

FIJIAN
HOLDINGS
LIMITED

Steering Towards Excellence



ANNUAL REPORT 2020



FHL GROUP CORE VALUES

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

FHL GROUP CORE VALUES

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

FHL GROUP VISION

"To be the most innovative investment Group in the South Pacific"

MISSION STATEMENT

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

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

NA UTO NI VAKABAUTA NI KABANI

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

NA YAVUTU NI KABANI

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

NA RAI KI LIU NI FHL

"Me dau vakatubu i lavo levu taudua ena Pasifika"

YALAYALA ME VAKAVATUKANATAKI

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

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



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HISTORY OF FIJIAN HOLDINGS LIMITED

TAUYAVUTAKI NI KABANI

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

FHL shareholders include provincial councils, the iTaukei Land Trust Board, the iTaukei Affairs Board, tikina and village groups, iTaukei cooperatives, individual iTaukei and family companies.

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

FHL has also broadened the scope of its training programme wherein young iTaukei are prepared and groomed for business utilising the resources of its subsidiary companies.

E a tauyavu ena yabaki 1984 na kabani na Fijian Holdings Limited (FHL) ena vuku ni nodra gagadre na Turaga Bale kei Viti kei ira na lewenivanua iTaukei me vakatoto lotaki na nodra vakaitavi ena bula raraba vakailavo ni vanua ko Viti.

Era taukei ni sea ena FHL na Matabose ni qele maroroi, na vei yasana, na Matabose ni veika Vakaitaukei, na i Soqosoqo ni vei tikina kei na koro, na soqosoqo cokovata ni veivoli ka nodra na iTaukei, o ira na iTaukei yadua kei ira na kabani taukeni vakavuvale.

Na nona vacurumi lavo ena voli sea na FHL ena veikabani lelevu eso, e mai rawa kina nai naki raraba ni kena vakayarayarataki na nodra vakaitavi na iTaukei ena bula vakabisinisi kei na bula vakailavo i viti.

E sa vakarabailevutaka tale ga na nona yavu ni vei qaravi me baleta na nodra vakavulici ka vakarautaki na gone iTaukei ena cicivaki ni bisinisi ka sa vakayagataki kina na i yau ni kabani e taukena ka cicivaka tiko na FHL.

FHL Group Leaders

Group Chief Executive Officer/ Head of the Group

1987 – 2008	Sitiveni Weileilakeba
2008 – 2011	Sereana Qoro
2011 – 2019	Nouzab Fareed
2019 to date	Abilash Ram (Acting G-CEO)

Group Chairman

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



THE YEAR IN REVIEW

NA RAICI LESU NI YABAKI VAKAILAVO

The report provided our shareholders with highlights of the 2020 financial year. The year review not only highlights our financial performance but also the market announcement made regarding significant activities that contributed to our positive results.

July 2019

- Fiji TV announced the signing of an exclusive agreement with FRU to broadcast the match between Fiji and NZ Maori.
- Fiji TV announced the signing of an exclusive agreement with World Rugby to be Fiji's official TV Broadcaster of 2019 World Rugby Pacific Nations Cup.
- Fiji TV announced the signing of an exclusive agreement with International Management Group (IMG) to broadcast the two France International Rugby Test Matches.
- Fiji TV announced the resignation of its Independent Board Director Mrs. Sereana Matakibau and Mrs. Gurmindar Kaur was appointed as her replacement.

August 2019

- RBG declared a Final Interim Dividend of 13cents per share, amounting to \$3,900,000 to be paid by 29 August 2019. This has brought forth the total dividends paid for the year to 19cents per share, an almost 12% increase compared to 2018.
- RBG announced that their NPAT increased by 4.3% to \$10,080,102 from \$9,662,522 last year. The company's Revenue including other income has increased by 8.5% to \$135,448,724 from \$124,847,540 last year.
- RBG released its Audited Financial Statements for the year 2019.
- Fiji TV announced that it has signed an agreement with International Management Group (IMG) to broadcast the 2 France International Rugby test matches in August.
- Fiji TV announced that it has signed an exclusive agreement with International Media Group to be Fiji's Official Television Broadcaster of Italian Football League Series A 2019-20 season.
- Fiji TV announced the audited financial results for the 12 months ended 30th June 2019, with a 47% increase in the consolidated group net profit after tax recorded at \$1,201,693 as compared to \$819,248 for the previous year.
- Fiji TV announced that the Total Group Revenue for the financial year 2019 stood at \$11.9m compared to \$11.7m in the previous year (1% Growth). Total Net Assets increased by 2% from the previous year.
- FHL Group recorded a 6% growth in pre-tax profit for the year ending 30 June 2019. The Group's pre-tax profit stood at \$45.44million for the current year compared to \$42.99million of the previous year.
- FHL Group Assets stand at \$640.96m for the year ending 30 June 2019, while the Shareholders funds have reached \$309.98m.
- Fiji TV announced the live and exclusive coverage of the full 48 matches of the 2019 Rugby World Cup.

September 2019

- Fiji TV announced that the Rugby World Cup 2019 will kick off on Friday 20th September, 2019 on its free to air channel Fiji One.
- RBG announced the AGM which will be held at Tower 11, RBF, Suva on 17th October which is on Monday, commencing at 4.30pm.
- FHL declares second interim dividend of \$3.747m for the year ending 30 June 2019. Accordingly, FHL shareholders will receive their dividend from 15th October 2019.
- Fiji TV announced the signing of an exclusive agreement with Oceania Football to be Fiji's Official TV Broadcaster of OFC Men's Olympic Qualifier 2019.
- Fiji TV launched its Annual Report 2019
- Fiji TV announced the AGM of the Shareholders which will be held on Monday, 21st October at Holiday Inn Suva, commencing at 3PM.

October 2019

- RBG launched its Annual Report 2019.
- FHL launched its Annual Report 2019.
- FHL announced the AGM which will be held at the Holiday Inn, Lali Room on October 22nd 2019 at 12pm.
- Fiji TV announced that they will broadcast HSBC Women's Sevens Series (Glendale Sevens) live on its free to air channel Fiji One.
- Fiji TV announced that after extensive evaluation, World Rugby and the Japan Rugby 2019 Organizing Committee has announced an update regarding the predicted impact of Typhoon Hagibis on this weekend's pool matches. This includes the decision to cancel matches on safety grounds.
- Fiji TV announced that they will revamp their Breakfast Show to move from one (1) and half hours to a 2 hours show.
- FHL acquires a stake in Sheraton, Tokoriki Island. It invested \$6.3m for 30% shareholding in Ritam Investment (Ritam Investment are the owners of Sheraton Resort & Spa and Tokoriki Island Fiji located in the Mamanuca).
- Fiji TV announced that it has secured the rights to broadcast the LIVE coverage of the next four seasons (2020-2023) of the HSBC World Rugby Sevens Series on its free to air channel Fiji One.
- RBG announced the unanimously approval of the AGM Resolutions which included the re-appointment of Surendra Patel, Ratu Aisea Vosailagi, Michael Nacola, Kavin Rathod and Sereana Matakibau as Directors of the Company.
- Fiji TV announced that it has signed an exclusive agreement with Matchroom Boxing Limited to air the fight between Andy Ruiz vs Anthony Joshua Live and Exclusive on Fiji One.
- FHL announced the unanimously approval of the AGM

Resolutions which included the re-appointment of Mr. Sanjit Patel and Tony Whitton as a Director representing majority Shareholders.

- Fiji TV announced the unanimously approval of the AGM Resolutions which are as follows:
 - Confirmation and Adoption of the Financial Position, Profit or Loss and Other comprehensive Income, Changes in Equity and Cash Flow together with the Directors Report, Statement by Directors and the Independent Auditors report thereon, for the financial year ended 30th June 2019.
 - Re-appointment of Ms. Gurmindar Kaur Singh as an Independent Director on the 3rd of May, 2019.
 - That Price Waterhouse Coopers Chartered Accountants be appointed auditors of the Company in accordance with the provisions of Section 422 of the Companies Act 2015 from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at a fee decided by the Board of Directors with the mutual consent of the auditors.
 - Confirmation of the first interim dividend of \$0.041 per share declared in October 2018 resulting in a total outlay of \$422,300, and the second interim dividend of \$0.04 per share declared by the company in March 2019, resulting in a total outlay of \$412,000 for the financial year ended 30th June 2019.
- Fiji TV announced the signing of an exclusive agreement with Fiji Primary School Athletics Association to broadcast the 2019 Chow Games.
- RBG announced the approval of the Share Split of 30,000,000 to a ratio of 1:5, which is 5 shares for each existing share.
- FHL released Annual General Meeting Presentation.

November 2019

- Fiji TV announced that it has signed an exclusive agreement with Oceania Rugby to broadcast 2019 Oceania Sevens Tournament on its free to air channel Fiji One.
- FHL Group recorded a growth in pre-tax profit of 2% for the three months ending 30th September, 2019. The pre-tax profit for three months stood at \$10.7m compared to \$10.5m achieved in the same period last year.
- FHL Group Revenue has increased by 3% compared to September 2018. As at 30th September 2019, Shareholders Funds have reached \$315m compared to \$287m for the same period last year.
- Fiji TV announced the signing of an agreement with Cricket Australia to be the Exclusive Free to Air Broadcast partner for the KFC Big Bash Cricket League for the year 2019/20.

December 2019

- FHL announced that the board of directors has accepted the letter of resignation from Group CEO Mr. Nouzab Fareed. Mr. Fareed had resigned on his own will and accord. He has served the Group since October 2004 in various capacities and became Group CEO in February 2011.
- FHL announced the appointment of Mr. Abilash Ram as FHL's Acting Group CEO in the interim until a

substantive appointment is made.

- Fiji TV Board of Directors declared first interim dividend to be paid out to its Shareholders for the financial year 2020. The interim dividend is \$0.05 per share and this results in a total outlay of \$515,000 to the Shareholders.
- Fiji TV made a Net Profit After Tax (NPAT) of \$1,201,963 for the year ended 30th June 2019.

January 2020

- FHL Chairman Mr. Adrian Sofield resigned from his position. He was elected in October 2016 as a Director representing the B Class Shareholders.
- FHL Board Member, Mr. Sanjit Patel resigned from his position. He was elected in October 2016 as a Director.
- FHL Board Member, Mr. Ratu Aisea Waka Vosailagi resigned from his position. He was elected in July 2015 as a Director.
- Fiji TV announced that Mr. Nouzab Fareed has resigned from the Fiji TV Board of directors upon tendering his resignation to Fijian Holdings Limited.
- FHL announced the appointment of Mr. Yogesh Karan as the Acting Chairman in the interim until a substantive appointment is made.
- RBG announced the resignation of Mr. Nouzab Fareed and the Chairman Mr. Aisea Vosailagi from the Board of Directors of the company. Mr. Fareed was appointed in March 2011 and Mr. Vosailagi in March 2019.
- Fiji TV announced that it has signed an exclusive agreement with Fiji's Coral Coast Sevens organizing committee to broadcast the 2020 Coral Coast Sevens on its free to air channel.
- RBG announced the appointment of Mr. Yogesh Karan and Mr. Abilash Ram to the board of the company. Mr. Karan was also appointed as Chairman of the board of directors.
- RBG declared an interim dividend of 1.4 percent per share, to be paid on 20th of February, 2020. Total issued ordinary shares have increased to 150,000 after the 1 to 5 share split in November, 2019.
- RBG released first interim dividend declaration.
- Fiji TV has also signed an exclusive agreement with Nawaka Rugby Union to broadcast 2020 Nawaka Sevens in its free to air channel.

February 2020

- FHL Group recorded growths a steady of 3% in the Group Net Assets. The Group total operating revenue for the first 6 months of FY20 was at \$184.97m compared to \$187.92m for the same period last year.
- The holding company recorded a pre-tax net profit of \$21.31m for the current year compared to \$25.59m in the previous year. The shortfall in performance by 16.74% is largely attributed to the performance of Basic Industries Pte Limited (BIL), Merchant Finance Pte Limited (MFL) and Serendib Investment Pte Limited (SIL).
- As at 31st December, 2019, the Group Assets stands at \$672.47m while the Shareholders' funds have reached \$320.04m.
- Fiji TV recorded its unaudited financial results for the six months ending 31st December, 2019 net profit after tax is \$859,014 as compared to \$692,494 for the same period last year. Total Revenue for six months ending

31st Decemebr,2019 is at \$6m, Net Assets increased by 3% in December 2019 compared to the same period last year.

- Fiji TV has announced that it has signed an exclusive agreement with Fiji Performing Rights Association Limited to broadcast the FPRA Awards 2020 on its free to air channel.

March 2020

- Fiji TV has announced that it has signed an exclusive agreement with Fiji National Schools Swimming Association to broadcast Fiji National Schools Swimming Championship 2020 on its free to air channel.
- FHL Group announced that it will be introducing its inaugural FHL Road show on the 13th and the 14th of March 2020. The 2-day event will commence from 9.00am to 2.00pm. The event will be hosted at RB CenterPoint Complex 4 miles Nasinu. However, it was later postponed till further notice due to adverse weather condition forecasted for later part of the week.
- Fiji TV announced the appointment of Mr. Abilash Ram as a Director for Fiji TV. Mr. Ram is currently the Acting Group Chief Executive Officer of Fijian Holdings.
- FHL advises that the FHL Group Road Show scheduled for the 13th an 14th of March has been postponed to a later date due to adverse weather conditions.
- Fiji TV announced that the VOCAL BATTLE AUDITIONS scheduled for the 21st March at Nadi Civic Centre has been postponed until further notice, in light of COVID-19 pandemic prevention measures on mass gatherings.
- FHL declared to pay \$3.778 million as an interim dividend based on the group performance for the six months ending 31 December 2019. Accordingly, more than 1,500 shareholders of FHL will receive their dividend on 23rd April 2020.
- FHL and its Subsidiaries declared that due to the immediate effect of COVID-19:
 - South Sea Cruises will be calling off services during the week ending 27th March,2020 with closure of resorts in Yasawa's and Mamanuca.
 - Basic Industries Limited, Merchant Finance and

Pacific Cement Pte Limited are also affected with lockdown of Lautoka City. Lomolomo Quarry supplies raw materials to Standard Concrete in Nadi and these transfers is affected as they fall within the lockdown zone.

- However, FHL advised its shareholders that where practical, business will continue to operate and the Board and Management will continue to monitor the situation closely and make decisions in light of any development on the pandemic.

April 2020

- RBG Chairman Yogesh Karan made a statement that 'in accordance with the Government's directives, RBG has ensured that all its stores remain open and are able to provide communities the best services.' Sales growth across the stores have been strong, reflecting temporary demand for a range of products as customers have initially resorted to 'panic-buying' and later consumed more at home and replenished stocks concurrently.
- Fiji TV has activated its Business Continuity Plan for both operations and staffing at essential capacity. It has also note the immediate effects the COVID-19 has on its operations.
 - Reduction in advertising revenue as a result of the COVID-19 restrictions.
 - Lockdowns and curfews
 - Cancellation and postponement of major sporting and trigger events.
- Fiji TV Board of Directors has not made any decisions on dividends. They will update all shareholders once a decision is made.

May 2020

- FHL is pleased to advise its shareholders on the re-launching of the Ra Marama Newsletter. This will be a quarterly publication highlighting the major activities of the group and showcasing the products and services available. Publication will be available on FHL website and can be picked up from any of our group companies offices across Fiji.
- FHL released Newsletter April 2020



FINANCIAL HIGHLIGHTS

USUTU NI RAWA KA

10.8%

Building & Construction
Tabana ni Tara Vale



15.7%

Finance
Tabana ni Soli Lavo
Dinau Cakacaka



12.0%

Media
Tabana ni Vakau i
Tukutuklu



30.4%

Retailing
Tabana ni Veivoli



YEAR END 30 JUNE	HOLDING COMPANY			GROUP		
	2020	2019	Change %	2020	2019	Change %
Operating Results						
Total Revenue (\$, '000)	20,624	30,869	-33%	291,184	330,758	-12%
EBITDA (\$, '000)	17,364	27,191	-36%	34,002	65,864	-48%
EBIT (\$, '000)	17,060	26,968	-37%	17,256	50,197	-66%
NPBT (\$, '000)	14,995	25,464	-41%	11,107	45,441	-76%
NPAT (\$, '000)	14,825	25,384	-42%	9,761	36,686	-73%
Operating Ratios						
EBIT / Total Revenue [%]	83%	87%	-5%	6%	15%	-9.3%
EBITDA / Total Revenue [%]	84%	88%	-4%	12%	20%	-8.2%
NPAT / Total Revenue [%]	72%	82%	-10%	3%	11%	-7.7%
Financial Position						
Total Assets (\$, '000)	416,115	396,258	5%	658,730	640,960	3%
Total Liabilities (\$, '000)	50,205	38,085	32%	360,969	330,977	9%
Financial Position Ratios						
Gearing [%]	12%	10%	2%	55%	52%	3%
Net Debt to Equity [%]	14%	11%	3%	121%	107%	14%
EBIT interest cover [times]	7.6	17.0	-55%	2.3	3.7	-38%
Cash Flows						
Net cash from operating (\$, '000)	2,669	11,147	-76%	41,784	24,011	74%
Purchases of Investments (\$, '000)	6,500	4,511	44%	6,800	-	100%
Shares						
Earnings per share (EPS) [CENTS]	5	9	-43%	3	12	-73%
Dividends per share [CENTS]	2.47	2.45	1%	N/A	N/A	N/A
Net Tangible Asset per share	1.20	1.18	2%	0.78	0.82	-5%
Key Measures						
Return on Net Assets [%]	4.1%	7.1%	-3.0%	3.3%	11.8%	-9%



9.3%

Properties

Tabana ni Voli Vale
ni Cakacaka



4.0%

Manufacturing

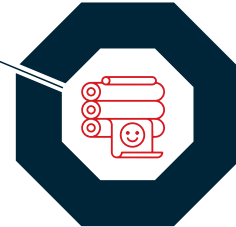
Tabana ni Buli Yaya



1.2%

Printery

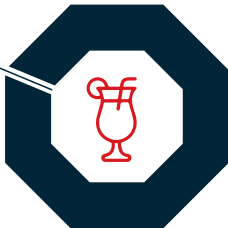
Tabana ni Taba i Vola



16.5%

Tourism

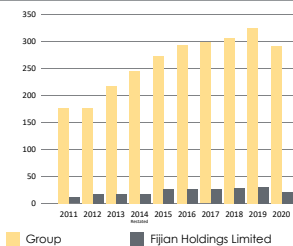
Tabana ni Sara
Vanua



Tourism	61,940,000	16.6%
Finance	58,772,000	15.7%
Retailing	114,126,000	30.4%
Media	45,004,000	12.0%
Building & Construction	40,600,000	10.8%
Manufacturing	14,965,000	4.0%
Properties	34,895,494	9.3%
Printery	4,500,000	1.2%
	374,802,494	100%

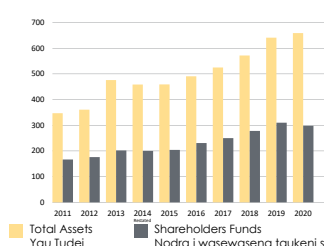
Operating Revenue (\$M)

Lavo e rawa ena volivolitaki (\$Millioni)



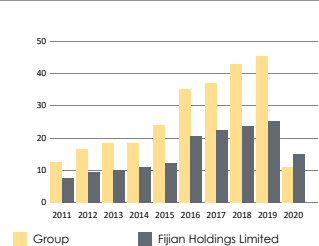
Total Group Assets and Shareholders Funds (\$M)

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



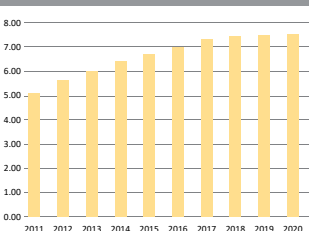
Profit Before Tax (\$M)

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



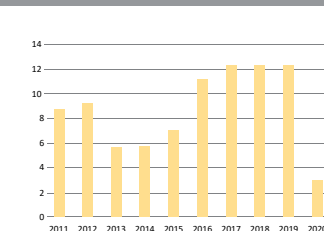
Dividend Payments (\$M)

Tubu ni lavo e wasei (\$Millioni)

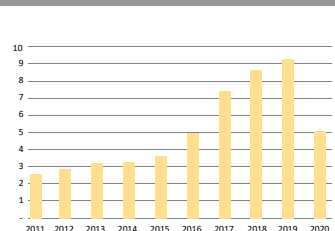


FHL Return on Investment (% - at cost)

Tubu ni lavo e rawa



FHL Earnings per Share (cents)



FIJIAN HOLDINGS LIMITED

TOP 30 SHAREHOLDERS

NAI MATAI NI 30 NI TAUKEI NI SEA LEVU TAUDUA

Shareholder Name	No. Of Shares	Total % Holdings
ITAUKEI AFFAIRS BOARD	107,800,400	35.39
ITAUKEI TRUST FUND BOARD	100,000,000	32.82
ITAUKEI LAND TRUST BOARD	8,846,660	2.90
CAKAUDROVE PROVINCIAL HOLDINGS COMPANY LIMITED	3,001,521	0.99
RATU SIR K MARA EDUCATION TRUST FUND	3,000,000	0.98
CICIA PLANTATION COOPERATIVE SOCIETY LTD	3,000,000	0.98
TAILEVU DAIRY FARMERS COOPERATIVE ASSOCIATION LTD	2,200,000	0.72
MACUATA PROVINCIAL COUNCIL	2,109,940	0.69
VANUA KO LOVONI INVESTMENT LTD	1,798,050	0.59
BUA PROVINCIAL COUNCIL	1,623,570	0.53
DUAVATA HOLDINGS LTD	1,410,000	0.46
SAKIUSA & ANASEINI RAIVOCE	1,313,739	0.43
ETA & RADIKE QEREQERETABUA	1,196,201	0.39
SERUA PROVINCIAL COUNCIL	1,166,860	0.38
ITAUKEI LAND TRUST BOARD ATF MATAQALI SERAU, NABITI,DREKETI, MACUATA	1,165,700	0.38
MUALEVU KORO INVESTMENT LTD	1,087,540	0.36
KADAVU PROVINCIAL COUNCIL	1,033,249	0.34
LOMATI VILLAGE INVESTMENT LTD	1,023,019	0.34
MOALA TIKINA COUNCIL	1,010,050	0.33
DOGOTUKI TIKINA COUNCIL	1,000,000	0.33
MAVANA INVESTMENT LTD	1,000,000	0.33
NABUKEBUKE HOLDINGS LTD	1,000,000	0.33
NAQARANI HOLDINGS LTD	1,000,000	0.33
MUNIA HOLDINGS LTD	992,622	0.33
KIRI VEREWALE RICHMOND	992,403	0.33
VATULELE ISLAND HOLDINGS LTD	979,900	0.32
REWA PROVINCIAL COUNCIL	936,010	0.31
VUKICEA INVESTMENTS LTD	900,000	0.30
MATAQALI NATABUTALE	847,430	0.28
ISIRELI & SALOTE DUGU	820,040	0.27
TOTAL	257,288,383	84.46





CORPORATE GOVERNANCE STATEMENT TUKUTUKU NI KENA CICIVAKI NA KABANI

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



Principle 1

Establish clear Responsibilities for Board Oversight

Board of Directors

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

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

The Board Charter specifies the Board's responsibilities towards the achievement of these objectives as being:

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

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

Principle 2

Constitute an Effective Board

FHL's Articles specifies that the number of Directors may be not less than the number required by the Companies Act (currently three), nor more than nine (or such number within the range as the Board may determine from time to time).

The Board currently comprises of Five Directors.

Sakiusa Raivoce	<i>Appointed 2013</i>
Anthony Whifton	<i>Appointed 2016</i>
Yogesh Karan	<i>Appointed 2017</i>
Kalpna Lal	<i>Appointed 2018</i>
Litiana Loabuka	<i>Appointed 2018</i>

Director's Independence

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

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

Board Sub-Committees

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

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

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

Independent Advice

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

Directors' Training

Director Induction is a formal process whereby the Group CEO and the management team present a comprehensive corporate profile of the organization. It is necessary for all incoming directors to attend the induction programme. In addition, as and when required, workshops are organized with external consultants.

Principle 3

Appointment of a Group Chief Executive Officer

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

Principle 4

Board and Company Secretary

FHL, as a public listed company, has appointed a suitably qualified and competent board secretary. The Company Secretary is the administrative link between the Board and the Management and is responsible for ensuring

compliance to Company activities. In this capacity, he/she ensures that the statutory requirements, board policy and procedures are followed and coordinates the timely completion and dispatch of board agenda and briefing material. The secretary is responsible for ensuring the board has proper and detailed minutes where records on major decisions of the Board are made. All directors have direct access to the company secretary. The company secretary is accountable to the board, through the chair, on all governance issues. The appointment and removal of the company secretary should be a matter for decision by the Board as a whole. At present, the Company Secretary for FHL is Sitiveni Koya.

Principle 5

Timely and Balanced Disclosure

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

Principle 6

Promote Ethical and Responsible Decision Making

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

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

Any breach of the Code of Conduct is a serious matter that may give rise to disciplinary action, including dismissal and legal action. In accordance with FHL's Whistleblower Policy, employees who are aware of any matter or behaviour that may contravene the Code of conduct, FHL's policies or the law are encouraged to:

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

The Whistle-blower Policy provides that all reports will be thoroughly investigated, and that, where applicable, feedback on the outcome of the investigation will be provided to the person making the report.

Business Dealings with the Company and conflicts of interest
The Company has procedures in place for the reporting of any matter which may give rise to a conflict between

the interest of a Director and those of the Company. Employees are required annually to disclose arrangements where a potential conflict may arise. A register of interest so declared is maintained by the Company Secretary. When a potential conflict of interest arises, employees must advise the Company Secretary and their immediate supervisor. A decision is then made as to whether the reported activities may continue. When the Board is considering a matter in which a Director has a material personal interest – the said Director may not be present during the Board or Board Committee discussions nor vote on the matter unless permitted under specific circumstances in accordance with the Corporations Act.

Political Donations

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

External Directorships

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

Corporate Sustainability

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

Principle 7

Register of Interest

The Board has ensured that all conflicts of interest are disclosed and formally recorded. Conflicts of interest arise in a related party transaction, which is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to exercise significant influence over the other party in making financial or operating decisions. In declaring a conflict of interest, the Director should abstain from voting or participating in the decision-making on that matter. In addition to Directors, members of the senior management team are required to declare all conflicts of interest.

Principle 8

Respect the Rights of the Shareholder

The Shareholder Communication Policy of the Company encourages and promotes effective communication with shareholders and effective participation at General Meetings. Fijian Holdings frequently examines how best to take advantage of technology to enhance shareholders

communications and how to use General Meetings to enhance a twoway communication. Fijian Holdings maintains an up-to-date website to compliment the official release of information to the market.

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

- The conduct of Audit;
- The preparation and content of the auditor's report;
- The accounting policies adopted; and
- By the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

FHL also conducts a half-day training session for all shareholders on the day of the Annual General Meeting. This training programme is conducted by internal and external experts on various business topics; including the performance of all FHL subsidiaries and related investments.

Principle 9

Accountability and Audit

The Audit and Risk Sub Committee consists entirely of independent non executive Directors. The Committee meets as required, normally at least four times per year. The Chairman of FHL is not a member of the Audit Committee. The Committee's role is to assist the Board to independently verify and safeguard the integrity of the Company's financial reporting and internal control processes. The Committee's primary responsibilities are to assess whether the Company's external reporting is legally compliant, consistent with Committee members information and knowledge, and suitable for shareholder needs.

Principle 10

Recognise and Manage Risk

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

The Framework is action-oriented and requires people to focus on the right things, prepare active action plans and to be held accountable for their actions. The Framework acknowledges that all employees have a role in managing risk and in particular, they are encouraged to report incidents, hazards and risk without fear. At FHL, the management of risk is not treated as an integrated ingredient in the way employees work.

