815,076
Accumulated depreciation					
Balance at 1 January 2018	408,659	467,134	80,253	314,738	1,270,784
Depreciation for the year	34,204	41,689	34,703	10,210	120,806
Disposals	-	(111,216)	(26,131)	(296,048)	(433,395)
Balance at 31 December 2018	442,863	397,607	88,825	28,900	958,195
Balance at 1 January 2019	442,863	397,607	88,825	28,900	958,195
Depreciation for the year	30,195	43,487	47,387	7,838	128,906
Disposals	(6,991)	(92,250)	(28,660)	-	(127,905)
Transfer to right of use asset	(77,495)	-	-	-	(77,495)
Balance at 31 December 2019	388,572	348,844	107,548	36,737	881,701
Carrying amounts					
At 1 January 2018	2,327,684	485,695	43,985	22,812	2,880,177
At 31 December 2018	2,293,480	460,897	120,108	17,476	2,891,961
At 31 December 2019	2,038,093	609,897	267,479	17,906	2,933,375

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

	2019	2018
	\$	\$
9. Biological asset		
Eco Park project	<u>94,503</u>	<u>94,503</u>

The ecological park was opened in January 2012 in conjunction with the new factory opening. The Eco Park is a key element in the rebuilding of the Sigatoka factory. The Park is about promoting sustainability in action as it allows visitors to learn about the 'tree of life'.

The Eco Park project consists of planting exotic, high-end hardwoods (sandalwood, teak and mahogany). At this stage the fair value of these plants cannot be reliably measured as very little biological transformation has taken place since initial cost incurrence and the impact of the biological transformation on price is not expected to be material. Therefore, its cost approximates its fair value. The major cost incurred in relation to the Eco Park project was the buying and planting the seedlings, fencing, landscaping, machinery and tools used and labour cost.

	2019	2018
	\$	\$
10. Cash and cash equivalents		
Cash at bank	344,451	729,361
Cash on hand	<u>1,060</u>	<u>1,060</u>
Cash and cash equivalents in the statement of cash flows	<u>345,511</u>	<u>730,421</u>

	2019	2018
	\$	\$
11. Trade and other receivables		
Current		
Trade receivables	84,258	43,764
Amounts owed by Golden Palmwood International Limited (GPIL)	-	11,648
Amount owed by employees	<u>1,466</u>	<u>2,419</u>
	<u>85,724</u>	<u>57,831</u>

The amount owing by Golden Palmwood International Limited (GPIL), a foreign private company, from the sale of the company's subsidiary Dongguan Golden Palmwood Furniture Pty Limited (DGPL) was fully settled during the year.

Under the sale agreement in 2013, any trademarks, licences, patents, and methods used and owned by the Company and licensed to DGPL for use by DGPL shall not be deemed to be transferred or assigned to GPIL. Under a separate agreement, the Company has licensed GPIL to use trademarks owned by the Company free of charge up to 29 June 2018. From 30 June 2018, GPIL will be required to pay a royalty of 2.75% of the wholesale selling price of the relevant goods and services sold by GPIL. This will be finalised in the 2020 financial year.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

	2019	2018
	\$	\$
12. Inventories		
Raw materials	1,158,056	1,042,534
Work in progress	153,784	109,185
Finished goods	278,189	302,528
Goods in Transit	-	14,684
	<u>1,590,029</u>	<u>1,468,931</u>

	2019	2018
	\$	\$
13. Share capital		
<i>Issued share capital</i>		
7,619,234 fully paid ordinary shares	8,123,444	8,123,444
	<u>8,123,444</u>	<u>8,123,444</u>

14. Earnings per share

Basic earnings per share

The calculation of basic earnings per share is as follows:

	2019	2018
	\$	\$
Net profit after tax attributable to shareholders	<u>445,753</u>	<u>686,520</u>
Weighted average number of shares for the year ended 31 December	<u>7,619,234</u>	<u>7,619,234</u>
Basic earnings per share	<u>0.06</u>	<u>0.09</u>

Diluted earnings per share

Diluted earnings per share at 31 December 2019 is the same as basic earnings per share.