Internal audit monitors the internal control framework

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

Principle 11

Evaluation of Board Performance

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

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

Principle 12

Securities Trading Policy

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

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

Principle 13

Insolvency- Directors Duties

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

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



CORPORATE SOCIAL RESPONSIBILITY

TUKUTUKU NI QARAVI NI BULA RARABA

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



Engaging with our Shareholders

We believe that creating shareholder value through disclosing of fair, transparent and appropriate informations has been one of the factors contributing to the Company success. FHL is committed to continue to do so to further strengthen and enhance this long-term relationship building process with shareholders, customers, government and the community.

Shareholders Meetings

With an eye toward establishing closer proximity to these groups and also to promote a conscious and interactive dialogue between parties, we participate in forums and annual general meetings, as well as hold various events during the year with our business partners.

Relaunch of Newsletter

FHL has re-launched the Ra Marama Newsletter that is being published and distributed on a quarterly basis. It is a briefing to our shareholders on major group events and operational highlights. Intention is to have a regular update to our shareholders on operational matters and building an ongoing relationship between the company and its shareholders.



Information Disclosure

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

Community Involvement

FHL believes in making our Fijian economy a better place to live and work in, thus has made it a commitment to strengthen the communities in which we operate. This commitment includes the involvement with not-for-profit organizations.

Vinaka Fiji and the Yasawa Trust Foundation

Through FHL South Sea Cruises, Vinaka Fiji Volunteering is the volunteering programme run by the Yasawa Trust Foundation throughout Fiji's remote Yasawa Islands. The aim is to improve the provision of basic needs and amenities missing from village life in the Yasawas. It also supports villages with their access to fresh water, nutrition and power and in areas such as education, marine conservation and the environment.



Construction of New Home

FHL Basic Homes, a division of Basic Industries Ltd constructed a new two-bedroom home at Namuka-i-Lau settlement, Lami for two sisters and their visually impaired



uncle after their plight was highlighted by The Fiji Times. Their uncle Tailasa Pau, 58, was handed the key to his new home with his two nieces who were looking after him after he lost his eye sight more than four years ago. Shelly 23 has left school to look after her uncle while Margaret, 18, a secondary school student misses school a lot because of financial constraints. The Company was deeply touched by their story and saw it as their corporate responsibility.

International Women's Day

FHL group celebrated International Women's Day to commemorate women around the world as well as the fight to eliminate discrimination against women.

Pinkoctober

October is Breast Cancer Awareness Month in which FHL Group celebrated under the theme 'Give Hope'. Save Lives to show support for breast cancer survivors and those battling the disease.



Employee Involvement

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



Professional Training

FHL continues to encourage and motivate its employees to further their professional training in whatever field that they are in. Employees are given the opportunity to attend professional workshops, trainings, conferences and completion of academic qualifications.

Social Activities

FHL strives to strengthen the bond between employees within the group by organizing group activities.

Annual Sports Day

FHL Group annual sports day was held in March with the main objective of promoting team work and creating a jovial environment. This event sees staff and family from the



all subsidiaries combine to enjoy a fun filled day of sports. In conclusion, our corporate social responsibility programs play a major role in the nurturing of positive environment we are building for our shareholders, stakeholders, employees and the community at large.

INVESTMENT AND STRATEGY SUB-COMMITTEE

TUKUTUKU NI KOMITI KA QARAVA NA VAKATUBUILAVO



COMMITTEE MEMBERS

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

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

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

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

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

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Yogesh Karan	Chairman	Existing	3	3
Sakiusa Raiwoce	Director	Existing	3	3
Tony Whitton	Member	Appointed 15/01/20	3	1
Abilash Ram	Member	Appointed 15/01/20	3	1
Kalpana Lal	Director	Resigned 15/01/20	3	2
Ratu Aisea Vosailagi	Director	Resigned 15/01/20	3	1

BOARD NOMINATION & REMUNERATION SUB-COMMITTEE

KOMITI KA QARAVA NA VEIDIGITAKI KEI NAI SAU NI DAIREKITA



COMMITTEE MEMBERS

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

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Yogesh Karan	Chairman	Existing	1	1
Sereana Matakibau	Member	Existing	1	-
Abilash Ram	Member	Appointed 15/01/20	1	1
Adrian Sofield	Member	Resigned 04/01/20	1	-

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

- The composition and nomination of the FHL Board and FHL Group Subsidiary Board;
- The remuneration of the FHL Board and FHL Group Subsidiary Board;
- Assessment of the necessary and desirable competency of Board members; and
- Recommendations for the appointment and evaluation of Directors.

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

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

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

AUDIT & RISK SUB-COMMITTEE

KOMITI KA QARAVA NA RIRIKO



COMMITTEE MEMBERS

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

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

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

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

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

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Gyaneshwar Prasad	Chairman	Existing	4	2
Kavin Rathod	Member	Existing	4	4
Roy Singh	Member	Existing	4	4
Sangeeta Bikha	Member	Existing	4	1
Gurminder Kaur Singh	Member	Appointed 22/01/20	4	2
Litiana Loabuka	Chairman	Resigned 11/02/20	4	2

PEOPLE & LEADERSHIP SUB-COMMITTEE

KOMITI KA QARAVA NA TAMATA CAKACAKA



COMMITTEE MEMBERS

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

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

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

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

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

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

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Sakiusa Raivoce	Chairman	Existing	3	3
Kalpana Lal	Director	Existing	3	3
Yogesh Karan	Director	Appointed 05/06/19	3	-
Ashika Devi	Director	Existing	3	-
Adrian Sofield	Director	Resigned 04/01/20	3	3

BOARD OF DIRECTORS

LEWE NI MATABOSE



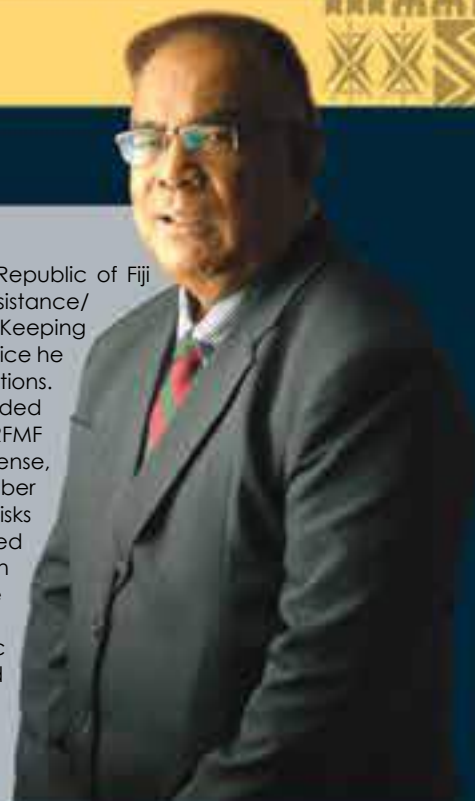
Yogesh J. Karan *Acting Chairman*

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



Colonel Sakiusa Raivoce MSD (RETD) *Director*

Is a Security Consultant and a former Senior Military Officer having served at the Republic of Fiji Military Force Headquarters as a Staff Officer and Government House as Military Assistance/ADC to the President of the Republic of Fiji. Colonel Raivoce served on UN Peace Keeping Duties in the Middle East, (Lebanon, Sinai Desert, Syria, Kuwait and Iraq). During his service he held senior appointments in the RFMF and the United Nations Peace Keeping Operations. He graduated at the International Security Academy in Tel Aviv, Israel. He spearheaded the enlistment of Fiji men and women into the British Army in 1998, when he lead the RFMF Band to participate in Edinburgh Military Tattoo at the invitation of the Ministry of Defense, United Kingdom. He also served as Field Security Adviser in East Timor from September 1999 to December 2000. He served as Director for the British Security Firm Global Risks International as its Representative in Fiji from 2003 to 2012. Col. Raivoce is an experienced Board Director and has completed Director Course conducted by the Australian Institute of Company Directors. He has participated in the Australian Governance Summit and World Business Forum on behalf of the company. Col. Raivoce was a former Chairman of Pacific Cement Limited, Fijian Holdings Property Limited and Basic Industries from 2014 to 2017. He is currently the Chairman of South Sea Cruises Limited (SSC) and FHL People & Leadership Sub-Committee, Basic Industries Limited, Serendib Investment Limited, Committee Member of the Investment and Strategy Sub Committee and Board member of Fijian Holdings Limited.





Litiana Loabuka *Director*

Is currently the Chief Executive Officer of the Fiji Sports Council, an appointment she has held since January 2011. Ms. Loabuka holds a Degree in Economics and Management in Public Administration and a Post Graduate Certificate in Human Resource Management along with a Post Graduate Diploma in Business in Public Administration from the University of the South Pacific. She has more than 10 years' experience as executive management and holds professional qualification as a Member of the Australia Institute of Company Directors (AICD). Ms. Loabuka formerly sat on the RB Group Board as an Independent Director and also as Chair of the HR Sub Committee for the RB Group. Litiana is currently a Board Director of the Fiji National Sports Commission since 2013. She is presently the Chairperson of FHL Properties Limited and Board member of Fijian Holdings Limited.



Anthony Whitton *Director*

Is a Corporate Executive by profession. He holds a Bachelor Degree from the University of New South Wales, Sydney, Australia. He is the Managing Director of the family-owned Rosie Group of companies: Rosie Holidays and Ahura Resorts (Likuliku Lagoon and Malolo Island Resort). Mr. Whitton has worked in the Tourism industry for over 25 years, developing expertise from his experience working in Australia and the Pacific. He is a member of the Australia Institute of Company Directors (AICD). Mr. Whitton has served on many corporate boards, including Tourism Fiji, and is currently on the board of The Reserve Bank of Fiji, Chairman and Trustee of the International School Nadi and Cure Kids Fiji, and Trustee of the Koroipita Model Towns Charitable Trust. In 2019 Mr. Whitton was awarded the Officer of the Order of Fiji (OF) by his Excellency the President of Fiji for distinguished service of a high degree to Fiji and humanity. He was appointed to the Fijian Holdings Limited Board in October, 2016.



Kalpana Lal *Director*

Ms. Lal, is a Fellow of CPA Australia, holds a Bachelor of Arts Degree from the University of the South Pacific in Accounting, Financial Management and Information Systems and has completed Fiji Directors Course with AICD.

Ms. Lal is a Chartered Accountant (CA) with the Fiji Institute of Accountants and is the Head of Unit, Finance & Administration at the German International Cooperation (GIZ) Pacific Operations and member of the Executive Management Team of GIZ Pacific.

She has over a 15 years of professional experience in accounting, financial management, human resources and corporate governance.

Ms. Lal is the Chair of FHL Fund Management Limited, Board Director of Fiji National Provident Fund (FNPF), Board Director of Fiji Development Bank (FDB), Board Director of Amalgamated Telecom Holdings Limited (ATH), Board Director of Vodafone Fiji Limited, Board Member of Pacific Governance Institute (PCGI) and Board Member of Women in Business (Fiji).

Ms. Lal currently serves as Chair of the Board Audit and Risk Committee at FNPF. Ms. Lal is member of CPA Australia, Australian Institute of Company Directors, Fiji Institute of Accountants and Member of Association of Certified Fraud Examiners.

Awards: Ms. Lal is the first female to have been awarded the "Chartered Accountant of the Year" by Fiji Institute of Accountants at their Annual Congress in April 2017, has been awarded 'Excellence in Executive Leadership' by Women in Business in 2019 and recognised by Rotary International as a "Paul Harris Fellow" for her contribution to the local community in Fiji.



FHL GROUP MANAGEMENT TEAM

MANIDIA LIU NI KABANI COKOVATA E FHL



ABILASH RAM

Acting Group Chief Executive Officer



MOSESE VOLAVOLA

Basic Industries Pte Limited



CATHERINE GRAY

FHL Properties Pte Limited



DEEPAK RATHOD

RB Patel Group Limited



BRAD RUTHERFORD

South Sea Cruises Pte Limited



KAREN LOBENDAHN

Fiji Television Limited



SOWANI TUIDROLA

Pacific Cement Pte Limited



DANIEL VIKASH

Life Cinema Pte Limited



ROWENA FONG

Merchant Finance Pte Limited



PRADEEP MENDIS

Serendib Investment Pte Limited



AMRIS LAL

FHL Fund Management Limited



SALESHNI WARRAN

Audit Risk & Compliance

FHL MANAGEMENT TEAM

MANIDIA VEILIUTAKI LIU E FHL



ABILASH RAM
Acting Group CEO



SALESHNI WARRAN
Audit Risk & Compliance



SITIVENI KOYA
Company Secretary



LUI LANYON
Assistant Manager HR



ASISH KUMAR
IT Manager



VITINIA KOTOBALAVU
Public Relations Officer



STEERING TOWARDS EXCELLENCE

ACTING CHAIRMAN'S REPORT

TUKUTUKU NI LIULIU VEIVUKE NI MATABOSE

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With

much new regulation with which we must comply, and an ever-more challenging economic environment within which to operate, the Board will continue to ensure we provide the governance

framework and rigour to all that FHL Group does as we continue to strengthen our position as the leading investment company.

”

DEAR SHAREHOLDERS

It is indeed a privilege to lead the Board of Fijian Holdings Limited and to present to you the Company's Annual Report for the Financial Year ended 30th June 2020. It has certainly been a turbulent journey for the last 12 months with satisfactory results for the first 6 months and having impacted by COVID-19 in the second-half of the financial year.

We are in the midst of extremely unpredictable times, characterised by variations in 2019 through constant fluctuations in the markets, trade wars, political unrest in several parts of the world with an increasing environmental demand that has affected the medium of how our businesses have been operated. The upheaval encounter in the first half of 2020 has created uncertainty in business planning and strategies.

FHL group has a well-diversified portfolio with investment in almost all sectors of the Fijian economy. However, the trickle-down effect of COVID-19 continues to be realised, affecting all sectors within the economy.

The performance of the tourism sector in the current year was directly affected with restricted borders since March 2020 and lockdowns causing major disruption to the construction sector.

The Reserve Bank of Fiji announced a reduction in Overnight Policy Rate from 0.5 percent to 0.25 percent in March 2020 with the aim of easing borrowing for consumers and businesses together with providing necessary stimulus to the Fijian economy. Despite this monetary policy announcement, there was a reduction in demand for lending as a lot of Small and Micro Enterprises opted to sustain their businesses instead of venturing into expansion. This has resulted in a minimum growth of loan portfolio of the Merchant Finance. During this period, the focus of the Merchant Finance Management circumscribed to debt recovery and collection and assisting customers with moratorium where needed.

The group continues to face challenges with Life Cinema as the venue remained closed and currently operates with maximum 50% occupancy. Fiji Television Limited's revenue truncated as sponsorship revenue which was previously realised from major sporting event and carded rates for advertising purposes were reduced.

Notwithstanding these major challenges, the retail sector maintained the overall performance of the group, with RB Group and New World corroborated major profits for the financial year.

The global pandemic has changed life as we know it. We are currently living in unprecedented times and over the past few months the onset of COVID-19 has introduced global challenges of an unparalleled nature. The group has reconfigured its operations through strengthened

collaboration of the Board and the management to devise strategic focus in enduring the adverse impacts of the pandemic.

The safety and health of our employees and the communities in which we operate has always been the group's top priority. Since the first COVID-19 community transmission case, several measures have been implemented and continues to be implemented across our company of operations to prevent the spread of the infection. We are constantly reviewing the situation to ensure we are responding effectively to all health, operational and financial concerns.

Financial Review

The impacts of COVID-19 has caused major disruption to businesses in the later part of the financial year. The Group's Operating profit was reduced by 74 percent to \$11.78m compared to \$44.91m for the same period last year. The major contraction in profitability resulted from the reduced operations in the construction and the tourism sectors.

Total Revenue for the Group was reduced by 12% compared to last year's revenue of \$331m. Traditional revenue base from the retail sector was intact whilst shortfalls, notably, were a result in weak performances of the construction and tourism sectors.

Associate companies' contribution increased to \$5.34m in the financial year 2020 compared to \$5.13m for the same period last year. This was largely driven by good performance by Golden Manufacturers and New World while the other associated performed relatively well in the current environment.

FHL Group continues to hold a strong financial position recording total assets of \$658m compared to \$640m in 2019.

Dividend

FHL paid a total dividend of \$7.525 million in the 2020 financial year compared to \$7.464 in 2019 financial year.

The group realised the constant variations of the FHL share price during the financial year mainly due to the impacts of COVID-19. As a result, some individual shareholders opted to sell FHL shares at low prices to finance their immediate needs during the pandemic.

The price of FHL shares at the time of this report was recorded at \$1.02.

Corporate Governance

The diversity of expertise in our Board of Directors stimulates constructive and value-adding discussions for an effective oversight and governance role. There were 8 directors at the time of this report on the Board of FHL with 3 appointments done in August 2020.

During the year the Board saw major changes to the executive management with the exit of Group CEO Mr

Nouzab Fareed. The board also received resignation from 4 directors.

The Board would like to thank their contribution to the group during their tenure.

The transformation of the business economic environment copulated with continuous evolvement of regulations to which the group must comply to, the Board continues to ensure provision of effective governance framework as we continue to strengthen our position as the leading investment company in Fiji.

In an effort to strengthen stakeholder engagements, the Group has re-launched its quarterly newsletter and has continuously convened brief meetings with its shareholders during the year.

As a Board, we ensure the right people and leadership are engaged at all levels to deliver our strategy and plans. Additionally, through the People Committee, the Management has been encouraged to absorb the right resources in supporting our expansion plans for growth. We are making good progress in identifying new talent and in developing our internal human resources to build a competent and energetic workforce.

The respective Board of subsidiary companies are closely working with management in negotiating fixed operational costs for each entity and trying to achieve optimum efficiency for sustainability of these respective entities.

FHL Board is actively looking at organisation restructures and further streamlining operations. The lessons from the struggles of the effects of COVID-19 has reformed the group's focus to be more effective and efficient in its operations. Results from these are likely to be realised in the new financial year as the target was to improve yields with every aspect of the business.

As an industry and business that plans for the long term, we value certainty and stability. Making sure our interests are properly aligned with those of our stakeholders is critical to the long-term sustainability of our operations, given that when we are successful as a company our stakeholders benefit as well. This includes our employees and contractors, local communities, suppliers, customers, shareholders and the government and regulators.

FHL has obtained formal clearance and confirmation from SPX and have fully complied with the listing rules of the institution.

Moving Forward

The future will bring opportunities as well as new challenges. In these unprecedented times of uncertainty and unpredictability, we must re-focus our purpose, ensuring safe and efficient operations, controlling costs, and managing innovation and development programmes, so that we may advance towards a more sustainable world. The recent announcement of the budget by the

Government has seen greater incentive provided towards the construction sector with the aim of creating employment and generating economic activity. We have already identified areas of opportunity within this and will be working to capitalise on this through our construction sector.

The Board will be operating with the major objective of sustainability and streamlining operations. Having manageable cash balance will guide recuperation with stronger performance once the restriction on borders are lifted and the economy gets into the recovery phase of the business cycle.

Acknowledgements

2019/2020 Financial Year has been an extraordinary year with COVID-19 shutting down the entire world and putting immense pressure on business performance. Despite the challenges the Group has reported a profit.

This is not something the Board achieves alone, and I would like to acknowledge the excellent efforts of all FHL employees across the Group in achieving what they do each day.

Additionally, I would also like to commend Staff in the tourism sector for their hard work and understanding the Board and management's decision on accepting leave without pay and also to the group staff working on reduced hours or reduced pay.

We also acknowledge the employees and contractors working across the group during these challenging times. Their contribution has helped make the Group what it is today and together we shall face the new challenges the future brings.

I wish to thank my fellow directors for sharing ideas and providing the guidance for the operation of the subsidiary companies who have contributed to the overall performance of the group.

Finally, we would like to thank all our stakeholders for their support during the financial year and we look forward to re-invigorating through this challenging year and progressing individually, within our families, communities and as a nation in years to come.

Vinaka Vakalevu



Yogesh J. Karan
Acting Chairman

Kivei kemuni na iTaukei ni Kabani

Sa dua na madigi cecere me'u mai liutaka na matabose ni Fijian Holdings Limited, ka me vakaraitaki vei kemuni na ivola tukutuku vakayabaki ni kabani me baleta na yabaki vakailavo mai na 30 ni Jiune ni 2020. Sa dua dina na vodo lomolomora ena 12 na vula sa oti ka qai kuria na kena tarai keda mai na COVID-19 ena ikarua ni veimama ni yabaki

Eda sa tiko ena lomadonu ni gauna ni veilecayaki, ka da dau veilutuyaki vakalevu ena makete. Na 2019 vakai koya e dua na yabaki mamaue ena veisau ni ivalu vakabisinisi, lomolomora vakapolitiki ena vica na veiyasai vuravura ka levu cake na kena sasagataki me maroro se taqomaki ni veika bula e tu vakavolivoliti keda, ka na tara mai na noda vaka bisinisi. Na imatai ni veimama ni 2020 sa lomolomora talega, ka sega na kena buli na veilecayaki ena ituvatuva kei na iwalewale ni bisinisi.

Na Kabani Cokovata na FHL e vakatubu ilavo ena levu na vei makete duidui vakabisinisi ena noda vanua. Na rawa ka vaka bisinisi ena yabaki oqo e vakilai vakalevu mai na revurevu ni COVID-19.

Na tabana ni saravanua e vakila sara vakalevu na revurevu ni vakatatabu ena iyalayala ni vanua me tekivu mai na vula o Maji ena yabaki oqo ka vaka talega kina na tabana ni tara vale.

E a mai lutu sara na gadrevi ni kere dinau ni oti na kena kacivaki raraba na COVID-19 me mate dewa vakatotolo ka vakavuna vei ira na SME me ra qarauna na nodra bisinisi ka sega ni vakatubu se vakalevutaka na nodra bisinisi. Oqo a vakavuna na lutu ni dinau ena baqe na Merchant Finance me dauveivoli e na dinau ni veika vakailavo (portfolio) me tubu ena dua na duru ka mani veisau kina nai tuvatuva ni cicivaki ni bisinisi kei na sokomuni ni dinau kei na nodra vukei na nodra dau ni volivoli ena na vakamamadatani ni nodra sausaumi.

Na Kabani Cokovata a sotava vakalevu na bolebole ena tabana ni vakaraitaki yaloyalo yavala ena Life Cinema ena kena mai yaco na vakatatabu me baleta na COVID-19 kei na kena dolavi vakaveimama walega. E a mai lutu talega nai lavo e dau rawata na Fiji Television Ltd e a dau rawa mai na qito kei na tukutuku saumi ni volivolitaki

Na makete ni volivolitaki yaya umauma vei keda na lewe ni vanua e rawa ka sara vakavinaka ena loma ni Kabani Cokovata ka mani rawa tubu vakavinaka kina mai vei RB Patel kei New World Ltd,

Eda sa bula tiko oqo ena veigauna dredre ka sa sivia e vica na vula ena kena yaco mai na COVID-19, na bolebole e vuravura raraba ni dua na ituvaki sega tale ni vakavakarautaki. Na Kabani Cokovata esa vakadikeva ka biuta vata nai tuvatuva ni veiqaravi ena veikabani me sotavi kina na bolebole oqo ka sa wanonova matua ko ira na tamata cakacaka kei na vei matabose ni Kabani me rawa ni lako curumi kina na dredre eda sotava tiko oqo.

Na taqomaki kei na nodra bulabula vinaka na tamata cakacaka kei nai veitikitiki ni lewe ni vanua ka vakavolita na vanua ni veiqaravi e dau vakabibitaki na nodra taqomaki. Me tekivu mai na kacabote ni COVID-19 eda sa cakava e vica na ivakarau ena noda cakacaka me tarova na kena vakatetei na mate dewa oqo ena noda vakamuria nai idusidusi ni matanitu. Eda dau railesuva tikoga na veika e yaco tiko me vakadeitaki kina ni da sa vakamuria vinaka tiko nai veivakaro ni tiko bulabula, kei na veiqaravi ena vanua ni cakacaka ka na qai rawa na bula vakailavo.

Railesuvi Ni Bula Vakailavo

Na Kabani Cokovata na FHL me vaka e vuqa na vei Kabani lelevu ena noda vuravura e sega ni taqomaki mai na revurevu ni COVID-19, ka vakavuna na e levu veivakataotaki ki na bisinisi ena karua ni wasewase ni yabaki vakailavo sa oti.

Na tubu ni kena cicivaki e a lutu sobu ki na \$11.78m me vakatauvatani kei na \$44.91m ena gauna vata oqo ena yabaki sa oti. Na lutu ni veika vakailavo e vakilai vakalevu ena tabana ni tara vale kei na saravanua.

Levu taucoko ni ilavo ena Kabani Cokovata e a lutu sobu ena 12% ni vakatauvatani kei na yabaki sa oti ni a toka ena \$291m. E a dei tiko ga na rawa ka mai na tabana ni volitaki yaya umauma ia ena vakilai na lutu ni rawaka mai na tabana ni tara vale kei na saravanua.

Era a tubu cake na nodra rawaka, na vei kabani ka sega ni taukeni sea levu kina na FHL e na \$5.34m ena yabaki vakailavo ni 2020 ka vakatauvatani ki na \$5.13m ena yabaki sa oti. Oqo e yavutaki ena rawaka, vakavinaka ni Golden Manufacturers Pte Ltd kei na New World Supermarket Pte Ltd.

Na Kabani Cokovata e toso cake tiko ga na kaukauwa ni nona kato ni yau taucoko ka sa yacova sara na \$658m ka vakatauvatani ki na \$640m ena 2019.

Tubu E Wasei

Na levu ni tubu sa mai sauma na FHL e na yabaki oqo, 2020 e \$7,525 na milioni ka vakatauvatani ki na \$7.464 milioni ena 2019 ni yabaki vakailavo.

Na I sau ni sea ni FHL e a veilutuyaki sara vakalevu ena loma ni yabaki vakailavo ka vakilai kina na revurevu COVID-19 ka vakavuna mera volitaka na nodra sea e dua nai wase levu enai sau lailai mera taura kina nai lavo qaqa ka vakayagataki me sotavi kina na bula e veisiga.

Na isau ni dua na sea ni FHL e ya tiko ena \$1.19 ena gauna ka mai sogo kina na yabaki vakailavo ena mua ni vula ko Jiune 2020.

Na Ulu Ni Veiliutaki

Na rabailevu ni kila ka kei na veika eda sotava ena noda matabose ni dairekita ena vakavuna na kena maucokona

ka yaga sara vei ira kece era vakaitavi kina. E lewe 8 na dairekita ena gauna ni vola I tukutuku vakayabaki oqo ena matabose ni FHL, ka mai digitaki tale e lewe 3 ena vula ko Okosita sa dromu.

Ena loma ni yabaki a yaco kina na veiveisau levu ki na liuliu ni Kabani Cokovata ena nodra mai kerea na nodra vakacegu ena nodra I tutu ko Mr. Nouzab Fareed. A ciqomi talega ena matabose na nodra kere vakacegu e lewe 4 na dairekita.

Na Matabose e a vakavinavinakataka na nodra cau ena cicivaki ni Kabani Cokovata ena gauna ni nodratou vei qaravi.

Ena veiveisau vakalawa vovou ka dodonu meda vakamura ena buturara kei na drakidrakita ni vunilagi ni qaravi bisinisi eda vakaitavi kina, sa nona I tavi na matabose me vakarautaka na yavu suitu ki na Kabani Cokovata me vaqacacotaka na I tutu ni Kabani uasivi duadua ena vaka tubu iyau. Oqo e na sega ni rawata duadua ga na matabose, vakaraitaka na sasaga uasivi ni tamata cakacaka taucoko ena Kabani Cokovata ena kena rawati na veika era cakava ena veisiga yadua.

Keitou mai tavoca tale na nomuni volavola tukutuku vakavulatolu me dau vakasavui nai tukutuku ni Kabani. E levu sara na veitaratara vakavoleka kei kemuni nai taukei ni Kabani me vakadeitaki kemuni tiko kina.