	2019	2018
	\$	\$
15. Trade and other payables		
Trade creditors and accruals	877,491	1,235,844
VAT payable	18,847	8,554
Amounts payable to Dongguan Golden Palmwood Furniture Pty Limited (DGPL)	<u>12,388</u>	<u>115,492</u>
	<u>908,726</u>	<u>1,359,890</u>

The amount owing to DGPL (previously a subsidiary) relates to purchases of finished goods, net of salaries, consultancy fees, exhibition expenses and travelling expenses which were recharged by the Company to DGPL. The balance has no fixed term of repayment.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

16. Leases

i) Amounts recognised in the statement of financial position

	2019	2018
	\$	\$
Right of use asset		
Balance at 1 January 2019	418,910	-
Additions	824,535	-
Depreciation charge for the year	(9,325)	-
Derecognition of old unexpired lease	(173,386)	-
Balance as at 31 December 2019	<u>1,060,734</u>	<u>-</u>

The company had 2 leases with the iTaukei Land Trust Board, of which one had expired and the other had a remaining term of 42 years. Both leases were amalgamated into one when the expired lease was renegotiated and the new lease term is now 99 years.

	2019	2018
	\$	\$
Lease liabilities		
Lease liabilities included in the statement of financial position at 31 December 2019	<u>498,878</u>	<u>-</u>
Current	382,314	-
Non-current	<u>116,564</u>	<u>-</u>
	<u>498,878</u>	<u>-</u>

Lease liabilities have been determined using incremental borrowing rates of 7.2%.

Additions to the right of use assets during the 2019 financial year amounted to \$824,535.

ii) Amounts recognised in the statement of profit or loss

	2019	2018
	\$	\$
Depreciation charge on right of use assets	9,325	-
Interest expense on lease liabilities (included in finance cost)	10,412	-

iii) Amounts recognised in cash flow

Total cash outflow for leases	338,063	-
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The lease of the property has a term of 99 years. The right of use asset is to be depreciated over the remaining period of the lease.

iv) The Company's leasing activities and how these are accounted for

The Company leases land from iTaukei Land Trust Board for its building and operational space/activities. Rental contract is for a fixed period of 99 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

16. Leases – (continued)

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

v) Variable lease payments

Estimation uncertainty arising from variable lease payments.

The Company does not have any property leases that contain variable payment terms that are linked to turnover.

vi) Extension and termination options

Extension and termination options are included in a number of property leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there were no lease agreements with stipulated extension option.

vii) Residual value guarantees

The Company does not provide residual value guarantees in relation to its leases.

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

17. Commitments and contingencies

(a) Capital commitments

Capital commitments for the Company not otherwise provided for in the financial statements amounted to \$Nil (2018: \$Nil).

(b) Contingent liabilities

The Company has no contingent liabilities as at 31 December 2019. (2018: \$Nil).

18. Related parties

(a) Directors

The following were directors of the Company during the year:

Mr Samuel Ram – Chairman
 Mr Ravin Chandra
 Mr Ashnil Prasad
 Mr Abilash Ram
 Mr Dominic Ryan
 Mr Adish Naidu

(b) Transactions with Key Management Personnel

The aggregate value of transactions and outstanding balances relating to management personnel were as follows:

Personnel Position	Transaction	Net transaction value		Balance Outstanding	
		Year ended 31 December		As at 31 December	Receivable
		2019	2018	2019	2018
		\$	\$	\$	\$
Employees	Advances	(953)	(918)	1,466	2,419

The aggregate remuneration to key management personnel, with greatest authority and responsibility for the planning, directing and controlling of the activities of the Company is disclosed in Note 6.

(c) Equity Interest of Related Parties

The interests of directors and employees during the year in the ordinary shares of the Company are as follows:

	Additions	Holding
	\$	\$
Employees	-	4,000
Mr. Ravin Chandra	-	1,523,438

Pacific Green Industries (Fiji) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2019

(d) Transactions with Related Parties

Transaction with Shareholders and Directors

Mr. Dominic Ryan (Director) has an interest in a Company (Post and Rail Pty Limited) that sells Company products in Australia. Post and Rail Pty Limited purchased \$159,327 (2018: \$281,996) worth of finished goods from the Company during the year. The total amount outstanding at year end is \$66,438 (2018: \$43,764).

Mr. Adish Naidu has an outstanding balance of \$17,820 to the company at year end. This relates to the sale of furniture.

Mr. Samuel Ram's (Director) law firm provided legal services to the Company during the year and total fees paid by the Company amounted to \$6,031. (2018: \$18,689)

19. Segment Reporting

(a) Industry Segment

The Company manufactures and sell furniture and architectural products made from coconut palmwood.