Mai na Matabose e gadrevi vakalevu na kena vakasaqarai na tamata cakacaka donu me ra veiliutaki ka vakayacora

na ituvatuva ni Kabani. E dua na bolebole levu na kena vakasaqarai na tamata cakacaka ka tu vei ira na taledi kei na kila mera vakaitavi ka vakuria na rawaka ena veikabani vakaoqo. Sa digitaka na matabose e dua na komiti me qaravi ira na tamata cakacaka ka ra vakarautaki vakavinaka me ra rawata nai tuvatuva ni tubu ni kabani. E toso tiko vakavinaka na kena kunei na taledi vovou kei na kena vakatorocaketaki tiko na tamata cakacaka ena loma ni Kabani.

Na revurevu ni COVID-19 ka sa vakavuna na lutu ni rawaka vakabisinisi ena FHL kei na matabose sa kila vakavinaka tu na bolebole e tu vei keda me da vakavinakataka cake kina na macala ni yabaki vou. Na Matabose kei na tamata cakacaka ni FHL era veitauri ligataka ka vakamura na I vakaro me tarovi kina na dewa na Coronavirus ena noda vanua. Eda tomana tiko na noda vakamura na veivakaro taucoko mai vei ira na veiliutaki ena vuku ni tarovi na veika e baleta na COVID-19.

Na matabose ni vei kabani era sa cakacaka vakavoleka sara kei ira na tamata cakacaka mera vakalailaitaka nai sau ni vei qaravi me ra rawa ni vakilai kina na tubu ni rawaka vakabisinisi.

Na matabose ni FHL e wanonova sara tiko vagumatua na kena talevi kei na kena vakavinakataka na vei qaravi. Na COVID-19 e kauta mai na iwalewale vovou e nakena lewai kei na rawati na veika e gadrevi. Na revurevu vinaka ni veika oqo ena rawa ni vakilai ena yabaki vou vakailavo ni



vatavatairalagotaki tiko na tubu e vinaka cake.

Me vaka e dua na bisinisi, e tu vata kaya na noda lalawa se na noda ituvatuva balavu, eda gadreva kina na veivakadeitaki kei na tudei. Na kena vakadeitaki ni sa tuvanaki vakavinaka na noda gagadre vata kei ira na noda tokani ena loma ni bisinisi e bibi sara kina na vakadeitaki ni noda cakacaka, me da na rawaka sara vakavinaka, vaka talega kina ko ira na noda itokani ena loma ni bisinisi. Oqo e oka kina o ira na noda tamata cakacaka kei na daunikonitaraki, dauvolivolitaki, daunivolivoli, taukei ni kabani kei na matanitu.

Na kabani na FHL sa mai ciqoma na kena vagalalataki kei na veivakadeitaki mai na South Pacific Stock Exchange ni vakamuria tiko na lawa ni volitaki sea raraba.

Toso Ki Liu

Na veisiga ni mataka ena kauta mai na madigi eso ka vakakina na veibolebole vovou. Eda sotava e vuqa na veilecayaki me vaka na COVID-19 ni leqa tubukoso e vuravura raraba me tomani tikoga na kena tevuki. Me ikuri ni leqa ni bula, eda sa sotava tiko e dua na qaravi ni leqa vakailavo bibi duadua ena vuqa na yabaki. Ena gauna vakaoqo e dodonu me da vakanamata ki na noda inaki, meda taqomaki vakavinaka na noda veiqaravi vakabisinisi ka vakalailaitaki nai sau ni caka bisinisi me rawa kina ni da toso yani ki na dua na vuravura vuavuai.

Na kena kacivaki ni tuvatuva vakailavo ni matanitu sa raica na veivakauqeti levu cake ki na tabana ni taravale kei na inaki ni kena tauyavutaki na cakacaka kei na vakacurumi ni itavi ni veiqaravi ni veika vakailavo. Eda sa kila oti tu na bibi ni veika eda na rawa ni rawata e na loma ni veivanua oqo ka da na cakacaka tiko me da rawata

sara vakavinaka

Ena cicivaki tiko na matabose enai inaki levu ni rawati koya kei na kena vakamatailalaitaki nai tuvatuva ni veiqaravi ni da lako curuma tiko na gauna bolebole ka sa ka bibi na noda vakayagataka vakavuku na ilavoqaa. Na kena vakatagataki vakavuku nai lavo qaa e na veivuke sara vakalevu na noda kaukauwa ni rawa ka, ni sa na laveti na vakatatabu, ka vakalesui tale na tubu ni bula vakailavo.

Vakavinavinaka

Ena vukudra na Dairekita ena matabose e cake, au na via vakaraitaka na noqu vakavinavinaka levu kivei iratou na lewe ni matabose ka ratou sa mai kerea na nodratou vakacegu ena matabose, na liuliu ni matabose ko Mr. Adrian Sofield, Mr Sanjit Patel kei Ratu Aisea Waka Vosailagi ena nodratou veiqaravi kei na veiivakasala viviinaka ena Kabani Cokovata. Au vakavinavinakataki iratou na dairekita kei ira nai vakalesilesi ena nodra yalodina kei na cakacaka vagumatua ena bolebole ni yabaki vakailavo oqo

Au taura talega na gauna oqo me'u vakavinavinakataki kemuni nai taukei ni Kabani, Itokani, dauni bisinisi, baqe, dau ni konitaraki kei ira na dau ni veivoli ena kena tokoni ka ciqomi na gagadre ni kabani cokovata.

Keimami sa vakanamata me keimami cakacaka vata kei ira nai vakalesilesi kei kemuni na lewe ni vanua ena veigauna sa tu mai liu.



Yogesh J. Karan
Acting Chairman



ACTING GROUP CEO REPORT

TUKUTUKU NI LIULIU VEIVUKE NI KABANI COKOVATA

Abilash Ram is currently the Acting Group CEO of FHL group. He was appointed on the role by the Board in December 2019. He is the Acting Chairman of Merchant Finance Pte Limited and Chairman FHL Stockbrokers Pte Limited, FHL Retailing and FHL Media Pte Limited. Mr Ram is board member in all FHL subsidiary companies as well as the associate companies of Marsh, Pernix, Golden Manufactures and Ritam Investment. Mr Ram is also Board Director with APCO Coatings and Pacific Green Limited.

Abilash joined the company in 2012 under the Graduate Trainee program having had 4 years' experience in Audit with Ernst & Young. Mr Ram has close to 8 years' experience with FHL Group working in Finance and Investment. He has worked across a number of group companies before being appointed Manager Finance at FHL in 2015 and later appointed CFO of the group.

Mr. Abilash is a Chartered Accountant (Fiji) by profession, CPA, member of Institute of Internal Auditors and AICD. He is also a Licenced Investment Advisor from RBF.

Mr. Abilash has received training on Mergers and Acquisition (M&A program) from Singapore.



“

We

always think we live in a time of change and today is no different. In our personal lives and in our businesses, we are convinced that the pressures on us are greater than ever before. We continue to strategize and make alternative options to meet situations as they arise. This is certainly the case in the investment world where a large number of pressures have a direct impact on running the business.

”

Dear Shareholders

I am pleased to present to you all Annual Report for Fijian Holdings Limited for the financial year ended 30th June 2020. It was one of the toughest year in FHL history, however the group with its positive vision and resilient spirit, embraced the many opportunities and overcame the many challenges which tested its capabilities during the year.

The final months of this financial year have witnessed the emergence and effects of the COVID-19 pandemic. The global COVID-19 pandemic is an unprecedented crisis for humanity, requiring governments and companies to take extraordinary actions to support their citizens and stakeholders. It is testing companies' abilities to simultaneously serve their employees, clients, shareholders and communities, while grappling with the profound challenges created by the virus.

On the other side, this situation gave the Group an important opportunity to differentiate itself from other companies and demonstrate how a strong corporate sustainability framework and strategy can benefit all its employees, shareholders and stakeholders. As we look on the immense economic hardships created by this crisis, our theme Striving Towards Excellence reflects our purpose to support and help all those who are connected to our sprawling diversified conglomerate in this tough times one way or the other. Our ability to support our stakeholders during this time has been underpinned by our sound financial position and commitment to the long-term sustainability of our corporate operations and strategy, as demonstrated by the investments we have made in our technology, our strong culture, and our attention to business continuity planning and the health and safety of our employees.

Group performance

The year under review was a challenging one as the group was challenged to survive in the tough business environment. The slow economic growth in the beginning of the year and impact of COVID-19 towards the later part of the financial year has put immense pressure on the group. The effects of COVID-19 was drastically felt across the group completely shutting down the tourism sector from March 2020. Rest of the business sectors also had strenuous time putting up with the performance.

Despite the unexpected challenges faced, FHL group total asset increased by 2.78%. Stringent cost control measures saw decrease in expenses to \$279m from \$285m reported in same period last year, favourable movement of 2.11%. The Group also experienced a healthy net cash flow at year end of \$4.90m for the current period compared to overdraft balance of \$8.91m to prior year. Group revenue stood at \$291m, dropped by 11.98% to FY2019. It is important to

note that South Sea Cruises operations were on halt from March 2020 due to COVID-19 restrictions on movement thus contributing nil revenue to the group for 3 months. Construction sector, including Basic Group and Pacific Cement Limited also felt the brunt of the pandemic as major projects were on hold. Lockdown in greater parts of Lautoka and Suva areas also heavily contributed towards loss of revenue during the period under review. Loss of revenue to some extent was offsetted by RB Group which recorded revenue increase by \$4.05m. This was mainly due to panic buying during the lockdown.

FHL Group net profit before tax stood at \$11.10m compared to \$45.44m for the same period last year, this was a decrease of 75.55%. The momentous downfall in reported profits was greatly attributed to performance by Basic Group, Pacific Cement Limited and Serendib Investment Limited. Fiji Television Limited, South Sea Cruises Limited and Merchant Finance Limited whilst not reporting losses did suffer a huge drop in its profits largely due to the impact of COVID-19. During the year, FHL Group paid more than \$28m to Government as various taxes compared to \$32m paid in the previous year.

Performance by Group companies

RB Patel (RBG), the highest contributor to FHL Group revenue and profit recorded 3% growth in operating revenue which stood at \$136m for the year ended 30 June 2020. The company also noted 5% growth in gross profit which closed at \$27m. RBG was the star performer for the group as it managed really well with their operations despite challenges faced throughout the year and managed to produce results well above the expectations. The exceptional performance of RBG not only strengthen their net assets by 8% reaching \$51m but have also improved the cash generated by operation activity by almost 70%. During the year RBG being the listed entity on South Pacific Stock Exchange undertook share split that is splitting 1 existing share to 5 new shares and increasing the total ordinary shares from 30m to 150m. The share price (after split) saw a huge rise in price from \$1.90 to \$3.48 as at 30 June 2020. This took RBG market capitalisation to \$522m, a remarkable increase noted indeed. Upon completion of Jet point carpark project in Nadi and Clarke street apartment in Suva, RBG has invested additional \$6m in completion of another complex at Harbor Point Lami which is expected to be completed by mid next year. RBG holds the second largest investment property portfolio after FHL Properties Limited.

FHL Tourism sector which was one of the most affected sector due to COVID-19 consists of South Sea Cruises Pte Limited (SSC), Blue Lagoon Cruises, Awesome Adventures Fiji, Malamala Beach Club, South Sea Sailing and Vinaka Fiji. Result of SSC is commendable despite challenges faced

during the year in terms of border closure, travel restrictions, lockdown and hibernation in tourism activities. Regardless of all these odds the company managed to report profit of \$0.987m compared to \$5.838m in prior year. SSC continues to explore the market and look for opportunities to capitalise on revenue and take the company on another level as a result the company through its new subsidiary Awesome Tourism Investment Pte Ltd also acquired a 52% shareholding in Botaira Beach Resort, Located on Naviti Island in the Yasawa's. The resort is undergoing some refurbishments and should be operational early next year with the aim to extend its backpacker market. SSC also have completed the acquisition of brand-new sailing catamaran; SABRE which is first of its kind in Fiji. SABRE is currently berthed in Sri Lanka and will be delivered to Fiji once the borders opens. The company currently has no operations and have skeleton staff and management working at reduced hours. Opening of borders and revival of tourism industry remains prime concern for the group and we are hoping for things to normalise quickly for sustainability of tourism sector.

Merchant Finance Pte Ltd (MFL) recorded a post-tax profit of \$2.63m on a revenue of \$24.54m for the 12 months ended 30 June 2020 compared to a post-tax profit \$7.85m on a revenue of \$23.65m achieved in the previous year. MFL saw an increase in total assets from \$195.72m to \$206.79m. Revenue was more than previous year however we couldn't capitalise on the profits at the end. MFL started the year on a high note with launching of its new logo with the theme "Thinking Outside The Box". The theme focuses on growing our people, uniting with our community, and delivering innovative solutions and progress in culture. The business was doing well and was at par when compared to the results for first quarter for last year. Second quarter saw liquidity crunch in market which resulted in high interest rates offered to customers to keep abreast with our competitors. This was further affected by economic slowdown and lately COVID-19 pandemic towards the end which strongly challenged the operations of the business. Looking at the astounding situations and uncertainties surrounding the financial sector Fiji's GDP fell to -21%. This was the major contributor together with increase in overlay to 20% under IFRS 9 which saw huge loan impairment in MFL books. Loan impairment expense for current financial year was \$7.48m compared to \$2.58m last year, this saw an increase of 66%, major reason for significant drop in MFL profitability.

The net loan portfolio closed at \$161m which is a slight decrease from FY19 with our deposit portfolio closing at \$167m. During this unparalleled times MFL has assisted over 1,500 customers in providing financial assistance to affected clients and will continue to reach out for assistance where needed. In the coming year, we will be further expanding our business in rural areas and opening branches in other parts of Fiji to ease and expedite customer loan arrangements.

Basic Industries Limited (BIL) consists of Standard Concrete Industries, Humes Industries, Basic Homes, Basic Customs, and Basic Construction. Construction sector which contributes heavily to FHL's revenue stream was extremely impacted by the current pandemic. After reporting continuous profits for last 8 years BIL unfortunately reported loss of \$4.82m from total revenue of \$56.91m compared to a profit of \$6.85m from total revenue of \$75.36m for last year. Net assets of the company also decreased from \$28.81m to \$20.99m. The heavy loss incurred for the year is generally attributed to contraction in the economy, stalling of major projects due to uncertainty regarding the pandemic, lockdown due to COVID-19 and losses incurred by Basic Construction division. There was an unexpected downturn in the building and construction activity during the period under review resulting in a drop in sales volume on a number of our main products including ready-mix concrete, concrete blocks and precast concrete products. The company has already implemented cost controls and have developed long term strategic plans to deal with the current situation.

During the year BIL produced and sold 2.62 million blocks, 64,225 cubic meters of concrete, 11,383 tonnes of concrete products and 368,094 tonnes of aggregates. In addition, the company also exported FJD 3.9 million worth of materials to the Pacific region.

Pacific Cement Pte Limited (PCL), the premier supplier of cement in Fiji and Pacific Islands continues to face challenges to manage the operations. For the year under review PCL incurred a loss of \$4.30m from revenue of \$27.02m compared to loss of \$1.77m from revenue of \$28.18m for same period last year. PCL total asset has also declined from \$23.25m to \$20.14m, decreased by 13%. As mentioned earlier the unexpected downturn, stalling of major projects, weight restrictions and lockdown due to COVID-19 resulted drop in PCL cement sales however these were not the sole reasons. PCL cement mill is very old and requires repair and maintenance on monthly basis to operate. There are also plant inefficiencies which contributes to the losses. PCL had price review and the new price had been implemented in June 2020, the result will be reflected in next financial year.

During the year PCL produced 112,366 tons of cement and generated a revenue of \$27m. PCL also exported over 8,000 tons of cement to pacific islands. With total net asset base of \$7.74m and a staff strength of 80, PCL continues to be defied to deliver the best to its customers. The business is currently being reviewed and monitored by both PCL and FHL board which will see implementation long term tactical strategies to revive the company. We will make some drastic transformation in all facets of operations to ensure we achieve our targets in the coming year.

FHL Fund Management Pte Limited (FHLFML) manages the portfolio of Fijian Holdings Unit Trust (FHUT). The Fund



recorded a marginal increase in its revenue which stood at \$2.54m at year end compared to \$2.51 in prior year. FHUT investment portfolio despite so many obstacles during the year closed at \$127.44m compared to \$125.88m in 2019, this was an increase of \$1.55m. During the year, FHUT paid total dividends of \$4.76m compared to \$4.42m last year. Sustainable returns continue to remain our top priority, as investors on behalf of clients we do understand our responsibility to focus on our clients' long-term financial interests and maintainable returns.

Fiji Television Limited (FTV), also a listed entity on SPX platform had a challenging year as major customers resorted to limit their advertising with FTV, which saw a major drop in FTV advertising stream. This is understandable as the companies are trying to save for unpredictable future that lies ahead of us. For the year under review FTV recorded a profit of \$0.21m from revenue of \$9.08m while \$1.25m from revenue of \$11.91m was recorded last year. FTV assets stood at \$17.54m as at 30 June 2020. All major sporting events was also cancelled which further decreased sponsorship revenue for the business. Reorganising every facet of the business is now a challenge that the team have to face as it continues to serve its viewers and advertisers daily with the best in TV content on all our broadcast platforms. FTV has adapted to new normal and is strategizing ways to come up with local TV shows that should be able to cater for our valued viewers and boost our sales.

FHL Properties (FHLP) manages more than 15,000 sqm of rentable office space with 40 tenants and 95% occupancy rate. FHLP recorded a stagnant revenue of \$4.22m for the year, however profits after tax declined by 35% from \$4.17m to \$3.08m. The major declining factor was property revaluation which was valued up by \$1.15m compared to \$3.22m in 2019. FHLP continues to maintain strong balance sheet performance. Total asset of the company increased to \$67.01m from \$52.38m as at June 2019. The change in real estate market and uncertainties surrounding COVID-19 contributed comprehensively in drop in market valuation.

FHL Tower project is now progressing well with all necessary approvals being received and is expected to be completed by early 2022. Once completed FHLP financial position will be stronger than before. Despite the current economic situation, FHLP was able to maintain an acceptable level of occupancy throughout all its property portfolio, however, the key challenge remains, the ever increasing costs associated with maintaining the buildings whilst providing the highest standard of services to our valued tenants. FHLP continues to explore the market looking for opportunities in the real estate world to capitalise on worthy investments that comes across.

Life Cinema (LC) recorded a loss of \$1.22m from revenue of \$3.62m compared to loss of \$0.58m from revenue of \$5.03m

in 2019. Drop in revenue was mainly due to closure of Cinema for nearly 3 months due to COVID-19. International release of movies was also halted due to COVID-19 restrictions. Till date LC was challenged in maintaining the profits from its revenue. From the revenue, 25% was deducted as Value Added Tax (VAT), Environment and Climate Adaptation Levy (ECAL) and Service Turnover Tax (STT), while the international distributor collects at least 50%, leaving only 25% for expenses including potential profits for the investor. This year's budget saw removal of STT and reduction of ECAL which should eventually decrease our ticket prices. Life Cinema has started with the operations in early July with a restricted occupancy of 50%.

FHL Stockbrokers (FHLS) performed above expectations for the current financial year and recorded the highest profit ever since inception. The company under new management and staffs recorded a profit of \$0.15m compared to \$0.12m last year. The increase in revenue was due to active trade at stock market with share split of RBG shares. ATH, FTV and VIL were also actively trade which resulted in better financial performance of FHLS. Total asset as at 30 June 2020 closed at \$1.12m. FHLS continues to strive for excellence and will ensure results of next financial year does not get materially affected by the pandemic and economic slow down.

Serendib Investment Limited (SIL) experienced first full year of operations. The year was full of challenges as SIL tries to compete with already established printing businesses in Fiji. The year resulted SIL incurring a loss of \$2.40m while compared to \$0.29m for 6 months in prior year. Total asset stands at \$10.10m compared to \$8.47m as at 2019. Since inception SIL has invested close to \$3m in capital projects and aims to spend another \$3m next year to uplift the business and provide premium level printing service to its customers. SIL in collaboration with Fiji National University (FNU) undertook apprenticeship programme which saw 8 young apprentices join the training program.

Future for SIL looks promising as the company managed to secure few contracts with major universities and businesses in Fiji. Stationery product lines are also expected to be launched into the market by end of this year. The locally produced exercise books, calendars and diaries is expected to bring new revenue for the company which should turn around the business towards the end of next financial year.

Challenges

FY2020 was indeed a year full of challenges and surprises. FHL with a diversified investment portfolio encounters different types of challenges in all sectors.

Our Tourism and construction sector was radically challenged during the year. Closure of borders saw halt in tourism activities which forced cessation of South

Sea Cruises operations. The company following this had no option but to send staffs on leave without pay. Management staffs also took 50% paycut and only skeleton staffs are currently working to manage the assets of the business. Business continuity is dependant on opening of borders with management planning to open in November and December for Corporates and Locals.

Construction sector also saw stalling of major projects, no new projects started after COVID-19, this also impacted our cement sales which has dropped over the months. Lockdown for 2 weeks in greater area of Suva and Lautoka saw huge drop in cement sales. Government in 2020/2021 budget has allocated significant portion towards infrastructure development and we are optimistic our construction sector should be able to capitalise from this. FHL flagship project, FHL Tower is slightly behind schedule and the project has now received all required approvals.

The uncertainties surrounding this pandemic has also challenged Merchant Finance in terms of loan provisioning as per IFRS 9 model. Longer-term finance and lending to corporate entities are generally secured. In addition, in order to further minimise the potential for credit loss, MFL seeks additional collateral from the counterparty if the credit risk has increased significantly. The team is currently strategising ways and restructuring loans where needed to minimise the impact as much as possible.

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

We always think we live in a time of change and today is no different. In our personal lives and in our businesses, we are convinced that the pressures on us are greater than ever before. We continue to strategize and make alternative options to meet situations as they arise. This is certainly the case in the investment world where a large number of pressures have a direct impact on running the business. The strategy is well aligned with our commitment to enhance FHL's shareholder value, ensuring healthy and sustainable returns for our shareholders' investments.

Investment

During the year FHL Group has approximately invested around \$12.61m in property plant and equipment. FHL continues to look for opportunities and invest in projects which will not only increase the value for the investment

portfolio but will also assist in providing increased shareholder returns.

Apart from construction of FHL Tower which is currently underway, FHL acquired 30% shares in Ritam Investment Limited (RIL). RIL are property owners of Sheraton Resort & Spa, Tokoriki Island, Fiji. South Sea Cruises through Awesome Tourism Investment Pte Ltd also acquired a 52% shareholding in Botaira Beach Resort, located on Naviti Island in the Yasawa's. FHL has also been extensively involved in joint venture project which will see construction of 150 rooms - 7 storey building currently under development.

Few other major projects and investments are also under discussions with relevant stakeholders which will give FHL competitive advantage over other companies. This will also enhance shareholder value.

People Capital

FHL strongly believes that its people are the greatest strength and are the prime reason behind the success of the group. It is important to invest in human capital as it is perceived to increase the productivity and thus profitability of the company. FHL continues to search for potential talent in the market and give them opportunity to enhance their skills and knowledge in one of the best and robust investment company in Fiji.

FHL over the years through its investment in people capital have produced some of the best talented individuals who are part of major strategic organisations and boards in Fiji. We continue to engage and encourage our employees to perform to the best of their talents through a performance-oriented culture founded on ethical and transparent behaviour which in turn promotes sustainable and profitable growth.

FHL Group is proud to employ more than 1,400 permanent employees excluding associate companies as at 30 June 2020. FHL is renowned for its young and dynamic team. More than 10% of Group employees are graduates from Universities, whilst 28 hold post-graduate qualifications including MBA. Currently, a number of our Executive Managers are in the process of completing their CPA and Master's Degree.

Sustainability

As a responsible and corporate citizen of Fiji, the Group believes in practicing environment sustainability. We make decisions and take action that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment to support human life and maintaining an environment that enables continued prosperity is imperative for any organization's survival and growth. FHL Group of Companies believe to achieve authentic sustainability, companies may need to



broaden their view of resources that are critical to business. Once that shift occurs, it will be natural for companies to anticipate how decisions may impact both current and future stakeholders.

As an integral sustainability strategy, coupled with risk management process, the Group affirms to making responsible decisions that will reduce the business's negative impact on the environment. It is not simply about reducing the amount of waste you produce or using less energy, but is concerned with developing processes that will lead to businesses becoming completely sustainable in the future resulting in a safer and healthier environment for the communities in which we operate. The Group continuously focuses on looking beyond short term gains and making long term impact on the natural world and this is one of the many reasons why we have a competitive edge when it comes to attracting customers and investors. We have encountered few environmental issues with Pacific Cement Limited and as such the company together with relevant stakeholders and communities is opting and weighing some of the options as how we can minimise the impact on the environment.

Future Outlook

At FHL Group, we believe in excellence and innovation as we discover and interact with the many dynamic opportunities that come across. Our venture has been a vibrant one, as the company assiduously seeks to invest in new and worthwhile business sectors. Our records shapes the way we reflect on consideration on the purpose, as we hold to develop, capitalise and to provide value to our stakeholders. We stay attentive on best practices and are confident that our attitude on thriving for excellence and long term commitment will add value to our already successful conglomerate.

Ongoing COVID-19 scenario is extraordinary and the results on the group in months to come, together on the extent it will impact the economy is something uncertain at the current stage. The group will continue to carefully monitor macro and micro financial and non-financial indicators and governmental information to evaluate the ability to penetrate this situation. The group's capable and resilient team led by experienced board will definitely work and strategize ways in which we can progress through with better performance and adjust to new normal as we go along.

The Company will continue to focus on maintainable returns to our valued shareholders by investing in sustainable businesses. The trademark of our achievement and sustainability has been our potential to harness the right business opportunity, our capability and agility to reposition, realign and reinvest ourselves to capitalize on the market realities. We are confident that investments which we are making now in pursuing a sustainable long term return will result in improved returns on our stakeholders in future.

Appreciation

I would like to take this opportunity to sincerely thank my hardworking staff and management for staying with the company and providing continuous support throughout these difficult times. It is our employees who are the core ingredient to the success of the group. We will continue to support and invest in their development. Our organization have open door policy which allows our employees to communicate freely and openly, continually challenge themselves and provide healthy ideas for further business development.

Furthermore a hearty thanks goes to all our treasured shareholders and stakeholders for the support extended to the Group during this challenging year and hope for the same as we go through these tough times. Finally, I thank my Group Chairman and the Group Board of Directors for their vision, guidance and support extended to me during the year.

I also acknowledge the support of our strategic partners in the local and regional market together with our valuable customers and all other parties who have partnered with us in this challenging yet exciting journey as we continue to steer towards excellence and operate successfully in these challenging times



Abilash Ram
Acting Group CEO

Kivei kemuni na iTaukei ni Kabani

E ka dokai vei au meu vakaraitaka yani vei kemuni na itukutuku vakayabaki ni Fijian Holdings Limited ena yabaki vakailavo ka mai cava tiko ena i ka 30 ni Jiune, 2020. Oqo edua na yabaki bolebole duadua ena tukutuku ni veigauna ena FHL, ena raivotu kei na gugumatua salavata kei na vakayagataki vakavuku ni veika vivinaka e tu e rawa kina me uabalefi na gauna bolebole vakatovolei sara kina vakalevu na veika e via qaravi ena lomani ni yabaki.

Na iotioti ni vula ena yabaki vakailavo oqo e tekivu me vakadinadinataki kina na revurevu ni ni matedewa na COVID-19. Na revurevu ni COVID-19 edua na kena e bau qai sotavi vakadua ena noda tabagauna ka gadrevi gona kena kina matanitu kei na veikabani me taurivaka eso na ituvatuva mai na taudaku na veika sa dau matau tu me tokoni kina nodra bula na lewenivanua kei ira na itaukei ni veikabani. E vakatovolei sara kina vakalevu na veika eda via vakayacora, salavata na nodra qaravi vakavinaka na ivakalesilesi, lewenivanua, taukei ni kabani kei na noda veitikotiko ena maliwa ni veika drakidrakita e kauta mai vata kei koya na matedewa.

Ena dua tale na yasana, na mataqali gauna vaka oqo qo esa qai kilai kina na duidui ni kila vakabisinisi ena loma Kabani Cokovata me vakatautauvatataki kei ira na vei kabani tale eso ena nona yavu ni veiqaravi kei na tuvatuva e veiganiti kei ira na kena ivakalesilesi, taukei ni kabani kei na veitabana era sema mai kina. Ni tadravi tu yani na bolebole levu e kauta mai na matedewa oqo, e sega ni guilecavi rawa na usutu ni kabani koya me 'Çavuikalawa kina Vakasakiti' (Striving Towards Excellence) ka tukuna tu na veitokoni kei na veivukei e dodonu me basika ena veitabana kece e veisemati kina na kena dui vakatagedege ena gauna dredre oqo. Na neitou rawa ni veivukei ena gauna bolebole oqo e sa tukuna tu na daumaka ni bula vakailavo ni kabani me tokona na ituvatuva ni veiqaravi ka vakatakilai tu ena neitou cau kina veika walewale vou, matua ni tovo vakacacakaka kei na qarauni me taladrodro fikoga na veiqaravi salavata na nodra tiko savasava ka taqomaki kinavakalesilesi.

Rawakā ni Kabani Cokovata

Na yabaki vakailavo oqo edua toka na yabaki dredre kina kabani cokovata nia vakatovolei ena gauna drakidrakita vakabisinisi. Na kena mai tekivu vakamalua na tubu ni bula vakailavo ena itekivu ni yakabi ka qai lai cava ena revurevu ni COVID-19 ni cava na yabaki e vakilai vakalevu ena rawakā ni kabani cokovata. Na revurevu oqo e vakilai kece vakadua ena veikabani yadua ka vakavuna madaga na sogoti ni tabana ni saravanua ena vula ko Maji ni 2020. Na vo ni veitabana tale eso era solia saraga vakalevu na nodra igū me rawa ni bau vinaka nodra rawakā.

E dina madaga ni vakilai na bolebole sega ni namaki, na kabani cokovata e mai tubu ena 2.78% na levu ni nona iyau e taukena. E lewai vakamatau na vakayagataki ilavo ka mai lailai kina na ilavo e vakayagaki kina \$279m mai na \$285m ea vakayagaki ena yabaki sa oti, qo e rauta ni 2.11%. E vinaka sara na ilavo sasabai ni cava na yabaki ka tiko ena \$4.90m ni vakatauvatani kei na ilavo sasabai tauri vakadinou ka tiko ena \$8.91m ena yabaki sa oti. Na rawaka ni kabani cokovata e tiko ena \$291m, e lutu ena 11.98% mai na YV19. E dodonu me matata ni veiqaravi ena South Sea Cruises ea mai cegu tu ena Maji 2020 ena vuku ni vakatatabu ni COVID-19 ka sega gona kina ni bau dua nona cau kina rawaka ni kabani cokovata ena loma ni tolu na vula. Na tabani ni veivakatoroicaketaki e veiqaravi kina na Basic Group kei na Pacific Cement Pte Limited e bau vakila talega na revurevu vata oqo ni a mai tarovi tu eso na nodratou cakacaka lelevu. Na sogosogo ea vakayacori e Lautoka kei Suva e vakaitavi vakalevu ena kena sega soti ni vinaka na rawaka ena yabaki vakailavo oqo. Na lutu ni rawaka ena so na kena ivakatagede ea botani mai ena rawaka ni RB Group ka yacova sara \$4.05m. Qo e vakavu vakalevu ena veivoli ena dela ni nuiqawaqawa ena gauna ni sogosogo.

Na tubu ni FHL Group ni bera ni lavaki na ivakacavacava e yacova na \$11.10m ni vakatauvatani kei na \$45.44m ena gauna vata oqo ena yabaki sa oti, qo e lutu ena 75.55%. Na lutu vakasivia ni tubu e vakavuna mai na Basic Group, Pacific Cement Limited kei na Serendib Investment Limited. Na Fiji Television Limited, South Sea Cruises Limited kei na Merchant Finance Limited eratou sega nia rawata sara na tubu namaki ka vakavuna mai na revurevu ni COVID-19. Ena loma ni yabaki, e sauma na FHL Group e rauta ni \$28m kina Matanitu me ivakacavacava ni vakatauvatani kei na \$32m ea saumi ena yabaki sa oti.

Rawaka ni Veikabani

RB Patel (RBG), e levu duadua nona cau kina rawaka ni kabani cokovata na FHL e tubu ena 3% nona rawaka me yacova na \$136m ni cava na yabaki vakailavo ena 30 ni Jiune, 2020. E rawata na kabani e 5% na tubu ni veisumuki na rawaka kei na isau ni veiqaravi, ka yacova sara na \$27m na tubu. Na RBG e cavu isausau sara vakavinaka ena maliwa ni gauna drakidrakita eda donumaka ka uasivi sara na veika e rawata mai na veika ea namaki taumada. E uasivi na veika e rawata oqo na RBG e sega walega ni vaqacacotaka na veika e taukena kina 8% vakailavo e \$51m e sa vakadaumakataka talega na bula vakaiyau ni nona veiqaravi kina 70%. Ena loma ni yabaki ea vakayacora kina na RBG na vidavidai ni nona sea ena makete ni veivoli na South Pacific Stock Exchange, koya me dua na sea e vidai vaka lima na tubu kina na iwiliwili ni sea taukeni raraba mai na 30m kina 150m. Ni oti na kena vidai na sea e kunei ni tubu sara vakasauri na kena isau mai na \$1.90

kina \$3.48 ena na 30 ni Jiune 2020. Oqo e kauta cake kina na isau vakailavo ni sea kece ni RBG kina \$522m, sa dua na tubu vakaiyanaqa dina. Ni oti na kena mai vakacavari na ikelekele ni motoka ena Jet Point e Nadi kei na tabavale ni veivakavaletaki e na Clarke street e Suva, e vagolea tale na RBG e rauta ni \$6m ena qaravi ni tabavale ena Harbor Point e Lami ka namaki me vakacavari ena veimama ni yabaki vou. Na RBG e taukena ikarua ni wasewase levu duadua ni vakatubuilavo ena taukeni ni yau ka imatai tiko na FHL Properties Limited.

Na tabana ni saravanua ena FHL edua vei ira na tabana ka vakaleqai vakalevu duadua ena revurevu ni COVID-19 e okati kina na South Sea Cruises Pte Limited (SSC), Blue Lagoon Cruises, Awesome Adventures Fiji, Malamala Beach Club, South Sea Sailing kei na Vinaka Fiji. E gadrevi me vakacautaki na rawaka ni SSC ena gauna bolebole ena loma ni yabaki ena vuku ni kena a mai sogo nai curucuru ni vanua, na vakatatabu ni veitosoyaki sogosogo kei na kena mai cegu tu na veiqaravi kece ni saravanua. E dina mada ni sotavi na veidrede kece oqori, e se gumatua tikoga na kabani me rawata na tubu e tiko ena \$0.987m ni vakatauvatani kei na \$5.838m ena yabaki sa oti. E vakuria tikoga na SSC me vakasaqarai na veisala eso me tosoya na nona rawaka, qo vakavuna me volia e 52% ni Botaira Beach Resort ka tiko ena yanuyanu o Naviti mai na Yatu Yasawa na nona kabani na Awesome Tourism Investment Pte Ltd. Na otela e se vakavoui tiko ka namaki mena dolavi ena itekivu ni yabaki vou ka vakatabakidua ena kena qaravi na makete ni 'backpacker'. Sa vakacavara talega na SSC na veika kece vakaivola ni kena soli edua na waqa vou ni vatasosoko na SABRE; e kena mataqali oqo ka kena isevu e Viti. Na waqa na SABRE e se kele voli mai Sri Lanka kana qai sokotaki mai Viti ni sa na laveti na sogo tu ni curucuru. Ena gauna qo na kabani e sega sara tu ga ni qarava edua na ituvatuva, ka ra cakacaka tikoga edua sara na iwiliwili lailai ni vakailalesi, o ira na manidia ni veitabana e musu na nodra yaua ni cakacaka. Na dolavi ni curucuru kei na vakabulubulataki ni makete ni saravanua e dua tiko na kauwai levu ni kabani ka sa tu na vakanuinui ni na rawa ni daumaka vakatoto na veika kece ena kena nanumi tiko na makete ni saravanua.

Na rawaka ni Merchant Finance Pte Ltd (MFL) e tiko ena \$24.54m, ni mai musuki na veika kece e lavaki kina kabani sa qai kena tubudina e \$2.63m qori ena 12 na vula ka mai cava ena 30 ni Jiune 2020 ni vakatauvatani kei yabaki sa oti ni a \$23.65m na tubu ni saumi oti na vakacavacava e \$7.85m. E mai tubu talega yau tudei ni MFL mai na \$195.72m kina \$206.79m. E dina ni levu na rawaka ni yabaki qo ni vakatauvatani kei na E tekivu vinaka sara MFL ena yabaki oqo ena kena mai vakatakilai na ivakatakilakila vou ni kabani ka ena usutu na "Thinking Outside The Box". E usutu ni ivakatakilakila vou oqo na nodra tubu vakacakacaka na ivakalesilesi, cakacakavata kei ira na lewenivanua,

vakarautaki ni wali ni leqa e vakasakiti ka salavata kei na itovo ni sasaga. Ea toso vakakavinaka sara tu ga na bisinisi ena imatai ni vula tolu ka veiraurau vakavinaka na veika ea rawata ena gauna vata oqo ena yabaki sa oti. Ena ikarua ni vula tolu e vakilai na lailai ni ilavo qaqa ena makete ni veivoli ka keitou vakatubura kina na pasede ni tubu ena neitou katoniyau ni vakatubuilavo (term deposits) me rawa ni keitou veiqati vinaka tiko kina kei ira na veikabani tale eso. Oqo e mai veisau tale ena kena mai malumu na toso ni bula vakailavo qai salamuria na revurevu ni COVID-19 ka bolea vakalevu na veiqaravi ni kabani. Ena uto na veika kece e sotavi oqori salavata kei na veika tawakilai e sema tu kina gauna eda donumaka e qai mai lutu tale na veika e rawata na noda vanua (GDP)kina21%. E sa tiko mada revurevu oqori, sa qai taqa tale mai e 20% ena yavu ni IFRS 9 ka mai vakavuna gona e vakila na MFL edua na lutu levu ena veika e namaka mena saumi lesu mai ena dinau se loni ea solia tu. Na levu kece ni dinau e sega ni saumi rawa ena yabaki vakailavo oqo e tiko ena \$7.48m ni vakatauvatani keina \$2.58m ena yabaki sa oti, e tubu ena 66%, ka dua na vuna levu e lutu kina vakaca na nona tubu ni lavaki oti nai vakacavava na MFL

Na levu ni dinau se loni e tiko ena \$161m ka lutu vakalailai mai na YV19 kei na katoniyau ni vakatubuilavo e yacova sara na \$167m. Me yacova na gauna qo e sa vukea oti na MFL e sivia na 1,500 na lewenivanua. Ena yabaki oqo ena vakarabailevutaka kina nona veiqaravi na MFL me sikova tale yani na taudaku ni veikoro lelevu, dolavi ni nodra veitabana vovou ena veiyasai Viti me vakarawarawataka ka vakatoto lotaki na soli ni dinau se loni.

Na Basic Industries Pte Limited (BIL) e okati kina na Standard Concrete Industries, Humes Industries, Basic Homes, Basic Customs, kei na Basic Construction. Na tabana oqo ena veivakatoroicaketaki (Construction sector) e dau cau vakalevu ena rawaka ni FHL, qai kena seva ni tarai koya talega na revurevu ni matedewa. Sa oti qo e 8 na yabaki veitaravi na nona rawa tubu tiko na BIL, ia na yabaki oqo e mai sotava na lusi ka tiko ena \$4.82m mai na levu taucoko ni yau e rawati e \$56.91m ni vakatauvatani kei na tubu e \$6.85m mai na rawaka e \$75.36m ka rawati ena yabaki sa oti. Na nona iyau na kabani ea lutu mai na \$28.81m kina \$20.99m. Edua na iwase levu e lusi ni kabani e vakavuna mai na tuvaki ni bula vakailavo eda donumaka, vakabera ni cakacaka ena vuku ni veika tawakilai e kauta mai na matedewa, na sogosogo ena gauna ni COVID-19 kei na lusi e sotava na iwasevase na Basic Construction. Ea mai yaco vakasauri edua na veisau ena makete ni tabana ni tara vale ni mai lutu na voli ni so na neitou voli nuitaki me vaka na simede waki-rawa (ready-mix concrete), buloko simede (concrete blocks) keina iyaya buli ena simede (precast concrete products). Esa navuca talega na kabani me vakalailaitaka na nona vakayagataki lavo kei na tuvatuva matau me veiganiti kei na gauna eda donuya.

Ena loma ni yabaki BIL e bulia ka volitaka rawa e 2.62 na milioni na buloko ni vale 64,225 kiupiti na ivakarau ni simede, 11,383 na tani na buloko kei na 368,094 na tani na qeqere. Kena kena ikuri, ni a volitaka kina veivanua ena Pasifika na nona ivoli ka rauta ni FJD 3.9 million na kena isau. Na Pacific Cement Pte Limited (PCL), e kenadau ena vakarautaki ni simede pauta e Viti kei na veivanuana ena Pasifika ka sota kaya e vuqa sara na bolebole ena nona veiqaravi. Ena yabaki vakailavo oqo e rauta ni \$4.30m na lusi ni kabani mai na \$27.02m ni vakatauvatani kei na \$1.77m na lusi mai na \$28.18m na rawaka ena gauna vata oqo ena yabaki sa oti. Na isau vakailavo ni nona yau tudei na PCL e lutu mai na \$23.25m kina \$20.14m, e lutu ena 13%. Me vaka sa vakaraitaki taumada ni a sega ni namaki na luluqa ni rawaka vakavuna mai na vakabera ni so na cakacaka lelevu, yalani ni bibi e usana na lori kei na sogosogo ena vuku ni COVID-19 ka lailai kina na simede pauta e volitaki, ia e sega ga ni vakatabakidua kina vei leqa oqori. E sa makawa talega na nona iqaqi ka gadrevi me dau vakavinakataki se dikevi ena veivula kece me rawa ni taladrodro vinaka nona veiqaravi. E sa tu eso tale na leqa tubukoso e tara na iqaqi ka ikuri tikoga na veika e vakavuna na lusi ni kabani. E sa mai raici lesu na isau ni ivoli ena Jiune ni 2020 ka namaki mena vakilai oqo ena itukutuku vakailavo ni yabaki vou.

Ea qaqia rawa na PCL ena loma ni yabaki e rauta ni 112,366 tani na simede pauta ka rawati kina e \$27m. Ea vakauta talega kina veivanua eso ena Pasifika na PCL e rauta ni 8,000 tani na simede pauta. Na isau vakailavo ni nona iyau na PCL e tiko ena \$7.74m kara veiqaravi e rauta ni 80 na ivakalesilesi. E sa ilovi sara tiko vakavinaka na veiqaravi ni kabani mai na matabose e cake ni PCL kei na FHL ena veituvatuva matau eso me vakavou ni rawaka ni kabani. Ena vakayacori eso na veiveisau vinaka kina duidui tageqe ni nona veiqaravi na kabani me rawa ni yacova kina na kabani na nona takete ni yabaki.

Na FHL Fund Management Pte Limited (FHLFML) e qarava se manidiatika na katoniyau na Fijian Holdings Unit Trust (FHUT). Na Katoniyau e rawata edua na tubu lailai sara ena nona rawaka ka tiko ena \$2.54m ni cava na yabaki ni vakatauvatani kei na \$2.51 ena yabaki sa oti. E dina ni sota na FHUT e vuqa sara na bolebole ena veivanua eso e vakatubuilavo kina, ni cava na yabaki ena \$127.44m ni vakatauvatani kei na \$125.88m ena 2019, qo e tubu na iyau e vakatuburi ena \$1.55m. E sauma na FHUT na tubu ni veivula va ni dua na yabaki ena \$4.76m ni vakatauvatani kei na \$4.42m ena yabaki sa oti. Na wasei ni tubu e veiganiti e usutu ni nona veiqaravi na kabani ka qarauni me vakadeitaki tikoga na tubu vivinaka oqo vei ira na neitou daunivakatubuilavo.

Na Fiji Television Limited (FTV), edua vei na kabani e volitaki talega nona sea ena SPX ka sotava sara e vuqa

na bolebole baleta edua na iwase levu ni nona rawaka e rawati mai na kaburaki ni voli, ka vuqa na kabani era mai yalana se vakalialaitaki na voli gauna me kaburaki na nodrai voli ena vuku ni COVID-19. Esa namaki vakalevu sara oqo baleta ni vuqa na kabani era via mamaroro ena veigauna tawakilai e tu e matada. Na yabaki oqo na tubu ni FTV e tiko ena \$0.21m na levu ni nona rawaka e tiko e na \$9.08m, ia na yabaki sa oti na nona tubu e \$1.25m ka tiko nona rawaka ena \$11.91m. Na levu ni nona yau tudei na FTV e tiko ena \$17.54m me yacova mai na 30 ni Jiune 2020. Na veiqito lelevu kece era a mai vakadaroi ka vakavuna na kena mai lutu na rawaka ni maketetaki ni yaloyalo. Na kena vakarautaki vakamatau na veitagede kece ni kabani ena dua tiko na bolebole levu vakauasivi nina gadrevi me vakarautaki tiko na veiporokaramu e veiganiti ka taleitaki mai vei ira na lewenivanua kei na daunibisinisi ena gauna ni veiveisau oqo. Esa vakamatautaki koya na FTV kina gauna vou qo, ka vakarautaka na veituvatuva eso me vakayacori kina na porokaramu e caka ena noda vanua ena kena ivakatagedegede e taleitaki ka vueta na rawaka ni kabani.

Na FHL Properties Pte Ltd (FHLP) e qarava tiko e sivia e 15,000 sqm na vanua ni rede rauta ni 40 na dau saumi vale ka 95% nodratou tabavale e tawani tiko ena gauna qo. Na rawaka ni FHLP e yacova na \$4.22m ena yabaki oqo, ia na tubu ni lavaki oti na ivakacavaca e lutu ena 35% mai na \$4.17m ena yabaki sa oti kina \$3.08m ena yabaki oqo. E vakavuna na lutu levu oqo na kena dikevi vakaivola na isau vakailavo ni veitabavale e yacova ga \$1.15m ni vakatauvatani kei na \$3.22m ena 2019. Ia, e vakadeitaki koya tiko na FHLP ena nona rawaka. Na yau tudei e tiko ena \$67.01m mai na \$52.38m ena Jiune ni 2019. Na veiveisau e yaco ena makete ni veivakavaletaki kei na veika tawamacala e kauta mai na COVID-19 erau cau vakalevu ena lutu ni yau tudei ena kena makete.

E sa vacagau tiko ga na kena tara na FHL Tower salavata na veivakadonui mai na veitabana eso ka namaki me vakacavari ena itekivu ni 2022. Na gauna ena sana vakacavari kina sa namaki mena kaukauwa sara na bula vakailavo ni FHLP. Ena gauna drakidrakita ni bula vakailavo eda donumaka e vakadeitaki koya tiko na FHLP ni rawa ni tawani vakavinaka tikoga nona veitabavale bolebole ga ena sotavi tiko ni tubu ni sau ni kena vakavinakataki na veitabavale oqo kei na kena sagai me soli na veiqaravi uasivi duadua vei ira era tawana tiko. Ena vakuria tikoga na FHLP na veivanua eso ena rawa ni vakavurea mai na tubu vinaka.

Na LifeCinema Pte Ltd (LC) ea mai lusi ka tiko ena \$1.22m mai na rawaka e \$3.62m ni vakatauvatani kei na \$0.58m ea lusi kina ena 2019 mai na rawaka e \$5.03m. Na lutu ni rawaka e vakavuna mai na kena mai sogo me vula 3 na valeniyaloyalo ena vuku ni COVID-19. E mai sogoti tale tu ga na veivotayaki ni yaloyalo mai vanuatani ena vakatatabu



ni COVID-19. Me yacova qo e se sotava tikoga na LC na bolebole ni rawa tubu mai na rawaka e taukena. Mai na rawaka e rawata e 25% na vagolei kina Value Added Tax (VAT), Environment and Climate Adaptation Levy (ECAL) kei na Service Turnover Tax (STT), e 50% e vagolei vanuatani era dauveivotayaka na iyaloalo eso, sa qai vo sara e 25% me baleta na vakayagataki lavo ni kabani kena vo me tubu. Na tuvatuva ni vakayagataki lavo ni matanitu ea kacivaki ena yabaki oqo e sa mai vagalalataki kina na ivakacavacava ni STT ka valutumi na ECAL ka na rawa ni bau lutu kina na isau ni tikite. E sa mai dolavi tale na valeniyaloalo ena vula o Jiulai, dina ga ni yalani tiko na iwiliwili ni sarasara ena 50%.

Na rawa ka ni FHL Stockbrokers Pte Ltd (FHLS) e uasivita na veika ea namaki kina ka cavu isausau ena tubu levu duadua me bau rawata mai na gauna ea tekivu vei qaravi kina. Ena veiliutaki vou kei na ira na ivakalesilesi vou ea mai rawata na kabani na tubu e \$0.15m ni vakatauvatani kei na \$0.12m mai na yabaki sa oti. Na tubu ni nona rawaka e vakavu mai na bulabula ni veivoli e vakayacori ena kena makete kei na kena mai vidai na sea ni RBG. Na sea ni FHL, ATH, FTV keina VIL ea veivolitaki vakalevu talega ka vakavuna na cavu isausau ni FHLS. Na nona yau tudei sa mai yacova mai na 30 Jiune 2020 e volekata sara tiko na \$1.12m. Ena gumatua tikoga na FHLS ena sasagataki ni vei qaravi uasivi ka qarauna me kua ni valeqai na rawaka ni kabani ena vuku ni matedewa kei na gogo ni bula vakailavo e donumaki.

Na yabaki oqo e mai vakadinadinataka kina na Serendib Investment Limited Pte Ltd (SIL) na isevu ni yabaki dua ni vei qaravi. Ea vuqa sara na bolebole e sotava na SIL vakauasivi ni veiqati voli kei na veikabani ni tabaivola era sa vakadeitaki ira oti tu ena nodra vei qaravi e Viti. E mai vakavuna na lusi ni kabani ena \$2.40m ni vakatauvatani kei na lusi e \$0.29m na imatai ni ono na vula nona vei qaravi ena yabaki sa oti. Levu ni yau tudeie \$10.10m ni vakatauvatani kei na \$8.47m ena 2019. Ena itekivu ni vei qaravi ni SIL ena Janueri ni 2019 e rauta ni \$3m na ilavo ni cakacaka levu ea vakayagataki ka namaki me vakayagataki tale e \$3m ena yabaki tarava. Na ituvatuva ni vuli cakacaka e SIL kei FNU era okati kina ena gauna qo e le 8 na gonevuli era vakarautaki ena volau ni tabaivola.

Na yabaki vakailavo sa tu e matada ena dua na gauna vinaka kina SIL ni sa rawata eso na vola ni veidinadinati tudei mai vei ira e vica na Univesiti lelevu ena noda vanua kei na veikabani eso. E namaki talega na tavoci na nodratou tabana ni volitaki iyaya ni vuli ena mua ni yabaki oqo. Na ivola ni volavola e vakarautaki ga ena noda vanua, okati kina na vola ni vula kei na vola ni veisiga e namaki mena kuria na rawaka ni kabani me basika kina na veisau vinaka ena mua ni yabaki vaskailavo sa tu e matada.

Bolebole Eso

Na yabaki vakailavo 2020 sa dua dina na yabaki bolebole kina kabani ka sotavi talega kina e vuqa na veika e veivakidacalataki. Me vaka ni rabailevu tu na vanua ni nona vakatububisinisi na FHL e levu gona na bolebole era babasika mai na veivanua duidui oqori.

Na tabana ni saravanua kei na tabana ni tara vale ea valeqai saraga vakaca ena loma ni yabaki. Na kena mai sogo na curucuru ni vanua e vakavuna na kena vakacegui tu na vei qaravi ni South Sea Cruises. Na kabani e mani vakayacora na vakatulewa mera cegu ka sega ni saumi na kena vakalesilesi. Na veiliutaki ni kabani e musuki na kedra isau kina 50% ka dua sara na iwiliwili lailai era cakacaka mera qarauna voli na iyau ni kabani. Na taladrodoro ni bisinisi ena vakatau vakalevu ena dolavi ni curucuru ni vanua, ia sa biu na ituvatuva me dolavi na vei qaravi ena Noveba kei na Tiseba me balefi ira na veikabani lelevu kei ira na lewe i Viti.

Na tabana ni tara vale ea mai vakabera sara eso na cakacaka lelevu ka sega ni dua na cakacaka vou ni oti na kena tekivu tarai keda na revurevu ni COVID-19, ea mai valeqa sara talega na bisinisi ni simede pauti. Na kena mai vayacori na sogosogo macawa 2 e Suva kei Lautoka e valutuma saraga valevu na taga simede era volitaki. Ena ituvatuva vakailavo ni matanitu ena yabaki 2020/2021 e biu vakatikitiki kina edua na uma ilavo vinaka me baleta na veivakatoroicaketaki raraba ka tu vakarau na tabana oqo ena loma ni FHL me sema kina.

Na ulumatua ni nona tuvatuva levu na FHL oya na FHL Tower. E mai bera vakalailai mai na gauna e yalataki ia sa ciqomi rawa kece sara na veivakadonui ni kena tosoi na cakacaka.

Na veika tawamacala e kauta mai na matedewa oqo e sa mai vadrakidrakitataka na soli Ioni (dinau) mai vei Merchant Finance ena kena vamuri na yavu ena IFRS 9. Na veivakailavotaki se soli dinau kina vei kabani e sega so ni valeqai. Ia, na kena gadrevi me vakalailaitaki na lusi e basika ena soli dinau, e sa gadrevi gona me so na ivesu (vakadei) ke laurai ni levu na ririko e okati ena soli ni dinau. E sa raica tiko na kabani eso na ituvatuva kei na iwalewale ni soli dinau me vakadaroya se vakamamadataka na revurevu ni veika eda donumaka.

Na lewai vakamatau ni lavo qaqa ni kabani e dua toka na tikina bibi kina kabani cokovata me rawa ni dau sotava tikoga na veika kece vakailavo e yalayala tu kina. Na tikina oqo e okati kina na kena tu vinaka tu na ilavo qaqa ni kabani, raici me vinaka tu na veika e rawa ni ivakadei kei na kena rawa ni vakailavotaki vakavinaka na ituvatuva ni ra tu vinaka tu vakaiyau na veitabana era veivuke vakaiyau. E vuku ni tuvaki ni noda kabani cokovata, ena dau yadrava na veiliutaki me vakarawarawataki na veivuke vakailavo

ena nodra laurai tiko na veitabana eso e rawa ni sotava na gagadre oqori.

Eda nanuma ni da sa bula donuya edua na gauna ni veisau, eda sa bula donuya tu. Ena noda bula yadudua se vakabisinisi eda vakila ni sa qai tara bi tikoga mai na icolacola ni veiqaravi ni vakatauvatani na veigauna sa oti. E vakuri na tuvatuva ka kei na sasaga eso me sotava na veibolebole oqori ena gauna era na basika kina. Oqo e dina ena vuravura ni vakatubuiyau, nina dau sotavi e vuqa sara na revurevu ni dredre oqo ena kena cicivaki na bisinisi. Sa biu tiko na ituvaluva me veiganiti ka me laveti cake kina na nodra iyau tudei ka vakadeitaki na nodra tubu nai taukei ni kabani.

Vakatubuiyau

Ena loma ni yabaki na FHL Group e vakayagataka e rauta ni \$12.61m ena voli vale, yayani cakacaka kei na vakamisinisi. E kuria tikoga na FHL na kena vaqarai na veivanua ni vakatubuiyau me kua walega ni vakuria na levu ni yau e taukeni me vukea talega na rawati ni tubu vinaka vei ira na itaukei ni kabani.