(b) Geographical Segment

The Company operates predominantly in the geographical segment of Fiji. In 2019, 86% of the sales were in Fiji (2018: 86%). All assets of the business are located in Fiji.

	2019	2018
	\$	\$
Local sales	3,334,221	3,631,309
Overseas sales	549,717	568,905
	<u>3,883,938</u>	<u>4,200,214</u>

20. Subsequent events

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020. The outbreak is causing unprecedented social disruption, and global economic and financial markets volatility. As the emergence of the situation is in its earlier stages, the full extent of exposures to and impacts on the Company are uncertain. The Company is assessing and closely monitoring emerging risks.

There is, at the date of this report, no other matter or circumstance that has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- (i) the company's operations in future financial years;
- (ii) the results of those operations in future financial years; or
- (iii) the company's state of affairs in future financial years.

Pacific Green Industries (Fiji) Limited

Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report)
For the year ended 31 December 2019

(1) Schedule of each class of equity security, in compliance with listing requirements under section 51.2 (v):

Shareholdings of those persons holding twenty (20) largest blocks of shares as of 31 December 2019:

	Name	Shares	Total % Holding
1	Ravin Chandra / Peter Ryan	3,046,877	39.99%
2	Fiji National Provident Fund	1,244,275	16.33%
3	FHL Media Limited	1,039,774	13.65%
4	iTaukei Trust Fund	1,000,000	13.12%
5	Munswamy Reddy	803,830	10.55%
6	FHL Trustees Limited- ATF Fijian Holdings Unit Trust	256,527	3.37%
7	Unit Trust Of Fiji (Trustee Co) Ltd	80,000	1.05%
8	Colonial Fiji Life Limited	35,682	0.47%
9	Radike & Eta Qereqeretabua	25,000	0.33%
10	Ken Kung	20,000	0.26%
11	Jimaima T Schultz	13,500	0.18%
12	Vishnu Deo	5,000	0.07%
13	Taniela Vafoou Fatiaki	5,000	0.07%
14	Rajesh Sharma	3,500	0.05%
15	Kamlesh Kumar	3,000	0.04%
16	Bipin Chandra	3,000	0.04%
17	Christopher Dard Keung Yee	3,000	0.04%
18	Atunaisa Kaitabu & Fulori Sarai	2,645	0.03%
19	Dhirendra Pratap	2,500	0.03%
20	Shabnam Prasad	2,500	0.03%

Details of Shareholdings of Directors and Senior Management as of 31 December 2019 in compliance with listing requirements under section 51.2 (iv):

1	Ravin Chandra	1,523,438
2	Late Peter Ryan	1,523,439
3	Shabnam Prasad	2,500
4	Praveen Padyachi	1,000

(2) Schedule of each class of equity security, in compliance with listing requirements under section 51.2 (vi):

Distribution of ordinary shareholders as of 31 December 2019;

No. of Holders	Holdings	Total % Holding
16	Less than 500 shares	0.04%
29	501 to 5,000 shares	0.68%
0	5,001 to 10,000 shares	-
2	10,001 to 20,000 shares	0.44%
1	20,001 to 30,000 shares	0.33%
1	30,001 to 40,000 shares	0.47%
0	40,001 to 50,000 shares	-
1	50,001 to 100,000 shares	1.05%
3	100,001 to 1,000,000 shares	27.04%
3	Over 1,000,000 shares	69.95%

Pacific Green Industries (Fiji) Limited

Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report)
– Cont.

(3) Disclosure under Section 51.2 (xi):

There were no contracts existing during or at the end of the financial year in which a director of the Company was materially interested, directly or indirectly apart from those disclosed in the financial statements.