Ena gauna qo e sa tosoi tiko na tara ni FHL Tower, ka sa taukena tale na FHL e 30% na sea ni Ritam Investment Limited (RIL). Na RIL e taukena na Sheraton Resort & Spa, ena yanuyanu o Tokoriki, Fiji. Na South Sea Cruises ena nona kabani na Awesome Tourism Investment Pte Ltd e volia e 52% na sea ni Botaira Beach Resort, e tiko ena yanuyanu ko o Naviti mai na yatu Yasawa. E sema tale tu ga na FHL ena kena veitokonitaki vata na qaravi ni dua na taba vitu ka 150 rumu, ka tara tiko ena gauna qo mai Lautoka.

E vica tale na kabani rogo ka kilai e vakayaco veivosaki tiko kina na FHL ena gauna qo me vueta cake na nona rawaka ka vakauasivi na rawati ni tubu vinaka vei ira na itaukei ni kabani.

Tamata Cakacaka

Na FHL e vakabauta deivaki tu ni nona vu ni rawaka vakavinaka kei na cavu isausau e yavutaki mai vei ira na ivakalesilesi. E rui bibi na nodra qaravi vakavinaka na tamata cakacaka baleta ena vakasucuma na rawaka vinaka ka navakilai ena tubu ni kabani. E vakuria tiko na FHL na nodra vaqarai na ivakalesilesi era sinai ena kila ka vakacacacaka ka me qai susugi ira mera uasivi sara ni ra veiqaravi voli ena dua na kabani vakairogoro ena cakacaka ni vakatubuiyau.

Na FHL ena veiyabaki sa oti yani e vakaitavi vakalevu ena nodra susugi ka vakarautaki edua na iwase levu ni tamata cakacaka era sa lewena tu na veitabana cecere vakacacacaka ni vei kabani eso e Viti. Keitou tokona na nodra vakauqeti ka vakayaloqaqataki mera solia nodra dina ena itavi era qarava me rawa ni taucoko kina na veiqaravi ni kabani ka rawata na tubu vinaka.

E cibitaka tu e daidai na FHL Group ni vakacacacacataka e sivia ni 1,200 na ivakalesilesi tudei ka sega ni wili kina na kabani taukeni vakatikina me yaco mai na 30 ni June 2020. E kila tani na FHL ni ra gone ka yalodina na kena ivakalesilesi. E sivia ni 8% na kena ivakalesilesi era sa tauri vola oti mai na vei Univesiti eso, ka 21 era rawata na koro ena post-graduate kei na MBA. Ena gauna qo, edua na iwase ni neitou Executive Managers era vakarau vakacavara na nodra CPA kei na koro ni Master.

Noda Yaubula

Me vaka ga edua na kabani ka cibitaki na nona itutu vakabisini e Viti, na kabani cokovata e vakabauta ni bibi na kena raica na yavu vakacacacaka e maroroi kina na veikabula tu wavoliti keda. Keimami vakatulewa ka cakacaka ena yavu ni kena maoro ka qarauni na noda iyaubula, ka vakauasivi me rawa kina ni tokona na bula ni lewenivanua, me vakuria na kena sautu me rawa kina ni rawata na kabani na tubu. Na vakabauta ni veikabani ena FHL Group ni rawa ni rawati na veivakadeitaki e ka dina kevaka e vakarabailevutaki na nona raica na vurevure ni bisinisi. Ni gauna ga ena vakayacori kina na toso oqori sana rawa nira kila na veikabani eso na vakatulewa ena rawa ni vakilai na kena revurevu ena gauna qo kei na veigauna ni mataka.

Me vaka na ituvaluva tudei ka semati kina na lewa matau ni ririko e vakadeitaki tiko na kabani cokovata nina rawa ni vakayacora na digidigi ka vakalailaitaka se vakuwai na vakacacani ni yaubula. E sega ni vakatabakidua na sasaga qo ena vakalailaitaki ni benu se lailai ni vakavure kaukauwa e vakayagataki, sa baleta tiko na ituvaluva maqosa eso koya na vakalega na nodra taqomaki na lewenivanua ka bulabula tikoga na noda iyaubula. E sega ni qai vakanamata na kabani cokovata kina tubu ni dua na gauna lekalekaena tara tu na revurevu na noda iyaubula ena dua na gauna balavu ka sa l koya oqo na vuna keitou na uasivi cake tikoga kina mai na veikabani tale eso nira malele mai kina na lewenivanua kei ira na dauvakatubuiyau.

Keitou sa sotava tiko eso na bolebole oqo ena Pacific Cement Pte Limited, ka sa gumatua tiko na kabani, kei ira na lewe ni tikotiko kei ira na veitabana vakamatani tu eso mera raica edua nai wali ena vakalailaitaka na revurevu ni vakacaca kina iyaubula.

Veika Meda Vakanamata Kina

Ena FHL Group, keitou vakabauta ni veiqaravi uasivi kei na vakasama vovou ena veigauna kece e sotava kina na salavou eso e donumaki. Keitou gumatua ena cakacaka vata na veitabana vakabisinisi vovou eso ka laurai ni veiganiti kei keitou. Na neitou rawaka ena veigauna sa oti sa tukuna tu na neitou inaki oya me keitou vakatoicaketaka, ka vakatakila ena kena iwalewale ena yaga vei ira na

lewenivanua. Keitou tokona na veiqaravi uasivi kei na yalodina ka vakabauta ni qori ena kuria walega na isausau sa rawata tiko na kabani ena gauna oqo.

E vakuria tikoga na kena vatavatairalagotaki na revurevu ni COVID-19 ena kabani cokovata, na tikina e yacovi rawa oya na bolebole ena sotavi ena noda bula vakailavo kei na veika tawamacala e tu e matada. Ena vuku ni tikina oqori ena vakuria tiko kina na kabani na kena vakamuri na veivakatakilakila vakailavo kei na veika raraba tale eso ena noda vanua kei vanuatani ena kena vakatulewataka kina vakavinaka na gauna ena botea yani kina na bolebole eda donumaka tiko. Na vakanuinui e sa vakatabakidua ena veiliutaki yalodina daukakacaka ena loma ni kabani ena nodra veiliutaki na matabose e cake ni na vakarautaki na ituvatuva eso me tosoi kina na veiqaravi ka vakavurea na rawa ka vinaka ka vakamatautaki ena gauna vou eda donumaka.

Na kabani ena vakanamata tikoga ena kena soli na tubu e veiganiti vei ira na taukei ni kabani ena ivurevure ni iyau e vakadeitaki. E kilai tani na rawaka ni kabani ena nona rawa ni qarava vakavinaka na veisalavou vakabisinisi, na igu kei na lewa matau ni kabani me vakavoui ka tuva vakamatau na nona veiqaravi me rawa ni uasivi na nona rawaka ena makete ni veiqaravi ena gauna nikau. Keitou yalodei tiko ni vakatubuiyau kei na veivakatoroicaketaki e vakayacora na kabana ena gauna qo, ena tudei ena dua na gauna balavu ka rawa mera na rawa tubu vinaka sara talega kina na itaukei ni kabani ena veisiga ni mataka.

Vakavinavinaka

Au taura na gauna vinaka qo me'u vakavinavinakataki ira na noqu ivakalesilesi daukakacaka kei ira na ililui ni veitabana ena nodra yalodina tiko kina kabani ka veitokoni tikoga ena gauna drakidrakita oqo. Sa o ira ga na tamata cakacaka era vu ni rawa ka vinaka ni kabani cokovata. Ena vakuri tikoga na nodra vakarautaki kei na nodra vakatorocaketaki. Na neitou kabani e vauqeta na galala ni veivosaki ka solia kina na dodonu vei ira na tamata cakacaka me ra vatakila na lomadra ena galala, ka bolelei ira talega ena kena vakarautaki na veivakasama vovou ena kena vakatoroicaketaki na bisinisi ni veikabani.

Qai vakauasivi sara na vakavinavinaka ceceka e vagolei vei ira na itaukei ni kabani kei na veitabana duidui eso ena nodra veitokoni kina kabani cokovata ena gauna bolebole eda donuya ka tiko na vakanuinui ni na vakuria tiko na nomuni veitokoni ena yabaki eda sa donumaka. Au via finia ga, ena vakavinavinaka vua na ililui (Chairman) kei na lewe ni Matabose (Board of Directors) e cake ni kabani, ena nodra veitokoni uasivi vei au ena loma ni yabaki.

Au vakavinavinakataki ira talega na dauveitokoni kina kabani ena makete ni veiqaravi e Viti kei na wasa Pasifika, o ira na lewenivanua yalodina, kei ira kece na veitabana era mai cakacakavata kei keimami ena gauna drakidrakita oqo ena sasaga levu me uasivi cake sara na rawa ka ni kabani ka cavu isausau ena veiqaravi ena gauna bolebole eda donumaka.



Abilash Ram
Acting Group CEO





PROPERTIES
LIMITED

100%

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

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

FHL PROPERTIES PTE LIMITED



Litiana Loabuka
CHAIRPERSON



Catherine Gray
GM

“Despite the current economic situation, FHLP was able to maintain an acceptable level of occupancy”

The 2020 financial year was indeed very challenging for the team with the global pandemic leading us into uncharted territory, however by adapting to the new circumstances with innovative business tactics and the continuous support of stakeholders, the Company still managed to record a net profit after tax of \$3,081,689 (2019: \$4,171,527). During the year, the Company increased its share capital to \$22.5m compared to [2019: \$18m] and this was a direct result of the conversion of \$4.5m as dividend to shares.

The performance of the company was adversely affected in the last quarter of the financial year, as the pandemic forced boarders to shut down, causing some of our tenants to go out of business and resulting in vacant spaces. Through careful and deliberate analysis, the management along with the Directors devised new tactics to deal with these unforeseen circumstance and the company has managed to maintain a 95% occupancy of the buildings. The FHLP Portfolio also completed some capital works relating to investment properties in the year, mainly the lift replacement at Ra Marama House and the fascade upgrade of Ratu

Sukuna House. FHLP continues to find the increasing maintenance costs a challenge in this line of business and have implemented strategies to maintain a competitive return to our shareholders.

Despite the current economic situation, FHLP was able to maintain an acceptable level of occupancy throughout all its property portfolio, however, the key challenge remains, the ever increasing costs associated with maintaining the buildings whilst providing the highest standard of services to our valued tenants.

The 2021 financial year is expected to be another challenging one as we continue with the significant FHL Tower project as well as works for our old buildings in terms of exterior refurbishment, air conditioning, internal common area renovations especially for Vanua and Sukuna House. We, however remain positive towards the progress of the FHL Tower and the occupancy of the remaining properties despite the projected economic outlook.

Company Directors: Ms. Litiana Loabuka, Ms. Marica Hallacy, Ms. Shammi Lal, Mr. Gyneshwar Prasad & Mr. Abilash Ram

Na yabaki vakailavo 2020 e sa bau dua na yabaki bolebole kina kabani, vakauasivi ni veivakauti na revurevu ni matedewa kina veivanua vakabisinisi tawakilai. Ni tekivu me matau na veisau vou oqo kei na iwalewale vovou ni vakayaco bisinisi, salavata nodra veitokoni na veitabana eso, e mai rawa tubu ni lavaki oti na vakaicavacava na kabani ena \$3,081,689 (2019: \$4,171,527). Ena loma ni yabaki ea tosoya cake na Kabani na isau ni nona sea kina \$22.5m ni vakatauvatana kei [2019: \$18m], qo ena kena saumi e rauta ni \$4.5m me tubu ni sea.

E mai vakaleqai vakalevu na rawaka ni kabani ena iotioti ni vula ena yabaki vakailavo qo ni tekivu me vakilai na revurevu ni COVID-19, nira mai sogo na vanua ni curuvana ka so na bisinisi era sogo ka mai vakalalaitaki saraga na nodra rede. Ni mai vakadeuci vakamatau na veika e sotavi oqo, e sa mani vakayacora kina eso na vakatulewa bibi o ira na veiliutaki ni kabani kei ira na Dairekita ni kabani ena gauna drakidrakita oqo me rawa kina ni se tawani tikoga e rauta na 95% na neitou veitabavale. E mai vakayacora talega na FHLP eso na cakacaka lelevu ena nona ituvatuva ni yabaki oqo, me vaka na kena sosomitaki na rumutoso (lift) e Ra Marama kei na kena vakavou dagoni tabavale na

Ratu Sukuna. E vakila tikoga na FHLP na bolebole ni kena tubu tikoga na isau ni kena vakavou na veitabavale e taukena, ia sa vakadavara tiko eso na ituvatuva me vakalesuya na tubu veiganiti kina taukei ni kabani Fijian Holdings Limited (FHL)

Ena gauna drakidrakita ni bula vakailavo eda donumaka e vakadeitaki koya tiko na FHLP ni rawa ni tawani vakavinaka tikoga nona veitabavale ka ni sega ni levei rawa na bolebole ni tubu ni sau ni kena vakavinakataki na veitabavale oqo kei na kena sagai me soli na veiqaravi uasivi duadua vei ira era tawana tiko.

E namaki na yabaki vakailavo 2021 me dua tale na yabaki bolebole vakauasivi ni vakuri tiko kina na tara ni FHL Tower e vakakina na kena vakavou na dagoni neitou veitabavale makawa, vakarau ni batabata (air conditioning), kei na vanua lakovi wasoma (internal common areas) e Vanua kei Sukuna House. Keitou nuidei tiko nina toso vinaka na tarai cake ni FHL Tower kei na kena tawani na neitou veitabavale, dina mada ni sa vatavatairalagotaki oti tu na bula vakailavo e rawa ni namaki.

Dairekita ni Kabani: Ms. Litiana Loabuka, Ms. Marica Hallacy, Ms. Shammi Lal, Mr. Gyneshwar Prasad & Mr. Abilash Ram

100%

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



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



Sakiusa Raivoce
CHAIRMAN



Brad Rutherford
CEO

SOUTH SEA CRUISES PTE LTD

“Major highlights in FY20 included the completion of our brand-new sailing catamaran; SABRE which will operate once borders reopen and delivery of the vessel can be completed”

South Sea Cruises Pte Ltd including subsidiaries Blue Lagoon Cruises Pte Ltd, Blue Lagoon Holdings Ltd and the Yasawa Trust Foundation achieved total revenue of \$35.855m (\$51.149m in FY19) to post a NPBT result of \$3.472m (\$8.963m in FY19). The Company operates six brands including South Sea Cruises, Blue Lagoon Cruises, Awesome Adventures Fiji, Malamala Beach Club, South Sea Sailing and Vinaka Fiji. With all products and brands combined, it is Fiji's largest and leading marine transport and tourism operator with a modern fleet of high-speed vessels, island destinations, volunteer programs, and an overnight cruise ship.

Major highlights in FY20 included the completion of our brand-new sailing catamaran; SABRE which will operate once borders reopen and delivery of the vessel can be completed. South Sea Cruises through a new subsidiary; Awesome Tourism Investment Pte Ltd also acquired a 52% shareholding in Botaira Beach Resort. Located on Naviti Island in the Yasawa's, the

resort which is currently not operating will undergo a refurbishment before reopening in 2021 to add more accommodation inventory and help grow the customers numbers to the region.

South Sea Cruises Pte Ltd and subsidiaries traded well through the first eight months of FY20 with a NBPT result 5% ahead of the same period last year. This was despite various market challenges including flat visitor arrival numbers, two cyclones, non-budgeted resort closures and higher than anticipated fuel prices.

Malamala Beach Club's growth in customer numbers were 29% ahead of the same period last year to the end of February and South Sea Island customer numbers on par with prior year over the same period. With the contribution these two islands make, South Sea Cruises now operates the two biggest day trip islands across all of Fiji in terms of customer numbers. Both continued to grow in popularity with Malamala Beach Club increasing its reputation internationally as the “world's first

island beach club” and a must-see destination. Total Day Cruise customers across all products offered were for the first eight months -2% on the prior year, a result largely due to the flatter than expected visitor arrival numbers including the period over Chinese New Year.

In terms of our core Resort Connection vessel services, customer numbers having travelled to the Yasawa's reached a record high up 4.8% on the prior year in the first eight months. Services in the Mamanuca's over the same period were affected by several non-budgeted resort closures resulting in customer numbers being -4% on the prior year.

Blue Lagoon Cruises through to the end of February was tracking only -1% behind last year in terms of revenue held for the full 12 months and on track to exceed the prior year's revenue. M.V. Fiji Princess did undergo a soft refurbishment in February in anticipation for a busy peak season which due to the impacts of COVID-19 did not eventuate.

The impacts of the COVID-19 pandemic were felt from late February before all operations were suspended from the 21st of March 2020. Since this date all operations have been hibernated with a significant reduction in staffing numbers, operating expenses and overheads. May and June saw the business start to achieve some level of new sales through targeted marketing activity however as at the end of FY20 there was still no indication as to when borders may reopen for international visitors to return to Fiji.

The outlook for FY21 at time of writing this report remains unclear with Fiji's international borders still closed and no confirmation yet of South Pacific borders reopening for quarantine free travel between Australia, New Zealand and Fiji. Once travel can resume, South Sea Cruises through its diverse products will be well situated to capitalize on the short haul market and begin its recovery.

Na South Sea Cruises Pte Ltd okati kina na Blue Lagoon Cruises Pte Ltd, Blue Lagoon Holdings Ltd kei na Yasawa Trust Foundation na nona rawakā e tiko sara ena \$35.855m (\$51.149m ena YV19) ka rawati kina na tubu ni bera ni lavaki na ivakacavacava ena \$3.472m (\$8.963m ena YV19). Na Kabani e vakarautaka e ono taucoko na ivoli e wili kina na South Sea Cruises, Blue Lagoon Cruises, Awesome Adventures Fiji, Malamala Beach Club, South Sea Sailing kei na Vinaka Fiji. Nira okati vata kece na veitaba oqori sana rawa nida kunea na kabani levu duadua e Viti ka kenadau ena nodra vakaleleci na saravanua ena waqa totolo eso, ena veiyanyanu ni saravanua eso, ena porokaramu ni veiqaravi bole kei na soko ena bogi.

E eso na cavu isausau ni kabani ena YV20 e wili kina na kena vakacavari na ta ni waqa ni soko na SABRE ka na tekivu soko ena gauna sa na dolavi kina na curuvanua ka me tavoci na waqa ena noda vanua. Na South Sea Cruises esa taukena talega e na 52% na vanua ni saravanua na Botaira Beach Resort ka vakarurugi ena veiqaravi ni Awesome Tourism Investment Pte Ltd. Na vanua ni

saravanua oqo e koto ena yanuyanu Naviti mai na yatu Yasawa, e se sogo tiko ena gauna oqo, ka namaki me vakavoui vakavinaka ni bera ni veiqaravi ena 2021. Qo e sa na vakalevutaka na vanua ni tiko vei ira na saravanua ka vakatubura na iwiliwili ni saravanua ena noda vanua kei na wasa Pasifika.

Na South Sea Cruises Pte Ltd kei na veikabani kece era varurugi kina ea rawata vinaka sara na tubu ni bera ni lavaki na vakaicavacava ena imatai ni vula 8 ena 5% vei vakatauvatani na yabaki sa oti. E rawati kece oqori ena maliwa ni kena mai lutu na iwiliwili ni saravanua ena noda vanua, sotavi e rua na cagilaba, sogo ni veivanua ni saravanua kei na tubu ni sau ni waiwai.

Na Malamala Beach Club's e tubu kina 29% ni vakatauvatani ena yabaki sa oti na iwiliwili ni saravanua e sikova yani me yacova na vula o Veverueri ia na dausaravanua ena South Sea Island e viraurau vinaka keina na kena ena yabaki sa oti. Na South Sea Cruises esa qarava tiko na iwiliwili levu duadua ni pasidia era vakaleleci ena noda vanua. E toso ruarua tiko vakavinaka kei na Malamala Beach Club ena kena sa

kilai levu ka rogo ni isevu ni yanuyanu ni veivakamarautaki me kakua ni calati. Na levu ni saravanua wera vakaleleci e mail utu ena -2% ni vakatauvatani na yabaki sa oti. Ka vakavu vakalevu oqo ena lutu ni wiliwili ni saravanua, salavata na kena marautaki na tawase ni yabaki vei ira na Jaina.

Ena neitou veiqaravi ka veisemati kei na veivakaleleci ena veiyanyanu saravanua tale eso ena yatu Yasawa e tubu ena 4.8% ena imatai ni 8 na vula ni vakatauvatani kei na yabaki sa oti. Ena mamanuca e lutu ena -4% ni vakatauvatani na yabaki sa oti ka vakavu vakalevu ena nodra sogo sega ni namaki eso na vanua ni saravanua.

Na Blue Lagoon Cruises ea lailai tikoga ena -1% me yacova yani na mua ni Veverueri mai na veika ea rawata ena vula 12 ka namaki mena sivia na veika ea rawata mai na yabaki sa oti. Na M.V. Fiji Princess ea vakavoui ena vula o Veverueri ena nanamaki nina levu na saravanua ena gauna namaki e Viti, e kena seva ni a takoso na matedewa na COVID-19.

Na revurevu ni COVID-19 e tekivu

vakilai ena mua ni Veverueri me yacova ni qai vakacegui na veiqaravi kece ni SSC ena 21 ni Maji, 2020. Me yacova na gauna oqo ea mai vakalutuki na iwiliwili ni vakalesilesi, isau ni cakacaka levu kei na veika tale so. Ena vula o Me kei Jiune sa tekivu me vakilai eso na bisinisi vovou ena so na makete e vakatabakidua nodra veiqaravi, ia ni mai cava na YV20 e sega ni se vakadeitaki rawa se gauna cava, sara dolavi kina icurucuru me rawa nida kidavaki ira na vulagi mai vanuatani.

Ena gauna e vakarautaki kina na itukutuku vakayabaki oqo, e sega tu ga ni se matata na veika e baleta na YV21 ena dolavi ni curuvanua me vakuwai kina na qarauni vakatikikiti ni lewenivanua (quarantine) vei ira e Ositerelia, Niusiladi kei Viti. Na gauna sa na dolavi kina na vakatatabu e sa na tu vakarau na South Sea Cruises kei na nona dui tabana kece sara me vakuria na veiqaravi salavata kei na kena vakavoui na veiqaravi ena gauna drakidrakita oqo.

Mo ni kila, ni tukutuku vakailavo e toqai ena ripote oqo e sega ni se dikevi vakafika mai vei ira na kena dau.





**BASIC
INDUSTRIES
LIMITED**

51.1%

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



Sakiusa Raivoce
CHAIRMAN



Mosese Volavola
CEO

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

BASIC INDUSTRIES LIMITED

“The company’s recent expansion into building and construction is currently under review in light of the recent losses recorded on some of the Basic Homes Projects”

Basic Industries Limited (BIL) is the manufacturer and supplier of products under the Standard Concrete, Humes and Basic Homes brands. These products include quarry aggregates, ready-mix concrete, concrete blocks & masonry products, concrete pipes, precast concrete structures and products, and turnkey modular concrete houses. With this substantial range of products BIL is the largest local manufacturer and supplier of quarry aggregates and concrete based products in Fiji. BIL also exports its products to various neighboring Pacific Island countries.

After 8 years of consecutive annual revenue growth from \$31.2million in FY11 to \$103.0million in FY19, revenue in FY20 dropped 25% to \$77.2million. This drop mirrored the local construction industry activity trend that began slowing down in 2019 and made worse by

COVID 19 in 2020. There are serious concerns that this downward trend could continue into 2021 in light of the current uncertainties around COVID 19. The Reserve Bank of Fiji's economic review released in June forecasts the Fiji economy to contract sharply by 21.7% in 2020. Most major construction projects in progress so far in 2020 began prior to COVID 19 and startup of new ones is totally dependent on how the pandemic will pan out over the rest of the year and beyond. As part of Government's economic stimulus initiatives the 2020/21 Government Budget announced in July provided a number of incentives to stimulate the building and construction sector, but this will take some months to take effect.

In terms of profitability, BIL unfortunately recorded a \$4.8million loss after Tax for the financial year FY20. This negative result was due to

a combination of lower profitability in an increasingly competitive and shrinking market, losses incurred on Basic Homes Construction Projects, provisions made for doubtful debts, negative adjustments from prior years taken up this year and Management Fees paid to Basic Holdings Limited. The company's recent expansion into building and construction is currently under review in light of the recent losses recorded on some of the Basic Homes Projects. Successfully expanding into building and construction is still very critical for the long term sustainability of the business. The local construction market landscape has changed markedly in recent years where more companies are becoming more & more vertically integrated across the industry e.g. construction companies now manufacturing or importing their own building materials. Also there has been a huge influx of overseas

companies setting up all types of construction related businesses in Fiji from manufacturing of cement, ready-mix concrete, precast concrete, concrete blocks, quarry aggregates, asphalt and other building materials to building and construction of houses, multistory buildings, commercial buildings, roads, bridges, sub-divisions and civil projects. In order for BIL to continue to survive and grow in the local building and construction market today, it has no choice but to also participate in building and construction activities. While the remainder of 2020 will be spent implementing various cost cutting measures to counter the effects of COVID 19, a lot of time will be spent on reviewing our current business strategies on business expansions into building and construction as well as gearing up for the anticipated economic recovery post COVID 19.

Na Basic Industries Limited (BIL) e bulia ka veivotayaka na ivoli mai na Standard Concrete, Humes kei na Basic Homes. Na ivoli oqo e okati kina na qereqere, buloko simede kei na buloko e kilai me 'masonry', kalivati buli ena simede, kei na ivoli eso ka buli ena simede, wili kina na gacagaca ni vale vakarautaki oti. Ena rabailevu ni voli e vakarautaki ena BIL, e sa okati gona kina me kabani levu duadua e Viti ena buli simede kei na veivotayaki ni voli buli ena qereqere kei na simede. Na BIL e dau volitaka talega na nona ivoli ena veiyanyanu voleka ena Pasifika.

Sa oti e 8 na yabaki na kena tubu tikoga na nona rawaka na kabani, mai na \$31.2milioni ena (Yabaki vakailavo) YV11 kina \$103.0milioni ena YV19, na rawaka ni YV20 e lutu ena 25% kina \$77.2milioni. Na lutu ni rawaka oqo e sa tukuna tu na kena mai malumu vakalailai na makete ni bisinisi oqo ena 2019 qai mai valeqa vakalevu sara na COVID-19 ena

2020. E sa tiko na kauwai nina rawa me vaka tiko kina na makete ni bisinisi oqo me yacova yani na 2021 ena veika tawamacala e kauta vata mai kei koya na COVID-19. Na nodratou itukutuku na Baqe ni Lavo Maroroi (RBF) ena vula o Jiune e vakatakilai kina ni bula vakailavo e Viti e namaki me na lutu nona rawaka kina 21.7% ena loma ni 2020. E vuqa sara na cakacaka lelevu ni kabani e qaravi fiko ena 2020 ea se tekivu mai ni bera na COVID-19, na cakacaka vovou ena qai vakatau sara tuga ena macala ni matedewa ena yabaki qo ka lako yani. E fiki ni veivuke ni matanitu ena nona tukutuku vakailavo ni 2020/21 ka kacivaki ena Jiulai e baleta fiko na veivuke vagolei kina bisinisi ni taratara kei na bulibuli, ia ena taura na gauna me na qai vakilai kina na veivuke oqo.