(4) Disclosure under Section 51.2 (xiv):**Summary of key financial results for the previous five years for the Company:**

	2019	2018	2017	2016	2015	2013
	\$	\$	\$	\$	\$	\$
Net profit/(loss) after tax	445,753	686,520	387,928	321,766	148,630	1,481,982
Current assets	2,214,382	2,847,762	2,477,326	2,631,021	2,261,848	2,114,276
Non-current assets	4,088,612	2,986,464	3,161,227	3,294,825	3,970,232	5,164,574
Total assets	6,302,994	5,834,226	5,638,553	5,925,846	6,232,080	7,278,850
Current liabilities	1,291,041	1,386,419	1,579,558	2,119,114	2,218,055	2,630,021
Non-current liabilities	172,739	54,345	47,284	30,564	26,277	-
Total liabilities	1,463,779	1,440,764	1,626,842	2,149,678	2,244,332	2,630,021
Shareholder's equity	4,839,215	4,393,462	4,011,711	3,776,168	3,987,748	4,648,829

(5) Disclosure under Section 51.2 (xv):**(a) Dividends per share:**

There were no dividends declared/paid for the year 2019. (2018: \$0.04)

	2019	2018
	\$	\$
(b) Earnings per share:	0.06	0.09

(c) Net tangible assets per share:	0.64	0.58
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(d) Share price during the year:

	2019	2018
	\$	\$
Highest	1.08	1.08
Lowest	1.08	1.00
On 31st December	1.08	1.08

Pacific Green Industries (Fiji) Limited

Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report) – Cont.

(6) Annexure P: Annual Compliance Report on Corporate Governance - Disclosure under Section 51.2 (xix):

Principle	Requirement	Compliance Status
(1) Establish clear Responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	The Company Policy sets out the powers and duties of directors and senior managers outlining separation of duties in terms of managing the Company effectively and efficiently. The board is in process to finalise and adopt a formal board charter which details the Boards role, responsibilities and its relationship with management.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	
(2) Constitute an Effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors	Directors are nominated by Shareholders at the Annual General Meeting and elected upon approval from major shareholders. One third of the total strength of the Board retires by rotation each year and is eligible for re-election.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	The board has not adopted any gender diversity policy as such all the directors are nominated and elected at the AGM by the shareholders.
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	The Company does not have a Nomination Committee. The selection, approval, renewal and succession of Directors are discussed by the Board and approved by the shareholders at the Annual General Meeting. All board member participation and performance are discussed in board meetings.
	Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	The Company's/Boards major expectation of directors contribution is in term of maximising Sales which in turn will maximise profit. All board member participation and performance are discussed in board meetings.
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	All board members have wide range of experience and knowledge in the commercial sector as such they do not require much training. All new directors on board are properly briefed by the Chairman on the companys' product/business. All board member participation and performance are discussed in board meetings.
	Board Sub-committees: Board must have sub-committees which must at a minimum include - · Audit Committee; · Risk Management Committee; and · Nomination Committee/Recruitment Committee.	The Company has an Audit and Finance Committee inclusive of Risk and Compliance. They are selected by the Board and are responsible for the external audit of the Company's affairs, reviewing half year and annual financial statements. They assist the Board in fulfilling its responsibilities by coming up with recommendations, advice and information concerning accounting and reporting responsibilities and evaluating risk management practices. The Company at the moment does not have a Nomination Committee/Recruitment Committee as such all directors appointments are approved by the shareholders at the Annual General Meeting.
(3) Appointment of the Chief Executive Officer (CEO) /Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director	The Board appoints the Company Managing Director. The board has exercised due diligence in making this appointment. The company's Managing director has been with the company for around 25 year as such having enormous experience and knowledge of the company's product/ business. The Company Managing Director is in constant contact with the other board of directors for any issues arising within the Company

Pacific Green Industries (Fiji) Limited

**Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report)
– Cont.**

**(6) Annexure P: Annual Compliance Report on Corporate Governance - Disclosure under Section 51.2 (xix):
- Cont.**

Principle	Requirement	Compliance Status
(4) Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	The Board appoints the Board/Company Secretary. The Board/Company Secretary is the administrative link between the Board and the Management and is responsible for ensuring adherence to compliance and governance issues of the Company activities. The Board/Company Secretary coordinates effective and timely distribution of the Board meeting agenda and papers and ensures proper minutes are recorded. All directors have access to the Company Secretary.
(5) Timely and Balanced Disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	The Company publishes and releases its Annual Report yearly as per listing rules. All timely and accurate disclosures including director remuneration are made in the Annual Reports. Board meetings are held regularly (at least three meetings per year) to update the directors on the Company performance and get major decisions clarified and passed at Board level. The Company notes that as per the listing rules four board meetings are required as such Company has sub-committee whereby other issues/matters are covered which is then relayed in the three board meetings. The Company periodically releases the required information to the public /shareholders by way of market announcements, as required by the listing rules of the SPX.
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	
	Continuous Disclosure: General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	
(6) Promote ethical and responsible decision-making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	The Company has established a minimum code of conduct whereby it promotes and believes that all directors and employees uphold high standards, honesty, fairness, and equity in all aspects of their employment and association with the Company. This is also discussed in all board meeting.
(7) Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	Transactions with related parties (if any) are disclosed in the Annual Report. All board members declare their interests (if any) at the Board meetings and such interests are recorded in the Board minutes.
(8) Respect the rights of shareholders	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	An Annual General Meeting is held every year in accordance with the Articles of Association of the Company and shareholders are encouraged to participate. The Annual Report is also published each year and circulated to the shareholders of the Company.
	Website: To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	Company does not have a separate website for shareholder communication. All shareholder queries can be directed / emailed to the Company Secretary who is responsible for replying to and addressing them.
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	The Company Secretary is in charge of addressing Shareholders grievance/complaints. Shareholders are encouraged to email all queries /grievance or complaints directly to the company secretary for efficient response as such the Company Secretary will liaise with the Managing Director and respond accordingly. The Shareholders' complaints (if any) are noted and resolved accordingly in an efficient manner.
	Shareholders' Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	

Pacific Green Industries (Fiji) Limited

**Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report)
– Cont.**

**(6) Annexure P: Annual Compliance Report on Corporate Governance - Disclosure under Section 51.2 (xix):
- Cont.**

Principle	Requirement	Compliance Status
cont. (8) Respect the rights of shareholders	Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	The Company has not adopted any formal Corporate Sustainability policy yet.
(9) Accountability and Audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	The company has its internal audit guideline and has monthly internal audits to achieve the objective of risk management, control and governance.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	The Company is audited externally each year and receives an independent audit report which forms part of the Annual Report. The external auditor is appointed by the shareholders' approval at the Annual General Meeting. The senior partner of the audit firm rotates once in every three years.
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	
	Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	The Audit and Finance Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, monitoring risk management policies and practices with management.
(10) Recognise and Manage Risk	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The Company has in place a Risk Management Policy to ensure that key business and operational risks are identified, and appropriate controls and procedures are put in place to manage those risks.
	Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]	The Company encourages its employees and shareholders to report directly to the Managing Director or Company secretary any breach of company rules or policies. The Company is working on establishing and implementing a formal Whistle Blower Policy.

Pacific Green Industries (Fiji) Limited

**Listing requirements of the South Pacific Stock Exchange (unaudited and not included elsewhere in the Annual Report)
– Cont.**

(7) Disclosure under Section 51.2 (viii):**Board Meetings**

Director	Number of Meetings held	Number of meetings Attended	Apology (AP)
Mr Samuel Ram – Chairman	3	3	-
Mr Ravin Chandra	3	3	-
Mr.Ashnil Prasad	3	1	AP
Mr Abilash Ram	3	2	AP
Mr Dominic Ryan	3	1	AP
Mr Adish Naidu	3	3	-

Board Sub-Committees: The Board has two standing committees.

(i) The Audit and Finance Committee inclusive of Risk and Compliance

The Audit and Finance Committee inclusive of Risk and Compliance are selected by the Board and was formed in 2009. They are responsible for the external audit of the Company's affairs, reviewing half year and annual financial statements. They assist the Board in fulfilling its responsibilities by coming up with recommendations, advice and information concerning accounting and reporting responsibilities and evaluating risk management practices. The Committee meets twice a year or as required. The Committee comprises Mr. Ravin Chandra and Mr. Dominic Ryan.

(ii) The Strategic Sub Committee

The Strategic Committee comprises all the Board members and is chaired by the Board Chairman. The Directors are briefed with their roles and responsibilities as Board members of the Group. The Group strategic plans are reviewed annually by all the Board members.

The Company Share Registry is maintained at its registered office and principal place of business in Fiji:

Pacific Green Industries (Fiji) Limited
Queens Road
Malaqereqere
Sigatoka
Republic of Fiji
Phone contact: (679) 650 0055
Fax contact :(679) 6520 014

Company Secretary: Miss. Shabnam Prasad

Explanatory Notes

This Explanatory Note is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the Notice of Annual General Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the Notice of Meeting.

Item 1. Consideration of Financial Statements:

As required by Section 401 of the Companies Act 2015, the Financial Report, the Directors' Report and the Auditors Report of the Company for the recently completed financial year will be laid before the meeting. Shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the management of the Company however, there will be no formal resolution put to the meeting.