Me baleta na tubu vakayabaki, e ka ni rarawa ni a mai lusi na kabani ena YV20 ena \$4.8 milioni ni lavaki oti na ivakacavacava. Na veika e rawati

oqo e umani koto ena tubu lailai e rawa ena dua na makete qiqo ka vuqa kina na veiqaqi vakabisinisi. Na lusi e vakilai ena kabani e basika mai na veiqaqi ni Basic Homes Construction, na ilavo e navuci tu ena dinau sega ni saumi, na okati ni lavo vakayagataki mai na yabaki sa oti kina yabaki oqo kei na isau e lavaka na Basic Holdings Limited. Na kena vakarabailevutaki nona veiqaqi kina bisinisi ni taravale e se vakadeuci tale tiko vakavinaka ena gauna oqo ni mai oti na lusi e okata na veiqaqi ni Basic Homes. Na kena segati me rawati vakavinaka na vakarabailevutaki ni tabana oqo e se dua fikoga na gagadre levu kina kabani ena ituvatuva balavu vakadeitaki. Na makete ni bisinisi oqo ena noda vanua esa veisau sara vakalevu baleta ni vuqa na kabani era qarava na bisinisi vata ga oqo era sa tekivu bulia ga nodra gacagaca ni taratara se volia mai vanuatani. Qai kena ikuri ni sa bau

dua toka na iwiliwili ni kabani mai vanuatani era sa vakayaco bisinisi sara tale tu ga ena noda vanua ena tabana ni buli simede pauta, buloko simede, qereqere, kuluta kei na vuqa tale na gacagaca ni taravale, tabavale, gaunisala kei na vakadavo kawakawa, e vaka kina na vanua ni veivakavaletaki kei na fikotiko ni veivakatoroicaketaki eso. Kevaka ena gadreva na BIL me okati ena bisinisi oqo ka tubu talega e sa na dodonu ga me vakaitavi ena cakacaka ni taratara. Na vo ni yabaki 2020 e sana vakaraici matua na veivanua eso e rawa ni vakalailaitaki kina na vakayagataki lavo me voraka na revurevu ni COVID-19, ia ena dua ga na iwase ni gauna levu e sana vakayagataki ena kena raiclesu na ituvatuva ena makete ni taratara kei na bulibuli me rawa ni qaravi vakavinaka ka vakauasivi na neimami tu vakarau tu ena gauna sana oti kina na revurevu ni COVID-19.



FijiTV

59.4%

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



DEEPAK RATHOD
ACTING CHAIRMAN



Karen Lobendahn
CEO

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

FIJI TELEVISION LIMITED

“Our content has also been aligned to attract specific genre content that new advertisers have taken to”

Fiji Television Limited is Fiji's first television company to provide "free to air" television service to its viewers and advertisers since being established on the 15th of June, 1994. Our people are our strength and 50% of our staff have been part of the organisation for more than 5 years. We continue to strive for growth and returns to our shareholders and continue to serve our community by giving back to them through community service. Fiji Television Limited is known for its leading role in the acquisition of compelling content that is not only entertaining for our viewers but also providing a diverse portfolio of content of Local and International Entertainment, Sports, news and much more. We have grown our viewership by providing access on a variety of platforms and devices which has increased our reach to all viewers.

This year was again very successful as we brought the biggest of content to Fiji and the region namely: The Pacific Games in which Fiji TV played a huge role collaborating with Sky New Zealand providing coverage from the official opening ceremony to major sporting events such as the swimming, athletics and the closing ceremony. The 2019 Rugby World Cup was the ninth edition of the Rugby World Cup, the quadrennial World Championship for men's rugby

union teams. Fiji TV broadcasted all 48 matches throughout the country and the region on its free to air Channel Fiji One. For the first time in Fiji Serie A football which is a professional football league in Italy was viewed by viewers in Fiji. Some other international events that formed part of our schedule were: HSBC 7s, Big Bash Cricket (Australia), Premiership Rugby from England and PNC.

Our local content has also grown over the financial year with most of the country's best local shows launching on our platform with Na Veisau Ni Draki showcasing the impacts of climate change and how it has affected our environment and the communities that we live in. Dollars and Sense which educates viewers on how to spend wisely. Other local shows include: Green Pillars, Sporting Legend, Hot Spots, Eats and Treats, Youth Focus, and the return of Eats and Treats and many more. One of our major success was the coverage of the Coca Cola Games, Chow Games, Justice for All which is collaboration with the European Union and supported by United Nations Development Program (Access to Justice), Talanoa Bure in collaboration with Transcend Oceania, and other NGO's and small to medium enterprises.

Fiji TV also signed up with a number

of local partners for the following LIVE local events: Nawaka 7s, Coral Coast 7s, Oceania 7s, Sukuna Bowl, FPRA Awards, FDB Awards, SPX Awards, and Fiji Business Excellence Awards and Planet Shakers which is a religious concert which featured for the first time on our free to air channel and Fiji TV Live streaming Channel.

Fiji Television has declared one dividend payment during this financial year which was declared on the 31st of December 2019 of a total of \$515,000.00 and paid out on the 21st of January, 2020. Mr. Deepak Rathod is the current Acting Chairman of the FTV Board and the board also saw the resignation of Mr. Nouzab Fareed from his position on the 7th of January, 2020 and was replaced by Mr. Abilash Ram on the 11th of March 2020. The current board of directors include: Mr. Deepak Rathod (Acting Chairman), Mr. Abilash Ram, Mr. Ajai Punja and Ms. Gurmindar Kaur.

COVID-19 had a huge impact on our business and this saw a reduction in Advertising revenue on the organisation. Major International Content cancellations such as the HSBC Sevens Rugby, Olympics and other major trigger events have had a drastic effect on our broadcast and advertising schedules as well. This has forced FTV to adapt to the new normal as we realise that

people are now more engaged with the media to continue updating and informing them with the relevant information relevant to our viewers and stakeholders.

Our local program units has been tasked with coming up with shows centered on family and magazine style programs to follow families to be able to watch together and bond even further. Our team has opted to produce shows to engage audiences with DIY (Do It Yourself) show initiatives, local and healthy Cooking shows. We have also produced shows on Agriculture or backyard farming. Our content has also been aligned to attract specific genre content that new advertisers have taken to.

Reinventing every facet of the business is a daily challenge that the team have all come to realise and adjust to. Fiji TV continues to serve its viewers and advertisers daily with the best in TV content on all our broadcast platforms: Fiji One, Channel 2 and Fiji TV Stream. We also offer a diverse base of other products and services which we are very proud of such as In-house Production, Pactok and Pacific Services.

E tauyavu ena ka 15ni Jiune ena1994, na Fiji Television Limited ka isevu ni kabani ni retio yaloyalo "sega ni saumi" (free to air) ena noda Viti.

E ivurevure ni cavuisausau ni kabani o ira na kena ivakalesilesi ka rauta ni 50% era tiki voli ni kabani sivia e 5 na yabaki. E sakitaka na kabani na matua kei na tubu e okati me ivakayaga vei ira na itaukei ni kabani qai kena ikuri ni dau sasagataka me vakalesui na veiqaravi vei ira na lewenivanua ena tuvatuva ni veiqaravi raraba. E kilai tani na Fiji Television Limited ena nona taukena eso na porokaramu ni yaloyalo e sega walega ni veivakamarautaki vei ira ena noda vanua kei na veiyasai vuravura, e sa baleta talega na qito, na irogo kei na vuqa tale. Keitou sa vakarabailevutaka talega na neitou dausarasara ena kena vakarautaki na vatavata kei na gacagaca ni sara yaloyalo eso.

Na yabaki oqo e dua tale na yabaki vakairogorogo ena neitou vakadewataka rawa mai noda vanua na porokaramu eso me vaka na: The Pacific Games ka veisemati kina na Fiji TV kei na Sky New Zealand ena soqo ni dolavi ni qito me lai yacova sara eso na qito kilai levu me vaka na veitauqalo, veitauqalo kei na soqo ni sogosogo. Na qito rakavi ni vuravura lewe 15 esa vakayacori ena 2019 ka kena i ka 9 me vakayacori ena nodra sotasota ni rakavi na turaga ena veiyabaki va (4). Esa

kaburaka na Fiji TV e 48 taucoko na sotasota ena siteseni sega ni saumi na Fiji One. E kena isevu ni gauna e Viti me vakaraitaki kina na sotasota ni soka (soccer) na Serie A dau qitori mai Itali (Italy) ena noda vanua. E so tale na sotasota se porokaramu ka okati ena ituvatuva ni yabaki oqo e okati kina na: HSBC 7s, Big Bash Cricket (Ositerelia), Premiership Rugby mai Igiladi kei na PNC.

E mai tubu talega na iwiliwili ni porokaramu e vakarautaki ena noda vanua ena yabaki vakailavo oqo me vaka na Na Veisau Ni Draki ka vakabibitaka na vakacaca ni draki veisau kei na kena revurevu kina veika bula kei ira na lewenivanua era bula voli kina. Na Dollars and Sense e veivakararamataki ena vakayagataki vakayalomatua ni noda iyau. Kei na vuqa tale me vaka ga: Green Pillars, Sporting Legend, Hot Spots, Eats and Treats, Youth Focus. Edua na cavuisausau ni kabani na kena kaburaki rawa na sotasota ni Coca Cola Games, Chow Games kei na Justice for All ka rau cakacakavata kina kei na European Union ka veitokoni kina na United Nations Development Program (Access to Justice), Talanoa Bure cakacaka vata kina na Transcend Oceania, kei na veisoqosoqo okati me NGO kei na veitabana vakabisinisi lalai eso.

Na Fiji TV e mai sainitaka talega eso na sotasota kara kaburaki ena gauna

saraga e vakayacori kina (Live) me vaka na: Nawaka 7s, Coral Coast 7s, Oceania 7s, Sukuna Bowl, FPRA Awards, FDB Awards, SPX Awards, Fiji Business Excellence Awards keina Planet Shakers na porokaramu ni lagalagasere ni lotu, sevutaki ena siteseni sega ni saumi vei na veilawa na Fiji TV Live streaming Channel.

E mai wasea talega na Fiji Television edua na iwasewase ni nona tubu ena yabaki vakailavo oqo ena i ka 31 ni Tiseba 2019 e rauta ni \$515,000.00 ka saumi ena i ka 21 ni Janueri , 2020. Ena gauna oqo e se Chairman vakatawa tiko o Mr. Deepak Rathod ka mai vakacegui talega ena nona itutu vaka Dairekita ni kabani o Mr. Nouzab Fareed ena 7 ni January, 2020 ka veisosomitaki o Mr. Abilash Ram ena i ka 11 ni March, 2020. Sa iratou qo na Dairekita ni kabani: Mr. Deepak Rathod (Chairman Vakatawa), Mr. Abilash Ram, Mr. Ajai Punja kei Ms. Gurmindar Kaur.

Na revurevu ni COVID 19 e vakilai vakalevu sara ena kena mai lutu na rawaka ni bisinisi. Era mai bokoci talega e vuqa sara na sotasota lelevu kara namaki mera vakaraitaki me vaka na HSBC Sevens Rugby, Olympics kei na vuqa tale ka lai vakilai vakalevu ena rawaka. Qo esa vakavurea na nona vakanamata na FTV kina veisau vou sa yaco ka liaca na nodra gagadre na dau sarasara mera taura na itukutuku ena kena gauna totolo duadua ena veika e

yaco wavaliti ira.

Na neitou tabana ni caka porokaramu (local program) era vauqeti mera vakarautaka na veiporokaramu vovou eso, e kena usutu na yavu ni bula vakavuvale me vaqacacotaka na noda veisemati vinaka. Era digitaka na vakalesilesi mera vakarautaka na porokaramu ka vauqeta na nodra rawa ni nuitaki ira ga na dausarasara (DIY - Do It Yourself) ena veika era qarava, e vakarautaki ga ena noda vanua kei porokaramu ni saqa kakana bulabula. E vakarautaki talega eso na porokaramu ni teitei kei na susu manumanu se na teitei e yasanivale. E vuqa talega na porokaramu e vakatabakidua kina dua na iwasewase ni dausarasara qo era maleleta talega vakalevu na veikabani eso me kacivaki kina nodra ivoli.

Na kena vakavoui tiko na tuvatuva vakabisinisi e dua na tikina bibi era sa kila rawa tiko na vakalesilesi. Na Fiji TV e vakuria tikoga na nodra qaravi vakavinaka na dausarasara kei ira na dauveitokoni ena vakarautaki vakamatau ni veiporokaramu eso ka saravi ena: Fiji One, Channel 2 kei na Fiji TV Stream. Keitou vakarautaka talega na ivoli eso me vakarabailevutaki tu kina na neitou veiqaravi me vaka ga; na In-house Production, Pactok kei na Pacific Services.





54.3%

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



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



Yogesh J. Karan
CHAIRMAN



DEEPAK RATHOD
CEO

RB PATEL GROUP LTD

“Our primary focus has not altered from the outset of these challenging times – the health and wellbeing of our team and customers. The protection of existing jobs and incomes have been uppermost priorities for the Board and leadership team”

RBG's revenues including other income increased by 3% to \$140 from \$135 million last year.

Profit from operations increased by almost 8% to \$11.9 from \$11 million last year.

Net cash generated by operations increased by almost 70% to \$14 from \$8 million last year.

RBG undertook a share split in November 2019. Each ordinary share was split into 5 new shares increasing the total ordinary shares from 30,000,000 to 150,000,000. The adjusted share price, when share trading resumed on 13 November 2019 after the split, was \$1.90. The share price stood at \$3.48 as at 30 June 2020. This is an increase of 83% within seven months!

RB Patel Group Ltd (RBG) is primarily a supermarket operator. The company has 10 supermarkets in various cities and town in Fiji. In addition to supermarket operations RBG also has

a substantial property portfolio that it manages.

The COVID-19 pandemic has brought many challenges to business in general and the retail industry in particular. Our primary focus has not altered from the outset of these challenging times – the health and wellbeing of our team and customers. The protection of existing jobs and incomes have been uppermost priorities for the Board and leadership team.

We are extremely proud of how everyone continues to adapt to the ongoing testing demands currently facing our business.

We are hopeful that once the full impact of the incentive package announced in the 2020-21 National Budget takes effect the economy will show signs of improvement.

Na rawaka ni RBG okati kina na ivurevure ni yau tale eso e tubu ena 3% kina \$140 milioni mai na \$135 milioni ena yabaki sa oti. Na tubu ni kabani e yacova na 8% kina \$11.9 milioni mai na \$11 milioni ena yabaki sa oti. E tubu tale na ilavo bula ni kabani ena 70% ni oti na sausaumi me yacova na \$14 milioni mai na \$8 milioni ena yabaki sa oti. Ena vula o Noveba, 2019 e a vidai kina na sea ni RBG. Na sea taukeni raraba era a vidai kina lima (5) tale na sea vovou ka tosoya cake kina na iwiliwili ni sea taukeni raraba mai 30,000,000 kina 150,000,000. Qo e vakavuna na kena tosoi talega na isau ni sea, ni qai dolavi na veivoli ena kena makete ena ka 13 Noveba 2019 sa davo na isau ni sea ena \$1.90. Na isau ni sea e toka ena \$3.48 ena i ka 30 Jiune 2020. Na isau oqo e tubu ena 83% ena loma ni vula vitu (7). Na RB Patel Group Ltd (RBG) e ulumatua ni nona bisinisi na qaravi ni supermarket (sitou ni volivoli). E 10 taucoko na levu ni nona supermarket ena vei tauni e

Viti. Qai kena ikuri e taukena tale tu ga eso na tabavale kei na iyau ni qaravi ena gauna qo.

Na mate na COVID-19 e sa kauta sara mai levu na bolebole vakauasivi ena makete ni veivoli. Ia, e sega ga ni se veisau na usutu ni neitou veiqaravi ena gauna drakidrakita oqo, oya na kena qaravuni na veika e baleti ira na dauvolivoli kei ira na neitou vakaillesilesi. Na kena maroroi ka taqomaki na nodra cakacaka na vakaillesilesi edua na tikina bibi e wanonova matua na matabose e cake ni kabani kei ira na kena veiliutaki. Keitou marautaka vakalevu na nodra tekivu me vakamatautaki ira na vakaillesilesi ena gauna veiveisau e vakatovolei kina na noda bisinisi. Keitou vakanuinui tiko ena gauna mena vakilai vakataucoko kina na revurevu ni 'vakayaga' e kacivaki ena tukutuku vakailavo ni Matanitu ni 2020-21 sana tekivu me veisau ka uasivi cake sara na bula vakailavo ni noda vanua.

100%

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



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



Kalpana Lal
CHAIRPERSON



Amrisha Lal
ACTING GM

FHL FUND MANAGEMENT LIMITED

“Against a challenging and competitive operating environment, FHL FML continues to explore new investment opportunities for the Fund and ensures that our investors get what they really deserve”

FHL Fund Management Limited, the Fund Manager for Fijian Holdings Unit Trust, recorded a NPAT of \$875k, as compared to \$967k for the same period last year, decrease of 9.5%. The recent novel coronavirus (COVID-19) global outbreak during the year and significant economic uncertainties resulting there from, the company has plans and strategies to generate adequate profits and cash flows from its operations and together with the financial and other support The total investment portfolio for the Fund has grown to \$126m since inception in 2001. Against a challenging and competitive operating environment, FHL FML continues to explore new investment opportunities for the Fund and ensures that our investors get what they really deserve. We are dedicated to warranting that the FHUT product is accessible through continuous and aggressive marketing in various divisions throughout Fiji.

Na FHL Fund Management Limited, na kabani ka manidiataka na Fijian Holdings Unit Trust, e mai rawata e \$875k na tubu ni lavaki oti na ivakacavacava, ni vakatauvatani kei na \$967k ena gauna vata oqo ena yabaki sa oti, qo e lutu ena 9.5%. Na baca levu na Coronavirus (COVID-19) ka tarai vuravura ena loma ni yabaki ka vakavurea na drakidrakita ni bula vakaiyau e vuravura esa nakita kina na kabani me vakayacora eso na ituvatuva mena rawa tubu vinaka kina kei na rawa ka me tosoya tiko na veiqaravi. Na levu kece ni iyau ena katoniyau ni vakatubuilavo esa yacova na \$126m mai na gauna ea tauyavu kina ena 2001. Ena gauna bolebole oqo, e nuidei tiko na FHL FML, nina vakuria tikoga na kena vasaqarai na ivurevure eso mena vakavurea na tubu e veiganiti kei ira na dauvakatubuilavo. Keitou na vakuria tikoga na kena kau na ivoli ni FHUT ka maketetaki yani ena veiyasai Viti.

FHL STOCKBROKERS LIMITED

“The positive performance is highly contributed through brokerage income earned through trading on the stock market”

FHL Stockbrokers Limited recorded the highest NPAT of \$144k compared to the last 6 financial years and declaring dividend of \$100k for the first time. The positive performance is highly contributed through brokerage income earned through trading on the stock market, special crossing, and increased investor confidence during the year. In addition, trading of reinvestment for FHL Shares, broking RBG shares and trading active stocks such as FTV, FHL, ATH, & TTS contributed positively towards the FHLS revenue of \$302k. Active market activities, dense competition had an impact on the performance, but a positive strategy was maintained at all times. The 2021 financial year is expected to be another promising year for the company, and FHLS will thrive to excellence with new opportunities to prepare the company for another positive financial year.

Na FHL Stockbrokers Limited e mai cavuisausau ena isevu ni gauna me rawata na tubu levu duadua ni lavaki oti na ivakacavacava ena \$144k ni vakatauvatani kei na 6 na yabaki vakailavo sa lako sivi. Ea saumi tubu talega ena isevu ni gauna ka rauta ni \$100k kina FHL. Na rawa ka oqo e vakavu mai na isau lavaki ni veivoli ena makete ni sea kei na nodra sa guta na dauvakatubuilavo na voli sea ena kena makete. E kena ikuri na kena vakalesui kina makete ni sea na tubu e rawati mai na sea ni FHL kei RBG ka okati talega kina na sea voli vakalevu me vaka na FTV, FHL, ATH, & TTS kara cau taucoke kina rawaka ni FHLS ka tiko ena \$302k. E dina nia vakayacori vakalevu na veivoli ena makete ni sea, e sa veitadonui vata ga na levu ni veiqati vakabisinisi, ia e sega ni gole tani mai na kabani ena nona ituvatuva levu. E namaki na yabaki vakailavo 2021 me dua tale na yabaki vinaka ni veiqaravi kina kabani, salavata na kena vakayagataki vakavinaka na veivurevure eso me rawa ni cavu isausau tale na kabani ena yabaki vakailavo sa tu e matada.



Abilash Ram
ACTING CHAIRMAN



Rowena Fong
CEO

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

MERCHANT FINANCE PTE LIMITED

“Our new logo focus is to grow our people, unite with our community, and deliver innovative solutions and progress in culture hence the concept theme of “Thinking outside the Box” was used”

The year started on a positive note with new milestones set to be achieved in the financial year including a major rebranding of our company. In August 2019, the Attorney General revealed the new MFL logo. This is the first logo change in MFL history since Fijian Holdings Limited (FHL) acquisition.

Our new logo focus is to grow our people, unite with our community, and deliver innovative solutions and progress in culture hence the concept theme of “Thinking outside the Box” was used. A letter mark logo was perfect for this using the abbreviation of Merchant Finance (MF) in a Box Cube lock up while also incorporating the relationship and tie to our parent company. FHL can be seen especially in the one color version but not as prominently as to define the logo completely. This represents the relationship, respect and tradition between FHL and MFL.



Each color also ties in its own unique core values.

- Dark Blue is Stability & Loyalty
- Red is Confident & Determined

- Teal is Unique & Trustworthy
- Green is wealth & Growth

From the second quarter of the year, the liquidity in the market tightened forcing interest rates to increase which was further dampened by the economic slowdown. This was then further impacted by the COVID 19 pandemic and the tropical cyclone in the final quarter of the financial year. These unprecedented events resulted in border closures affecting the tourism sector, business closures in areas being locked down, a national wide curfew being implemented and schools closed for over three months. Fiji's GDP recorded a significant downfall of -21.7%. MFL was not spared from the impacts of these significant events.

Whilst challenging, MFL recorded a slightly higher interest income from lending however this was impacted by the increased interest expense compared to FY19. This in turn resulted in a 73% decrease in profit before tax to \$2.61m compared to \$9.78m in FY19. The major impact has been from impairment which the Board took a conservative approach under the IFRS 9 with the fall in GDP of 21.7% and additional overlay due to the uncertainties surrounding the pandemic.

The net loan portfolio closed at

\$161m which is a slight decrease from FY19 with our deposit portfolio closing at \$167m.

During this difficult time, MFL has been working closely with the Reserve Bank and its customers to provide financial hardship assistance to affected clients. To date, MFL has assisted over 1,500 customers. We continue to work with our customers to ensure amicable solutions can be achieved during this time.

During the end of the FY20 year, MFL began the relocation of our Nabua Branch to Centerpoint which is expected to open in the new financial year. Our transition to the new premises has been complemented by the improvement of customer access to the greater Nasinu area.

This financial year, MFL collaborated closely with car dealers and Government officials to host road shows and financial literacy programs to create awareness on our products and the services. This was conducted throughout Viti Levu, Vanua Levu and the outer Islands.

As part of our Corporate Social Responsibility (CSR) this year, our focus was on the people in our community. Our Central team spent a day visiting Samabula Old People's Home and donating curtains and essential

items, our team also painted railings and outdoor walkway throughout the entire home. Our North team visited the Veilomani Orphanage in Savusavu and helped through a generous donation of school supplies for all the children at the Orphanage. Finally our West team painted and cleaned the entire Sunshine Special School in Lautoka.

This year has not been without its challenges. The resilience and strength of our people was put to the test during the sudden and unprecedented impact caused by the Covid-19 pandemic but MFL has remained determined to overcome these challenges and deliver the best service.

The outlook continues to look challenging with the uncertainties surrounding this pandemic however Management and the Board have taken the necessary steps and strategies to ensure we continue to exceed our customer expectations and ensuring the preservation of our depositor's funds. These including innovative solutions to our loan customers and competitive interest rates to continue to align to our strategic goals.

E tekivu vinaka na yabaki ni navuci vata na kena sauci eso na isausau vou wili kina na ivakatākilakila vou ni kabani. Ena Okosita ni 2019, ea mai vakatakila kina na Vunilawa ni matanitu na ivakatākilakila vou ni MFL. Qo na isevu ni veisau me vakayacori kina ivakatākilakila ni kabani mai na gauna e volia kina na Fijian Holdings Limited (FHL).

E usutu ni ivakatākilakila vou oqo na nodra tubu vakacacakaca na ivakalesilesi, cakacakavata kei ira na lewenivanua, vakarautaki ni wali ni leqa e vakasakiti ka salavata kei na itovo ni sasaga, oqori na vuna ea nanumi kina me kena uto ni vakasama na "Thinking outside the Box". Ea vakayagtaki na matanivola me matataka na ivakatākilakila vou oqo, e sa bau veiganiti dina. Na ivakaleleka ni Merchant Finance oya na MF e buli vaka kiupiti, rau qai qaravata eloma e qai okati talega na veiwekani e vauci koya kei na kabani levu na FHL. Na FHL e curuma na maliwa ni MF ena dua ga na iroka ni coka baleta me kua ni ubaleta

na ivakatākilakila vou ni MFL. Qori e sa vakatakila tu na veiwekani e vauci ena veidokai kei na vakarokoro ena kedrau maliwa na FHL kei MFL.



Na duidui roka era okati kina e tu talega na kedra ibalebale bibi.

- Karakarawa buto e tūtaka na tudei kei na dina
- Damudamu e baleta na yalodei kei na yaloqaga
- Karakarawa drokadroka seawa e baleta na veika matalia kei na veivakabauti
- Drokadroka e sa baleta na rawakā kei na tubu

Ena ikarua ni wasewase ni vula va e tekivu me vakilai kina na drakidrakitaki ni veisoliyaki ni lavo qaqa, qo e vakavuna me tosocake na tubu e lavaki qai mai lutu ni

tekivu me toso vakamalua na bula vakailavo. Qai mai toso sobu sara vakalevu ena revurevu ni COVID 19 kei na cagilaba ena iotiofi ni vula va ena yabaki vakailavo oqo. E vakairogogoro na veika e yaco oqo baleta ni mai vakavuna na sogoti ni noda icurucuru ka vāleqa na bisinisi ni saravanua, sogoti ni vanua ni bisinisi ena veivanua e sogosogo kina na matanitu, na yalani ni gauna ni veitosoyaki e Viti taucoko kei na sogoti ni veikoronivuli e yaco kece oqo ena lomani ni tolu na vula vakacaca. Na veika e rawati e Fiji ena GDP e lutu sara vakasivia ena -21.7%. E sega ni galala mai na MFL ena revurevu ni veika era yaco oqo.

Sa dua na bolebole levu, ia na MFL ea mai tubu vakalailai na veika e rawata ena soli dinau, ia e vakilai talega na revurevu ni kena mai tubu na vakayagataki lavo ni kabani ni vakatauvatani na YV19. Qo lai vakavuna na lutu ni tubu ni kabani ni bera ni lavaki na ivakacavacava ena 73% kina \$2.61m ni vakatauvatani na \$9.78m ena YV19. Edua na revurevu

levu e vakilai na isau ni yau e taukena na kabani (impairment), ena nona vakatulewataka na matabose e cake ni kabani na vakayagataki na matanifika e veiganiti kei IFRS 9 ka vakatakila na lutu ni rawaka e Viti ena 21.7% ka kurivi ena veiyavu sega ni vakadeitaki ka okati tu ena revurevu ni matetaka.

Na levu ni dinau se loni e tiko ena \$161m ka lutu vakalailai mai na YV19 kei na katoniyau ni vakatubuilavo e yacova sara na \$167m.

Ena gauna drakidrakitaka oqo e cakacaka vakavoleka sara na MFL, na Reserve Bank kei ira na lewenivanua ena kena vakarautaki eso na veivuke ena gauna dredre e donumaki. Me yacova na gauna qo e sa vukea oti na MFL e sivia na 1,500 na lewenivanua. Keitou vakuria tiko na neitou cakacakavata kei ira, me rawati kina edua na iwali vinaka vakabisini ena gauna bolebole eda sotava vata tiko oqo.





71.6

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



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



Yogesh J. Karan
CHAIRMAN



DANIEL VIKASH
GM

LIFE CINEMA PTE LIMITED

"The Operating results had improved by 13% over the previous year. EBITA improved by a resounding 37%. All indications were present that the cinemas were turning the corner to generate adequate cash flow to meet obligations"

Life Cinema Pte Ltd operations up to February 2020 were going very well. The COVID-19 pandemic and the subsequent closure of cinemas caused a major disruption in operations as well as reversal of all the gains made during the year.

Up till February, Life Cinemas was ahead in all aspects of the business. Box office Revenue was up by 1.1% percentage over the same period last year. Concession Sales Revenue was 3% ahead of the same period with increased Gross profit by 8.2% and expenses below last year by 0.1%. Other Income also increase by 5%

The Operating results had improved by 13% over the previous year. EBITA improved by a resounding 37%. All indications were present that the cinemas were turning the corner to generate adequate cash flow to meet obligations.

The closure from mid-March to early July 2020 undid all the positive financial and marketing efforts, staff training and better business practices. The operations recommenced on 4th July and could only be sustained for 3 days a week. This is likely to be extended once the availability of movies from distributors normalizes. Currently the number of new movies is limited.

Government's 2020-2021 Budget has now removed the Service Turnover Tax and both reduced the Environmental Levy from the industry and increased the threshold to \$3 million. This has meant that the industry is now able to look at a better pricing model for its cinemas.

We remain optimistic and are looking forward to the time when normal operations are back.

Na veiqaravi ni Life Cinema Pte Ltd ea toso vakavinaka tiko me yaco na Veverueri 2020. Na baca na COVID-19 salavata kei na kena sogo na veivanua ni yaloyalo e mai vakayalia tale vakadua na tubu sabau rawati tu mai ena loma ni yabaki.

Me yacova na Veverueri na Life Cinemas e yacova vakavinaka kece tiko na nona rawaka vakabisini. Na rawa ka ena voli ni tikite ena tubu ena 1.1% ena gauna vata ga mai na yabaki sa oti. Na rawaka ena ivoli e tokona na saravi ni yaloyalo e tubu ena 3% ka uasivi cake sara mai na gauna vata ogo ena yabaki sa oti. E tubu kina 8.2% na tubu ni bera ni lavaki na ivakacavacava salavata na kena luto na vakayagataki lavo kina 0.1% ni vakatauvatani kei na yabaki sa oti. Na veivurevure tale eso e tubu talega ena 5%.

E daumaka sara na rawaka ni a tubu ena 13% ni vakatauvatani ena veiyabaki sa oti yani. Na tubu ni bera ni lavaki na ivakacavacava kei na isau lavaki tale eso (EBITA) e yacova sara na 37%. E sa tekivu laurai na ivakaraitaki vinaka ni dua na veisau

vinaka sa yacova na makete ni sara yaloyalo ka mena daumaka kina na veika vakaiyau ni kabani ka sotavi na kena gagadre kecega. Na kena mai sogo na vanua ni veivakamarautaki wili kina na valeniyaloyalo mai na veimama ni vula o Maji kina Jiulai ni 2020, e mai vakaleqa na veika taucoko sabau rawata vakavinaka tu na kabani. E mai dolavi tale na veiqaravi ena i ka 4 ni Jiulai ena tolu (3) na siga dua na macawa. E namaka mena vakalevutaki na siga ni veiqaravi ena gauna sana taladrodro tale kina na veivotayaki ni yaloyalo mai vanuatani. Ena gauna qo e se yalani tiko na iwiliwili ni yaloyalo vovou.

Na tukutuku vakailavo ni matanitu ena 2020-2021 e sa vakuwai kina na Service Turnover Tax ka vakalailaitaki na Environmental Levy ena tabana ni bisinisi ogo ka tosoicake na kena iyalayala me qai lavaki kina \$3 milioni. Sa kena ibalebale ni sana rawa kina makete ogo me vakarautaka vakamatau me veiganiti na sau ni yaloyalo. Keitou nuidei tiko ka nanamaki vakalevu ena gauna me tadravi keda kina na gauna vinaka ni veiqaravi.



SERENDIB
INVESTMENT PTE LTD

75%

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

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

SERENDIB INVESTMENT PTE LIMITED



Sakiusa Raivoce
CHAIRMAN



Pradeep Mendis
COO

“Investment in new State-of-Art digital printing machines as well as cutting-edge Heidelberg offset printing machine were made during the financial year”

Since take over in January 2019, SIL has invested around \$3m in Capital projects taken with over \$3 million planned in the next financial year. These include full facelift of factory site and new infrastructure such as Electrical, Air conditioning, Fire services. Investment in new State-of-Art digital printing machines as well as cutting-edge Heidelberg offset printing machine were made during the financial year. A full-fledged ERP system is also planned to be rolled out later this year. The upgrades will enable SIL to deliver premium services at affordable rates along with creating new jobs. SIL apprenticeship programme with FNU has 8 young and vibrant scholars undergoing training at our site. For financial year 2020 SIL made a loss of \$2.45m before tax and \$2m after accounting for tax benefit. This result

is largely due to effects of COVID-19.

The new financial year looks promising as SIL has plans to secure large orders particularly, school books and continue with existing jobs such as exam papers printing and government printing jobs like of diaries and etc. Expansion of bookshop is planned in partnership with major university with shops to be opened in all major towns and cities by end of 2021. SIL own stationery product lines are also expected to be launched into the market by end of this year. The locally produced exercise books and diary is expected to bring new revenue for the company. With continued support from FHL group companies, management is expecting to turn the business into profitable status by end of 2021.

E tekivutaki na veiqravi ni Serendib Investment Pte Ltd (SIL) ena i ka 18 ni Janueri 2019, ni volia na tabana ni tabaivola ni Matanitu (Government Printer) ena \$6 milioni. Na FHL e taukena e75% na sea, kei na vo ni 25% e taukena na "Aitken Spence Limited" edua na kabani e kenadau e na tabaivola ka rawati kaya vaka vinaka e Sri Lanka.

Ena itekivu ni veiqravi ni SIL ena Janueri ni 2019 e rauta ni \$3m na ilavo ni cakacaka levu ea vakayagataki ka namaki me sivia ni \$3 milioni mena vakayagataki ena yabaki tarava. Qo e okati kina na kena vakavoui vakadua na volau ni tabaivola, veika vakalivaliva, varau ni batabata (Air conditioning), ririko ni kama (Fire services). Ea voli talega na misini vakalivaliva e vakatabakidua ena tabaivola kei na kena mataqali na Heidelberg ena yabaki vakailavo oqo. E namaki mena vakacavari na yabaki ena kena muri edua na ituvatuva ni veiqravi ka veisemati vakavinaka ena veika vakamonalivaliva (ERP system). Na veisau oqo e namaki mena vakarautaka kina na SIL na veiqravi uasivi duadua ena isau vinaka ka vakavurea talega eso na cakacaka vovou. Na ituvatuva ni vuli cakacaka e SIL kei FNU era okati kina ena

gauna qo e lewe 8 na gonevuli era vakarautaki ena volau ni tabaivola. Ena yabaki vakailavo 2020 na SIL ea lusi ka rauta ni \$2.45m ni bera ni lavaki na ivakacavacava ka rauta ni \$2m ni lavaki oti na ivakacavacava. Na rawaka oqo e vakavu vakalevu kina mate na COVID-19.

Na yabaki vakailavo vou e donumaki e dua na gauna vinaka kina SIL ni tuvatuva ka voli ena kena rawati na konitaraki ni ota lelevu eso me vaka na, ivola ni vuli kei na kena vakuri na tabaki ni pepa ni veitarogi kei na veika e gadrevi mai na matanitu me vaka na ivola ni veisiga (diaries) kei na so tale. Na kena vakarabailevutaki na bisinsi kina volitaki voli e dua na ituvatuva e namaki me sema vakavoleka kei na vei Univesiti lelevu ena noda vanua, salavata na kena tauyavu ena veitauni kei na siti (city) ena mua ni 2021. Na SIL e namaka me sevutaka talega na tabana ni volitaki iyaya ni vuli ena mua ni yabaki oqo. Na ivola kei na vola ni veisiga era buli ga ena noda vanua e namaki mena rawati kina eso na ivurevure iyau vou kina kabani. Salavata na veitokoni mai na kabani cokovata ni FHL era namaka fiko na veiliutaki ni SIL nina vuki na uto ka rawa tubu na kabani ni cava na 2021.

50.3%

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



Anthony Whitton
CHAIRMAN



SOWANI TUIDROLA
CEO

"PCL board and management has worked out strategies to turn around the financial performance of the company"

Pacific Cement Pte Limited (PCL) has been facing major challenges in the business environment in its 60 years history in terms of factory operations and other external factors. The factory had to go through repair and maintenance works from time to time to ensure continuity of cement supply. PCL continued to monitor the performance of the factory and ceased operation to avoid any major mechanical breakdowns.

Currently PCL continues to import clinker and gypsum from overseas. However, PCL has now engaged into using one local raw material. Pozzolana is now being used to produce cement without compromising quality. Pozzolana is locally available in the greater Lami area.

PCL also had prohibition notice from the Ministry of Environment in November, 2019. This was mainly due to the dust emissions. Under the Air Pollution Control Act, PCL had to cease all operations for 11 days and bring about measures to control excessive dust emissions.

In March, 2020, the Government of Fiji issued a 14 days lockdown in the greater Lautoka city area as part of its containment strategy for Covid-19.

Another lockdown was imposed in the greater Suva city area for 14 days in the month of April. Hence, it reduced PCL's sales in the local market by 50% for the two months.

PCL recorded total revenue of \$27m, a decrease of 3.5% compared to FY19. Cement production had contracted by 3.5%.

PCL board and management has worked out strategies to turn around the financial performance of the company. These strategies include raw material review, factory performance, sales of finished goods, and HR review.

PCL will continue to produce and sell the best quality cement to its export and local customers. PCL had attained accreditation on the latest Quality and the Environment management system standards which is ISO 9001:2015 and ISO 14001:2015.

On behalf of the PCL management team, I would like to thank the PCL and the FHL board for their support and valuable advice. I wish to acknowledge the tremendous contribution of all employees and their families during the year and the continued support from our very loyal regional and local customers.

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

PACIFIC CEMENT PTE LIMITED

Na Pacific Cement Pte Limited (PCL) e sa bau sotava dina e vuqa sara na bolebole vakabisinisi ena 60 na yabaki ni nona vei qaravi salavata kei na revurevu ni veika e yaco ena tauadaku ni kabani. E vuqa saraga na gauna e vuki vakayacori kina na vakavou ni volau ni bulibuli me kua kina ni vakaleqai na buli ni simede. E vakamura vakavinaka sara tikoga na PCL na vei qaravi ni qaqi, ena so na gauna e vakacegui na buli simede ena kena ririkotaki de vakacacani vakalevu sara na misini ni bulibuli.

Ena gauna qo na PCL e se volia tikoga mai vanuatani na clinker keina gypsum. Ia, sa tekivu vakayagataka talega na PCL edua na uma ka kune ga ena noda vanua, oya na Pozzolana. Esa tekivu vakayagataki na Pozzolana ka sega ni veisautaka na ituvaki ni simede, na uma oqo e kune vakalevu ena yasayasa vaka Lami.

E mai taura tale na PCL edua na notisi ni vakatatabu mai Tabacakacaka ni iYaubula ena Noveba ni 2019. Qo e vakavu vakalevu mai na kuvu e kaburaki mai ena iqaqi. Ena ruku ni lawa na Air Pollution Control Act, sa dodonu gona vei PCL me vakaceguiya nona vei qaravi ena loma ni 11 na siga ka vakasaqara talega na gaunisala eso me vakalailaitaka kina na kaburaki ni kuvu e maliwa lala.

Ena Maji ni 2020, ea sogota kina na Matanitu na vanua vaka Lautoka ena loma ni 14 na siga ena kena

sagai me yalani na tete ni mate na Covid-19. Ea vakayacori talega na ituvatuva vata oqo e Suva ena vula o Epereli. Qo, e vakalutuma saraga na rawakā ni PCL ena nona volivolitaki kina veimakete e Viti ena 50% ena rua na vula oqori.

Na PCL e lai yaciva sara e \$27m na nona rawakā, qo e lailai mai na 3.5% ni vakatauvatani ena YV19. Qo lutu sara talega na buli simede ena 3.5%.

Na matabose e cake kei ira na veiliutaki ena PCL era sa biuta vata eso na ituvatuva me rawa ni veisautaka na rawaka vakailavo ni kabani. Na ituvatuva oqo e okati kina na dikevi vinaka tale mada na uma ni buli simede, na misini ni bulibuli, na makete ni volivolitaki kei ira na tamata cakacaka.

Ena vakuria tikoga na PCL me volitaka na simede ena kena ivatagedegede e uasivi sara i vanuatani kei na noda vanua. E mai rawata talega na PCL na ivola ni veivakadonui ena Quality keina qaravi ni veikabula (Environment management system standards) e kilai ena ISO 9001:2015 keina ISO 14001:2015.

Ena vukudra na veiliutaki ena kabani, au via vakavinavinakataka na matabose e cake ni PCL kei na FHL ena nodratou veitokoni kei na veivakasalataki. Au via vakavinavinakataka ira talega na neitou ivakalesilesi kei ira nodra lewe ni vuave ka vakavasivi na nodra veitokoni na dauvolivoli ena noda vanua kei na wasa Pasifika.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES KEDRA I TUKUTUKU NA KABANI VEIWEKANI

GOLDEN
MANUFACTURERS PTE LTD

30%

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

GOLDEN MANUFACTURERS PTE LTD

“We strive to be dynamic. We aim to understand the ongoing needs and exceed expectations of our present and potential customers and the market place through continuous improvement, innovation and the creation of a winning culture”

Golden Manufacturers Pte Ltd (GML) continues to maintain its position as market leader in corrugated packaging solutions in Fiji and the South Pacific Region. The company has also installed a 11-colour Flexo and Gravure combination printing press and adhesive coating and lamination machine for the manufacturing of high-quality labels.

GML aims to be the leader in corrugated packaging in the South Pacific. We strive to be dynamic. We aim to understand the ongoing needs and exceed expectations of our present and potential customers and the market place through continuous improvement, innovation and the creation of a winning culture.

GML is located at Lot 1 – 5 Boila Circle, Kalabo Industrial Estate, Valelevu Nasinu.

This year has been challenging for GML due to Covid'19 however, we have taken necessary steps and improved OHS compliance by implementing precautionary

measures for safe working environment for our employees to meet customer demands. We continue to strive in retaining our current customer base and also explore opportunities to grow both locally and Internationally.

Golden Manufacturers quality management system is externally audited and certified annually against ISO9001:2015 QMS standard requirements by Telarc NZ. Its Label manufacturing site has implemented Food Safety System which is certified annually against the SQF Code Edition 8.1-Manufacture of Food Sector Packaging Materials by SGS Australia. Recently, our Wash off labels have been issued recognition against the Critical Guidance Document requirements by the Association of Plastic Recyclers based in North America. Moreover, the paper based corrugated carton manufacturing plant is certified against the FSC Chain of Custody standard requirements.

Na Golden Manufacturing Limited e vakuria tikoga na nona liutaka na makete ni paketetaki ni voli e Viti kei na Pasifika. E biuta tale na kabani ena nona volau edua na misini na 11-colour Flexo keina Gravure me baleta na tabaivola, iolo kabikabi kei na vakapalasitikataki ni pakete ni voli kei na yaca ni voli.

Na GML e sasagataka tiko me kenadua ka liutaka na paketetaki ni voli ena ceva ni Pasifika. aims to be the leader in corrugated packaging in the South Pacific.

Keitou gumatua me keitou duatani duadua ena veiqaravi uasivi. Keitou sasagataka me keitou kila na veika era gadreva na daunibisinisi ka me uasivita na veika era namaka na neitou veiqaravi. Me vakavinakataki tikoga na veitikina e luluqa, raici na iwalewale vovou ni veiqaravi ka susugi na itovo vakacakacaka e kauta mai lagilagi kina kabani.

Na volau ni GML e tiko ena Lot 1 – 5 Boila Circle, Kalabo Industrial Estate, Valelevu Nasinu.

Na yabaki qo edua toka na yabaki bolebole kina ena vuku ni Covid-19, ia e raica na kabani me taurivaki eso na iwalewale ni veiqaravi salavata

kei na qarauni ni nodra tiko bulabula ka savasava na vakaillesilesi me rawa kina ni rawati na vua ni cakacaka uasivi mai vei ira na vakaillesilesi. Keitou vakuria tikoga na nodra qaravi na veibisinisi keitou sad au qaravi ira tiko mai ka laurai me keitou na vakatubura na kedra iwiliwili ka okati kina na veitabana ena taudaku kei Viti.

Na vakatagedegede uasivi ni veiqaravi (quality management system) e vakayagataka na Golden Manufacturers e dau raici lesu ena veiyabaki ena yavu e kilai me ISO9001:2015 QMS ka gadrevi mai na Telarc NZ. Na neitou volau ni itaba yaca ni voli esa sa vakayagatka na Food Safety System ka dau dikevi ena veiyabaki ena yavu e kilai me SQF Code Edition 8.1-Manufacture of Food Sector Packaging Materials ka gadrevi mai SGS Australia. Na neitou ivoli ka vatokai na Wash off labels ea vakalagilagi ena yavu e kilai me Critical Guidance Document me vaka e gadrevi mai ena Association of Plastic Recyclers ka tiko ena vualiku kei Amerika. E vakakina na neitou iolo se pakete buli ena pepa e vakadonui ena yavu e gadrevi mai na FSC Chain of Custody.



PERNIX
(FIJI) PTE LIMITED

21%

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

OPERATIONAL REPORT OF ASSOCIATE COMPANIES
KEDRA I TUKUTUKU NA KABANI VEIWEKANI

PERNIX (FIJI) LIMITED

“Once again, Pernix has performed ahead of budgeted revenue and EBITDA for the Financial year ending 31 December 2019”

A remarkable year ended on a high note for Pernix (Fiji) Limited (“Pernix”). The power stations production slightly increased in 2019 comparing to year 2018. Once again, Pernix has performed ahead of budgeted revenue and EBITDA for the Financial year ending 31 December 2019. Some of the additional highlights of 2019 was positive change management, smart procurement and operational excellence to name a few.

Pernix Management has adopted a new way in reviewing its achievement by learning from our failures and identify why and how we succeed; combine both and you have a recipe for success.

The production pattern for the first six months of year 2020 is slightly lower than the same period in 2019 due to weather pattern whereby the demand to operate the diesel generating sets was less prioritized by Energy Fiji Limited (“EFL”). Also, Pernix is undertaking major planned

maintenance for two of its largest power generating sets in 2020 which is the largest cost factor of the year. Finally, lower demand due to COVID 19 is another factor for low production. The three factors had affected the financial performance within the first six months. As reported in the past, the Variability in power station operation and maintenance revenue is primarily driven by the level of diesel generation determined by EFL coupled with the planned life cycle maintenance intervals of the power generating sets.

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

E donumaki edua na yabaki vakairogorogo ni mai cava ena dua na Delana cecere na Pernix (Fiji) Limited (“Pernix”). E mai tubu vakalailai na veiqaravi ena iqaqi ni livaliva ena yabaki 2019 ni vakatauvatani na 2018. Na Pernix e baci sivia na nona rawakā kei na tubu ni bera na sau lavaki mai tukutuku vakailavo, namaki ni yacovi na i ka 31 ni Tiseba 2019. E vica na yavu e veivuke vakalevu ena 2019 oya na kena veiganiti na veisau ena veiliutaki, lewai vakamatau ni veika e voli kei na veiqaravi uaisivi, me cavuti madaga e vica.

E vakarautaka na veiliutaki ena Pernix edua na gaunisala vou ni kena vakavinakataki na rawakā ena nodra vuli mai na malumalumu e yaco kei na kena kunei na usutu ni cavu isausau; okati rau vata oqori sana dredre me tabonaki na lagilagi ni rawaka.

Na imatai ni 6 na vula ni 2020 e lailai sobu vakalailai na veika e rawati ni vakatauvatani ena 2019 ena vuku ni draki e donumaki ka lailai na nona vakararavi na Energy Fiji Limited

(“EFL”) ena vakayagataki ni waiwai. Qai kena ikuri ni tuvatuva kā tiko o Pernix ena 2020 na kena vakavou e rua na nona generator lelevu ka okati tiko kina edua na ilavo levu. Kena itinitini, esa lailai sara talega na kena gadrevi nodratou veiqaravi ni donumaki tiko na COVID 19. E tolu na yavu oqori e laurai nia vakalega na bula vakailavo ni kabani ena imatai ni 6 na vula. Me vaka edau vakatakilai ena veigauna sa oti, ni veiveisau ni ka edau rawati ena iqaqi ni livaliva kei na veika e rawati ena vakavou ni generator ena vakatau vakalevu ena livaliva e vakasucumi ena vakayagataki ni waiwai kei na ituvatuva ni kedra vakavou ni generator ni qaqi livaliva.

E vakuria tikoga na Pernix na nodra vakacacakataki e vuqa noda lewenivanua. E rauta ni 95% na tamata cakacaka era gone ni Viti (lewe 80 nikua). Na kabani e cavu isausau tiko ena kena raici na ririko, sa rawa me yacova na ulunivanua cecere oqori ena kena vakayagataki ka raicilesu vakawasoma na nodratou Safety & Environmental Program.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES KEDRA I TUKUTUKU NA KABANI VEIWEKANI

NEWWORLD IGA
Better Choices. Better Value

20.3%

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

NEWWORLD PTE LIMITED

“Believing such difficulties and uncertain times come with opportunities, management and the Board is continuously in search of investments in new supermarkets and other investments in line with our trade”

2020 was a challenging year for the supermarket retail industry. The year started with normal sales activities and experienced decline in sales towards the last quarter of the calendar year 2019 followed by the impact of corona virus pandemic in the first few months of 2020.

Supermarkets were considered essential service and traded as normal even during lockdown periods, however, consumer sales pattern has been changing leading to increasing mix towards purchase of basic items impacting the margins. The current situation resulting from the pandemic and its impact on the economy of Fiji pose a major challenge to the business and the company to quickly realign to ensure survival in this unpredictable and uncertain times.

Realising that our customers and employees are extremely important to our business, we ensured a safe and hygienic environment for them. Frequently used items were sanitised and necessary protective equipment were provided to our employees. Product range and prices were

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

Financial models were developed to cater for “what if” scenarios, taking into account necessary and inevitable steps that would have to be taken to maintain trading and maintaining market share.

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

Whilst difficult and challenging, the Company has positioned itself through appropriate strategies to strive to be the market leader in the industry, by providing quality products and service and a safe and hygienic environment to all our customers and employees.

Na yabaki 2020 edua toka na yabaki bolebole kina bisinisi ni volivolitaki. E tekivu na yabaki ena rawaka e sa daunamaki ka lai lutu ena otioiti ni vula va ni 2019 qai kuria na revurevu ni Corona virus ka vakilai ena itekivu ni vica na vula ni 2020.

E dina ni a okati na Supermarkets me dua vei ira na tabana e gadrevi ena gauna ni sogosogo ni COVID-19, ia e vakilai vakalevu na veisivi ni rawaka baleta ni veisau na veika era vakabibitaka na dauvolivoli.

Na revurevu ni matedewa ena bula vakailavo e Viti e dusia edua na gauna bolebole kina veitabana vakabisinisi ena kena dodonu mera raica lesu na nodra ituvatuva me veiganiti kei na veiveisau ena rawa ni basika kei na kena e tawa kilai.

Keitou vakarautaka na vanua ni veiqaravi e savasava ka veiganiti ena gauna eda donumaka baleta ni bibi vei keitou na nodra bula na dauvolivoli kei ira na neitou ivakalesilesi. Na iyaya vakacacacaka dauvakayagataki vakawasoma e vuki savati kevaka e dodonu me vakarautaki na iyaya ni tataqomaki vei ira na ivakalesilesi e laurai me vakayacori vakakina.

Na ivoli ena kena veimataqali ena isau rawarawa sara e raica vakamatua baleta ni bibi vei keitou na kena vakarautaki vakavinaka.

E laurai talega na kena vakamuri edua na ituvatuva vakailavo e vakanamata kina 'kevaka mea' (me duatani mai na ka e namaki) kana rawarawa na moica me kua ni vakaleqai na veivoli kei na noda vakadeitaki koya na kabani ena makete ni veivoli.

Keitou vakabauta deivaki ni gauna drakidrakita vakaoqo, ni tu vata kei na kena dredre sana rawa ni vakasucumu talega eso na ka vinaka, koya gona e vakuria tikoga o ira na veiliutaki kei na matabose e cake ni kabani na kena vaqarai na sitoa ni veivoli kei na tabana vakabisini eso e salavata kei na bisinisi keitou qarava ena gauna oqo.

E dina ni tiko na dredre keina bolebole, ia sa vakadeitaki koya tiko na kabani ena ituvatuva matau me rawa ni liutaka tiko na makete e okati kina, oqori ena vakarautaki vakamqosa ni nona ivoli, veiqaravi uasivi kei na vanua ni veivoli e savasava ka taqomaki vakavinaka kina nodra bula na dauvolivoli kei ira na kena ivakalesilesi.



MARSH

25%

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

OPERATIONAL REPORT OF ASSOCIATE COMPANIES
KEDRA I TUKUTUKU NA KABANI VEIWEKANI

"Marsh manages 55% of the total premiums of the insurance broking industry by advising individual and commercial clients on insurance broking and innovative risk management solutions"

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

The Company's 76,000 colleagues advise clients in over 130 countries.

We are united by a common purpose to make a distinctly positive impact on the businesses, people and societies we serve by providing guidance and support during critical moments. We make a difference in the moments that matter by helping clients navigate an increasingly dynamic and complex environment. Marsh Fiji's 35% of earnings are retained in Fiji with Fijian Holdings (25%) and Unity Trust of Fiji (10%). Our shared vision for the enterprise we are building together is to:

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

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

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

Marsh Fiji has compared another successful year in 2019 with client retention and new and expanded business growth. We continue to invest in recruiting talented individuals to ensure that we do not compromise our service delivery. Marsh continues to attract talent and has the most experienced and dedicated local team that has inherent advantages.

MARSH PTE LIMITED

Na Marsh Pte Limited Fiji e tiki ni kabani levu na Marsh & McLennan Companies (MMC), ka volitaki na nona sea ena makete ni volitaki sea ena New York Stock Exchange ka kilai e vuravura taucoko ena vakarautaki ni inisua kei na qaravi ni ririko.

Na kabani e okati kina e rauta ni 76,000 na kena ivakalesilesi kara veivakasalataki tu ena loma ni 130 na matanitu.

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

E 35% taucoko na sea ni Marsh Fiji e taukeni ena noda vanua mai vei Fijian Holdings (25%) kei Unit Trust of Fiji (10%).

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

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

Na Marsh Fiji e tiko nona valenivolavola ni veiqaravi e Suva kei Lautoka ka semati vakavinaka tu kina gacagaca ni veiqaravi ni MMC ena veiyasai vuravura. Sa sivia e 50 na yabaki na neitou vakayacora tiko na cakacaka vaka inisua ka okati kina na vakarautaki ni inisua ena noda vanua kei vanuatani.

O Marsh e qarava tiko e rauta ni 55% na ilavo kece ni inisua ena nodra vakasalataki na tamata yadua se na veikabani eso ena inisua e vakarautaki vei ira kei na iwali vakasakiti ni veiririko eso. Na tabana ni Marsh Risk Consulting e veiqaravi voli e Ositerelia kei Niuisiladi edau veitokoni voli mai ena so na yavu bibi ni veiqaravi me rawa ni levei kina na vei ririko eso ena gauna bolebole ka drakidrakita eda donuya.

Na Marsh Fiji e baci cavu isausau tale ena yabaki vakailavo 2019 ena nodra vakataudeitaki tiko na qaravi tiko mai Marsh Fiji ka vakarabailevutaki na nona tubu vakabisini. E vakuria tikoga na neitou vakacacacacataki ira na ivakalesilesi e vutucoga ena taledi ni sega ni vinakati me lutu na veiqaravi ni kabani. Qai levu ga era veiqaravi tiko ena Marsh, era kauta vata mai kei ira na taledi, kila vakacacacaka kei na yalodina ni cakacaka vata mera kilai tani ena nodra veiqaravi.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES KEDRA I TUKUTUKU NA KABANI VEIWEKANI

goodman fielder 

10%

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

GOODMAN FIELDER INTERNATIONAL (FIJI) PTE LTD

“Goodman Fielder is one of Fiji’s leading manufacturing companies, serving customer needs with a portfolio of iconic, most trusted food brands that Fijians love and have grown up with and enjoy every day.”

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

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

Goodman Fielder is proud to have been producing “Fijian Made” and “Fijian Grown” products for over four decades now, with key household names including Crest Chicken, Tuckers Ice Cream, Twisties, Lelei Premium Ice Cream, Meadow Lea, Meadow Fresh, Edmonds, and Sunshine.