Questions that cannot be answered at the AGM needs to be addressed through a market announcement by the company within a reasonable timeframe.

Item 2. Election of Directors

The Board proposes that Mr. Samuel Ram and Mr. Ashnil Prasad be re-appointed as directors of the Company. The Board considers that each nominee possesses attributes necessary for the development of the Company.

(a) Mr. Samuel Ram

Mr. Samuel Ram is a lawyer by profession. He has been serving on PGI Board as the Chairman since June 2013.

(b) Mr. Ashnil Prasad

Mr. Ashnil Prasad is a representative of Fiji National Provident Fund. He has been serving on PGI Board since November 2016.

Item 3. Appointment of Auditors

The Board proposes to re-appoint the retiring Auditors in accordance with Clause 143 of Article of Association of the Company, to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed between the Board and Auditors. The retiring Auditors M/s PricewaterhouseCoopers, Chartered Accountants, being eligible, offer themselves for appointment.

Item 4. Confirmation of Dividends

The Board resolved that no dividends shall be declared or paid by the company for the financial year ended 31 December 2019.

ANNEXURE J - PROXY FORM

[Pursuant to Section 157 and 158 of Companies Act 2015]

PACIFIC GREEN INDUSTRIES (FIJI) LIMITED

Name of the Member: _____

Registered Address: _____

SIN: _____

I /We, being the member (s) of _____ shares of Pacific Green Industries (Fiji) Limited hereby appoint,

1 Name _____, of _____
or failing that;

2 Name _____, of _____

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the Annual General Meeting of Pacific Green Industries (Fiji) Limited, to be held on **12th June 2020** at **1:00pm** at **Pacific Green Showroom, Queens Highway, Malaqereqere, Sigatoka** and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	* Optional [Mark X]		
		For	Against	Abstain
	Ordinary Business			
1	Consideration of Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors, for the year ended 31 December 2019			
2 (a)	Re-election of Director: Mr. Samuel Ram			
2 (b)	Re-election of Director: Mr. Ashnil Prasad			
3	Appointment of Auditors - Messrs. PricewaterhouseCoopers			
4	Confirmation on Dividend: No Dividend paid/declared for year 2019			

Signed this _____ day of _____ 20____

Signature of Member (s) _____

Notes:

- * It is optional to put 'X' in the appropriate column against the Resolution indicated in the Box.
If you leave the 'For'/'Against'/'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
- If a representative of the corporation is to attend the meeting, Annexure K - "Appointment of Corporate Representative" should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled.
- This Proxy Form must be received by the Company on the following address: PO Box 832, Sigatoka or at Share Registry at Queens Highway, Malaqereqere, Sigatoka or email on: pacificgreen@connect.com.fj / pgfiji@connect.com.fj by 10th June 2020 being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

ANNEXURE K : Appointment of Corporate Representative

[Pursuant to Section 160 of Companies Act 2015]

This form may be used by a company or other body corporate which is a security holder or which has been appointed as a proxy by a security holder.

Insert the name of the body corporate making the appointment

Hereby appoints

Insert the name of the appointee. Please note that multiple representatives can be appointed but only one representative may exercise the body corporate's powers at any one time.

to act as its representative at all meetings OR the meeting to be held on **12th June 2020**

Of

PACIFIC GREEN INDUSTRIES (FIJI) LIMITED

SIGNATURES - THIS MUST BE COMPLETED

Common Seal (if applicable)	Director	Sole director & Sole secretary
	Director /Company secretary	Date

Information:

In order to be effective, the form must be received by Pacific Green Industries (Fiji) Limited on the following address: PO Box 832, Sigatoka or at Share Registry at Queens Highway, Malaqereqere, Sigatoka or email on: pacificgreen@connect.com.fj / pgfiji@connect.com.fj by 10th June 2020 being not later than 48 hours before the commencement of the meeting. The original of the form will be retained by the company.

A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of a company's members, creditors or debenture holders. The appointment maybe by reference to a position held provided that the appointment identifies the position.

The appointment must be executed in accordance with the body corporate's Articles of Association and (if applicable) Section 53 of the Companies Act 2015. An appointment may be a standing one, which will continue until revoked.

If more than one representative is appointed, only one representative may exercise the body corporate's power at any one time.