Poultry remains the biggest revenue driver for the business followed by ice-cream and snacks. The Company continues to enjoy number one

market position in key categories with good growth in the past few months despite major setbacks with the current economic situation.

As part of our ongoing commitment towards growth and development, Goodman Fielder has invested heavily in sourcing and developing new product categories designed to expand beyond traditional food categories and offer complementary products to health-conscious Fijians. New product ranges include Fortune Rice and Simply Oil. We have also ventured in Lamb products under the Country Kitchen brand.

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

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

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

E marautaka na Goodman Fielder ni veivotayaka na ivoli e okati me “Fijian Made” (buli e Viti) kei “Fijian Grown” (feivaki e Viti) ena loma ni 40 na yabaki, era ivoli kilai levu sara talega me vaka na Crest Chicken, Tuckers Ice Cream, Twisties, Lelei Premium Ice Cream, Meadow Lea, Meadow Fresh, Edmonds kei Sunshine.

Na ivoli na toa e vakadeitaki koya tikoga ena wasewase ni rawa ka levu duadua ena kabani qai rau

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

E tiki ni nona sasaga na Goodman Fielder me tubu ka vakatoroicaketaki na nona ivoli, qo e vakavuna me vakasaqara na veivoli vovou eso taudaku ni ivoli edau kilai tu kina salavata keina kena e tokona na bulabula vakayago. Na ivoli vovou qo e okati kina na Fortune Rice kei na Simply Oil. Keitou sa vavaca talega yani na ivoli na sipi (lamb) ena ivakatakilakila na Country Kitchen.

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





Fijian Holdings Limited and Subsidiary Companies FINANCIAL REPORT 2020

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This Map is Dedicated
by his most obedient &
most humble servant

John Senex

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DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors of Fijian Holdings Limited ("the Company") present their report together with the financial statements of the Fijian Holdings Limited Group ("the Group") being the Company, its controlled entities (see note 20 for investments in subsidiaries, individually referred to as "group entities") and associates for the year ended 30 June 2020.

1. DIRECTORS

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

Adrian Sofield – Chairman – Resigned 4 January 2020
Yogesh Karan – Acting Chairman – Appointed 8 January 2020
Sakiusa Raivoce
Aisea Waka Vosailagi – Resigned 4 January 2020
Anthony Whitton
Sanjit Patel – Resigned 4 January 2020
Litiana Loabuka
Kalpana Lal
Mereia Volavola – Appointed 15 August 2020
Savendra Dayal – Appointed 15 August 2020
Eseta Nadakuitavuki – Appointed 15 August 2020

2. PRINCIPAL ACTIVITIES

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

3. TRADING RESULTS

The profit after income tax of the Group attributable to the members of the Company for the year ended 30 June 2020 was \$8.998 million (2019: \$27.661 million).

4. DIVIDENDS

The directors declared and paid a final dividend of \$3.747 million (2019: \$3.717 million) from the profits for the year ended 30 June 2019. The Company also paid an interim dividend of \$3.778 million (2019: \$3.747 million) during the year.

5. BAD DEBTS AND ALLOWANCE FOR EXPECTED CREDIT LOSS

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

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

DIRECTORS' REPORT

(continued)

6. ASSETS

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

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

7. SIGNIFICANT EVENTS

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

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

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

For the media segment of the group, the subsidiary company, Life Cinema Pte Limited, which was already making losses was severely impacted by COVID-19 due to cinema closures from March 2020.

The finance segment of the Group has also been adversely impacted by COVID-19. Forward looking economic assumptions have been used in determining the provision against loans including a fall in GDP of 21.7%. In assessing forecast economic conditions, consideration has been given to both significant government support measures being undertaken and relief offered to borrowers by the Group. This includes deferred repayment periods of loans.

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

The Group continues to monitor developments of the COVID-19 pandemic and the measures being implemented to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the Group's consolidated results of operations, cash flows and financial condition is significantly impacted by the estimates and underlying assumptions which have been used to determine certain balances including impairment of loans, advances and receivables, impairment of property, plant and equipment, goodwill impairment and valuation of investment and island properties.

8. RELATED PARTY TRANSACTIONS

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

DIRECTORS' REPORT

(continued)

9. OTHER CIRCUMSTANCES

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

10. UNUSUAL TRANSACTIONS

The results of the Group's operations during the financial year have not, in the opinion of the directors, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

11. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial years.

12. GOING CONCERN

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

13. DIRECTORS' INTERESTS

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

	Beneficially		Non-beneficially	
	Additions	Holding	Additions	Holding
Sakiusa Raivoce	-	1,313,739	-	-

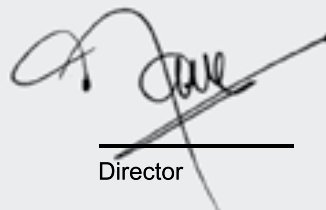
No director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made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

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

Dated this 31st day of August 2020.



Acting Chairperson



Director

DIRECTORS' REPORT

(continued)

STATEMENT BY DIRECTORS


In the opinion of the directors:

- (a) the accompanying statement of profit or loss and other comprehensive income of the Group is drawn up so as to give a true and fair view of the results of the Group for the year ended 30 June 2020;
- (b) the accompanying statement of financial position of the Group is drawn up so as to give a true and fair view of the state of the affairs of the Group as at 30 June 2020;
- (c) the accompanying statement of changes in equity of the Group is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2020;
- (d) the accompanying statement of cash flows of the Group is drawn up so as to give a true and fair view of the cash flows of the Group for the year ended 30 June 2020;
- (e) at the date of this statement, there are reasonable grounds to believe that the group entities will be able to pay their debts as and when they become due and payable;
- (f) all related party transactions have been adequately recorded in the books of the group entities; and
- (g) the financial statements have been prepared in accordance with the Companies Act 2015.

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

Dated this 31st day of August 2020.



Acting Chairperson

Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIJIAN HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fijian Holdings Limited ("the Company") and its controlled entities (the "Group"), which comprise the consolidated statement of financial position as at 30 June 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 35.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1.5 of the consolidated financial statements, which describes the effects of COVID-19 on the tourism segment of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Goodwill amount (\$53m)

Refer to Notes 2.9 and 18 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 8% of total assets) and the higher estimation uncertainty continuing from the business disruption impact of the COVID-19 global pandemic. Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focussed on the significant forward-looking assumptions the Group applied in their value in use models, including:</p> <ul style="list-style-type: none"> Forecast cash flows – the Group has experienced significant business disruption as a result of COVID-19. This impacted the Group through a complete shutdown of the subsidiary company, South Sea Cruises Pte Limited, for 3 months during the year ended 30 June 2020, stand down of significant employee numbers for the subsidiary company and loss of revenue. 	<p>Working with our valuation specialists our procedures included:</p> <ul style="list-style-type: none"> considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. assessing the integrity of the value in use model used, including the accuracy of the underlying formulas applied. meeting with management to understand the impact of COVID-19 to the Group. This included understanding changes in the Group's plans resulting from COVID-19, and potential future impacts to the Group.



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

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

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



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIJIAN HOLDINGS LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

In our opinion:

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

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

KPMG

KPMG

31 August, 2020

Suva, Fiji

Steve Nutley, Partner



INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 395 OF THE COMPANIES ACT 2015

To the Directors of Fijian Holdings Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 30 June 2020 and up to the date of this report there have been:

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

KPMG

KPMG

31 August, 2020

Suva, Fiji



Steve Nutley, Partner

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	Note	2020 \$'000	2019 \$'000
Revenue			
Operating revenue	34	290,184	325,584
Other income	5(a)	1,000	5,174
		<u>291,184</u>	<u>330,758</u>
Expenses			
Changes in inventories of finished goods and work in progress		(110,451)	(105,568)
Raw materials and consumables used		(47,635)	(50,604)
Direct operating expenses		(22,186)	(32,321)
Staff costs		(29,205)	(30,076)
Depreciation and amortisation	8, 15, 18	(16,746)	(15,667)
Impairment loss on property, plant & equipment	15	(525)	-
Impairment loss on loans, advances and receivables	12, 13	(11,580)	(3,441)
Other operating expenses	5(b)	(41,071)	(48,170)
		<u>(279,399)</u>	<u>(285,847)</u>
Operating profit		<u>11,785</u>	<u>44,911</u>
Finance income – interest revenue		556	403
Finance income – other		131	150
Finance costs – other		(6,705)	(5,159)
Net finance costs	6	<u>(6,018)</u>	<u>(4,606)</u>
Share of profit in associates, net of tax	22	<u>5,340</u>	<u>5,136</u>
Profit before income tax		<u>11,107</u>	<u>45,441</u>
Income tax expense	7(a)	<u>(1,346)</u>	<u>(8,755)</u>
Profit after tax		<u>9,761</u>	<u>36,686</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI – net change in fair value		(2,943)	3,456
Credit loss reserve derecognised		(3,000)	-
Revaluation of property, plant and equipment	15(e)	<u>(1,305)</u>	<u>4,140</u>
Total items that will not be reclassified to profit or loss		<u>(7,248)</u>	<u>7,596</u>
Items that are or may be reclassified subsequently to profit or loss			
Net change in foreign currency translation reserve		(2)	(8)
Total items that are or may be reclassified subsequently to profit or loss		<u>(2)</u>	<u>(8)</u>
Other comprehensive income, net of tax		<u>(7,250)</u>	<u>7,588</u>
Total comprehensive income		<u>2,511</u>	<u>44,274</u>

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

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

	Note	2020 \$'000	2019 \$'000
Profit attributable to:			
Equity holders of the Company		8,998	27,661
Non-controlling interest	21	<u>763</u>	<u>9,025</u>
		<u>9,761</u>	<u>36,686</u>
Total comprehensive income attributable to:			
Equity holders of the Company		2,375	35,090
Non-controlling interest	21	<u>136</u>	<u>9,184</u>
		<u>2,511</u>	<u>44,274</u>
Basic and diluted earnings per share	30	<u>Cents 3</u>	<u>Cents 9</u>

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


	Note	2020 \$'000	2019 \$'000
ASSETS			
Cash and cash equivalents	10(a)	32,787	20,038
Debt securities	11	6,232	10,942
Inventories	14	42,531	42,301
Equity securities	19	24,667	29,366
Investments in associates	22	38,964	30,784
Trade and other receivables	12	31,157	38,294
Loans and advances	13	161,164	164,974
Current tax asset	7(b)	3,060	1,109
Investment properties	17	64,158	53,954
Property, plant and equipment	15	164,936	159,490
Intangible assets	18	60,865	61,450
Right of use assets	8	18,138	16,925
Other assets	16	3,199	4,765
Deferred tax assets	7(c)	8,872	6,568
Total assets		658,730	640,960
LIABILITIES			
Payables	23	31,272	27,237
Contract liabilities		3,344	5,829
Dividends payable	25	4,180	4,045
Employee entitlements	24	1,013	1,919
Lease liabilities	8	16,644	17,866
Borrowings	26	290,362	258,940
Deferred tax liabilities	7(c)	14,154	15,141
Total liabilities		360,969	330,977
Net assets		297,761	309,983
SHAREHOLDERS EQUITY			
Share capital	27	30,465	30,465
Reserves	28	29,492	38,667
Retained earnings		186,352	184,879
Attributable to members of the Company		246,309	254,011
Non-controlling interest	21	51,452	55,972
Total shareholders' equity		297,761	309,983

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

For and on behalf of the Board.



Acting Chairperson



Director

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF

CASH FLOWS

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities:			
Cash receipts from customers		278,315	301,195
Cash paid to suppliers and employees		(251,848)	(275,291)
Cash generated from operating activities		26,467	25,904
Dividends received		4,373	3,738
Management fees paid		(3,781)	(3,219)
Net customer loans granted		(6,550)	(34,394)
Net increase in deposits		17,282	26,859
Interest received		25,111	24,652
Other income received		29	645
Interest paid		(15,032)	(11,339)
Income taxes paid	7(b)	(6,115)	(8,835)
Net cash from operating activities		41,784	24,011
Cash flows from investing activities:			
Acquisition of property, plant and equipment and investment properties		(27,525)	(30,131)
Payment for share deposit		(310)	(592)
Investment in equity securities		(6,800)	(353)
Proceeds from disposal of equity securities		-	18
Proceeds from disposal of property, plant and equipment and assets held for sale		147	1,357
Acquisition of intangible assets		(124)	(155)
Net cash used in investing activities		(34,612)	(29,856)
Cash flows from financing activities:			
Dividends paid to the Company's shareholders	9	(7,525)	(7,464)
Proceeds from debt securities, net		2,152	8,059
Dividends paid to non-controlling interest	21	(4,118)	(4,669)
Payment for lease liabilities		(1,242)	(2,421)
Proceed from issue of shares		100	1,535
Net movement in related party loans		-	(2,800)
Net movement in loans	26	17,273	3,890
Net cash from/ (used in) financing activities		6,640	(3,870)
Net increase/ (decrease) in cash and cash equivalents		13,812	(9,715)
Cash and cash equivalents at beginning of year		(8,908)	815
Effect of exchange rate changes on cash held		(2)	(8)
Cash and cash equivalents at end of year	10(a)	4,902	(8,908)

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

	Attributable to owners of the Company			Non-controlling	Total Equity
	Share Capital	Other Reserves ¹	Retained Earnings	Interests	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2018	30,465	31,300	164,682	51,529	277,976
Total comprehensive income					
Profit	-	-	27,661	9,025	36,686
Other comprehensive income	-	7,429	-	159	7,588
Total comprehensive income	-	7,429	27,661	9,184	44,274
Transactions with owners of the Company					
Contributions and distributions					
Dividends paid to owners of the Company	-	-	(7,464)	(6,318)	(13,782)
Total contributions and distributions	-	-	(7,464)	(6,318)	(13,782)
Changes in ownership interests					
Acquisition of subsidiary with NCI	-	-	-	1,579	1,579
Decrease in non-controlling interest through acquisition	-	(62)	-	(2)	(64)
Total changes in ownership interests	-	(62)	-	1,577	1,515
Total transactions with owners of the Company	-	(62)	(7,464)	(4,741)	(12,267)
Balance at 30 June 2019	30,465	38,667	184,879	55,972	309,983
Balance 1 July 2019	30,465	38,667	184,879	55,972	309,983
Total comprehensive income					
Profit	-	-	8,998	763	9,761
Other comprehensive expense	-	(6,623)	-	(627)	(7,250)
Total comprehensive income	-	(6,623)	8,998	136	2,511
Transactions with owners of the Company					
Contributions and distributions					
Dividends paid to owners of the Company	-	-	(7,525)	(4,817)	(12,342)
Total contributions and distributions	-	-	(7,525)	(4,817)	(12,342)
Changes in ownership interests					
Increase in non-controlling interest through disposal	-	650	-	250	900
Decrease in non-controlling interest through acquisition	-	(3,202)	-	(89)	(3,291)
Total changes in ownership interests	-	(2,552)	-	161	(2,391)
Total transactions with owners of the Company	-	(2,552)	(7,525)	(4,656)	(14,733)
Balance at 30 June 2020	30,465	29,492	186,352	51,452	297,761

(1) See note 28. The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise its subsidiaries (together referred to as "the Group" and individually as "group entities") and the group's interest in associates. The group entities are incorporated and domiciled in Fiji and PNG.

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

These consolidated financial statements were authorised for issue by the Board of Directors on 31 August 2020.

1.1 Statement of compliance

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

1.2 Basis of accounting

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

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

Standards issued but not yet effective

A number of new and amended standards are effective for annual periods beginning after 1 July 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

New currently effective requirements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 July 2019. The following interpretation was applicable to the Group:

In June 2017, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued IFRIC 23 *Uncertainty over Income Tax Treatments*. IFRIC 23 clarifies the accounting for uncertainties in income taxes and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 *Income Taxes*. As at 30 June 2020, the Group has adopted IFRIC 23. This did not have any impact on the Group.

In November 2019, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, Lease Term and Useful Life of Leasehold Improvements, on how the lease term of a cancellable or renewable lease should be determined for both the lessor and lessee when applying IFRS 16. IFRIC clarifies that the broader economics and not only the contractual termination payments should be considered in determining lease terms. As at 30 June 2020, the Group has adopted this IFRIC Agenda Decision. This did not have a material impact on the Group.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (continued)

1.2 Basis of accounting (continued)

New currently effective requirements (continued)

In April 2020, the International Accounting Standards Board ("IASB") proposed amendments to IFRS 16 *Leases* to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a result of the COVID-19 pandemic. The exemption applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due in 2020; and
- There is no substantive change to other terms and conditions of the lease.

Under the amendments, a lessee generally accounts for the reduction in lease payments as a negative variable lease payment, in profit or loss in the period in which the event occurs. The lessee also makes a corresponding adjustment to the lease liability to derecognise any part of the lease liability that has been extinguished by the forgiveness of lease payments.

The Group has applied the amendments issued by the IASB to leases where rent concessions have been received as a result of COVID 19 in preparing these consolidated financial statements. Refer note 8 for further details.

1.3 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 2.1(i) – Business combinations

Note 2.4 – Equity investments at FVOCI

Note 2.4.6 – Impairment of financial assets

Note 2.6 – Valuation of investment properties

Note 2.10 – Impairment of property plant and equipment and Intangible assets

COVID-19 impact on the use of estimates and assumptions

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

The Group has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2020 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions may be different from those forecast since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the recoverable amount assessments of non-financial assets and expected credit losses for trade and other receivables and loans and advances. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below. Readers should carefully consider these disclosures in light of the inherent uncertainty described above.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (continued)

1.3 Use of estimates and judgments

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

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

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

Impairment of goodwill

The Group has tested its goodwill for impairment at reporting date. The assumptions underpinning the value-in-use calculations used to evaluate the supportability of goodwill were adjusted to reflect reasonable estimates of the impact of COVID-19 and the increased risks associated with the estimated cash flows. There is a heightened level of uncertainty around key assumptions in the current environment. This has the potential to materially impact the value-in-use assessment moving forward and potentially the carrying value of the respective goodwill. While the ongoing economic uncertainty from the COVID-19 global pandemic has impacted the cash flow forecasts and estimate and assumptions inherent in the goodwill impairment test, the results of the annual impairment test determined the goodwill allocated to the cash generating units (CGUs) is recoverable and no impairment loss was required (refer to note 18).

Expected credit losses

The COVID-19 pandemic, together with measures implemented to contain the virus, has had a profound impact on the Fijian and global economy, driving heightened levels of market uncertainty and a significant deterioration, or expected deterioration, in macroeconomic conditions, notably gross domestic product. This, in turn, has resulted in a significant impact on the provision for impairment on financial assets, as forecast macroeconomic conditions are a key factor in determining the expected credit loss (ECL) for loans, advances and receivables. There is a risk that the economic impacts of COVID-19 could be deeper or more prolonged than anticipated, which could result in higher credit losses than those modelled. Further details on the ECL model methodology, estimates and assumptions are outlined in note 4.1(b).

Financial risk management

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

The Group continues to monitor markets closely and take appropriate action when and if required. For further details, please refer to note 4.1(c).

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

1. GENERAL INFORMATION (continued)

1.4 Functional and presentation currency

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

1.5 Going Concern

As a result of COVID-19 the Fijian Government enacted its emergency plan which has seen the closure of the Fijian border from 19 March 2020 resulting in a complete closure of the country's tourism industry.

For the year ended 30 June 2020, COVID-19 impacted the subsidiary company, South Sea Cruises Pte Limited, by suspending of operations from 23 March 2020. The operations remain suspended as at the date of this report. This resulted in a significant reduction in the financial performance and cash flow of the subsidiary company.

Monthly repayments of principal and interest on all borrowings (except repayment on insurance premium funding facility) with its financiers temporarily ceased from 22 April 2020 to 22 October 2020. During this temporary period, only interest is charged and this is capitalised to the loan balance on a monthly basis. Further, testing of debt covenant was deferred with the next testing to be conducted from 30 June 2021.

As at 30 June 2020, the subsidiary company had a working capital deficiency of \$24,362,000 and an undrawn bank overdraft facility of \$1,894,000.

The subsidiary company currently has no operations and has skeleton staff including management working at reduced hours. The main cash outflows currently being incurred are those relating to safeguarding and maintaining the subsidiary company's assets and wages and salaries of skeleton staff. Management have prepared cash flow forecasts for the period 30 June 2021 and anticipate that the existing overdraft facility of \$5,200,000 would be fully exhausted by end of September 2020. At this point, support will be required from the Group.

The Group is also currently in further negotiations with its financiers for further support. The Fijian Government in its budget announcement for 2020/2021 on 17 July 2020 announced that the Association of Banks have agreed to, on a case-by-case basis, extend loan deferments until 31 December 2020. The Group is of the opinion, that it would be able to further defer loan and interest repayments on existing borrowings under these provisions.

The Group has undrawn facilities with its financiers of \$10m which it can draw down on to support the subsidiary company.

At the date of signing these consolidated financial statements, there remains uncertainty on when tourism related activities will recommence and when and whether Fiji will be included in any travel bubble. The Directors acknowledge this uncertainty. However, as described above, the Directors have a reasonable expectation that the subsidiary company will receive adequate support to continue to operate in the foreseeable future.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2.1 Principles of consolidation

i. Business combinations

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

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

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

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

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

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

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

i. Subsidiaries

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

ii. Non-controlling interest

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Principles of consolidation (continued)

iii. Loss of control

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

iv. Transactions eliminated on consolidation

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

v. Interests in equity accounted investees

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

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

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

2.2 Foreign operations

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

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

2.3 Cash and cash equivalents

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments

2.4.1 Recognition and initial measurement

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

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

2.4.2 Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.2 Classification and subsequent measurement (continued)

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.3 Derecognition

Financial assets

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

Financial liabilities

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

2.4.4 Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (2.4.3)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower (see (2.4.6)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (see (2.22)).

2.4.5 Offsetting

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

2.4.6 Impairment

Financial instruments

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

No impairment loss is recognised on equity investment.

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.6 Impairment (continued)

Financial instruments (continued)

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

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

Credit-impaired financial assets

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.6 Impairment (continued)

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

(i) *Owned assets*

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

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

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

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

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

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

(ii) *Subsequent expenditure*

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

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

(iii) *Depreciation and amortisation*

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

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

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

(iv) *Reclassification to investment property*

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties

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

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

2.7 Assets held for sale and discontinued operations

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

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

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

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

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

2.8 Inventories

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

2.9 Intangible assets

(a) Goodwill

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

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

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

(b) Management rights

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of non-financial assets

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

2.11 Trade and other creditors

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

2.12 Borrowings

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

2.13 Current and deferred income tax

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

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

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

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

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

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

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Employee entitlements

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

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

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

2.15 Leases

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

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

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Leases (continued)

i. As a lessee

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

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

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

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

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

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

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

The Group presents right-of-use assets and lease liabilities as separate line items in the statement of financial position (see note 8).

Short-term leases and leases of low-value assets

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Leases (continued)

ii. As a lessor

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

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

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

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

2.16 Revenue recognition

a. Significant accounting policy

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Revenue recognition (continued)

b. Nature of goods and services

The following is a description of the principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments, see Note 34.

i. Construction

a) Sale of goods and services

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

b) Construction services

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

ii. Property

The property segment of the Group generates revenue from rental of investment properties and recognises rental income in accordance with note 2.15(ii).

iii. Finance

The finance segment of the Group generates interest from loans and advances to customers and recognises interest income in accordance with note 2.22.

iv. Tourism

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Revenue recognition (continued)

b. Nature of goods and services (continued)

iv. Tourism (continued)

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

v. Media

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

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Revenue recognition (continued)

b. Nature of goods and services (continued)

v. Media (continued)

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

vi. Retail

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

vii. Investment

The investment segment of the Group generates revenue from equity investments in the form of dividends and recognises dividend income in accordance with note 2.4.

2.17 Dividend distribution

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

2.18 Provisions

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

2.19 Basic and diluted earnings per share

Basic and diluted earnings per share is determined by dividing profit after income tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. If the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

2.20 Rounding

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

2.21 Foreign currency transactions and balances

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Finance income and finance costs

The Group's finance income and finance costs include:

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

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

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

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

2.23 Fair value measurement

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

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

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

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

2.24 Contract liabilities

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

2.25 Comparative figures

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. ACQUISITION OF INVESTMENTS

Pernix (PNG) Limited

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

Serendib Investment Limited

On 18 January 2019, Serendib Investment Limited, a newly established subsidiary of the Company, entered into an asset sale agreement with the Government of Fiji to purchase Government Printing and Stationery Department's assets for an amount of \$6 million (inclusive of VAT). The Company holds 75% of the shares and voting interest in Serendib Investment Limited.

The principal activities of Serendib Investment Limited is that of printing & publishing and sale of stationary from its bookshop. The acquisition will enable the Group to enter the printing industry sector which will further diversify the principal activities of the Group. Serendib Investment Limited will continue to be the designated Government printer and plans to venture into commercial printing with a vision to offer services in Fiji and the Pacific.

Identifiable assets acquired

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

	Note	\$'000
Property, plant and equipment	15	5,461
Inventories		741
Total identifiable assets acquired		<u>6,202</u>

A gain on bargain purchase of \$697,000 was recognised at acquisition date, which represents the excess of the assets acquired (\$6,202,000) over the consideration paid (\$5,505,000 (excluding VAT)).

Acquisition-related costs

The Group incurred acquisition-related costs of \$11,000 on legal fees and due diligence costs. These costs have been included in "Other operating expenses".

4. FINANCIAL RISK MANAGEMENT

4.1 Risk Management Framework

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

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

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

(a) Market risk

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(a) Market risk (continued)

Unfavourable changes to duty and tax regulations may expose the Group to a decline in revenue. To minimise this risk, the Group implements appropriate strategies to ensure that products and prices remain attractive. The Group operates predominantly in Fiji, and changes to governments and the policies they implement affect the economic situation and ultimately the revenues of the Group. To address this, the Group reviews its pricing and product range regularly and tries to respond appropriately to these changes. Other developments such as international travel restrictions resulting from the COVID-19 pandemic may also expose the group to reduced revenue. To address this, the Group monitors developments and responds quickly to fluid developments.

(i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters. Major foreign exchange transactions relate to importation of goods and services with settlement based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency (refer notes 1.4 and 2.21)

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

(ii) Price risk

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

Sensitivity analysis

The table below sets out the effect on equity of a reasonably possible increase in the individual equity market prices of listed equities of 5% at 30 June 2020 and 2019. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

	2020	2019
	\$'000	\$'000
Impact on equity	828	1,063

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

(iii) Interest rate risk

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

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

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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

	2020 \$'000	2019 \$'000
Financial instrument		
Financial assets		
Deposits with financial institutions	1,182	5,392
Government securities	5,050	5,550
Cash and cash equivalents	4,000	4,071
Loans and advances	179,145	175,536
	189,377	190,549
Financial liabilities		
Bank overdraft	27,885	28,946
Bank loans	97,302	80,029
Fixed term deposits and short term borrowings (unsecured)	165,175	149,965
Total	290,362	258,940

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

Bank overdraft	27,886	28,946
Bank loans	97,302	75,727
Total	125,188	104,673

Sensitivity analysis

A 100 basis points (bp) increase in interest rates at the reporting date would have decreased equity and the profit or loss by amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

	Equity \$'000	Profit or loss before tax \$'000
30 June 2020		
Variable rate instruments	1,252	1,252
30 June 2019		
Variable rate instruments	1,047	1,047

There are no uncertainties related to interest rate cash flows during the period of borrowing for those financial instruments which are at fixed interest.

(b) Credit risk

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

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

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

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

	2020 \$'000	2019 \$'000
Impairment loss on loans, advances and receivables	11,580	3,441

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Expected credit loss assessment for trade receivables

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

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 30 June 2019 and 2020:

	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
30 June 2020			
Current (not past due)	5,767	(155)	No
1 – 30 days past due	1,904	(115)	No
31 – 60 days past due	1,605	(230)	No
61 – 90 days past due	2,822	(1,404)	No
Over 120 days past due	5,905	(2,584)	Yes
Debts individually assessed	3,327	(3,068)	
	<u>21,330</u>	<u>(7,556)</u>	
30 June 2019			
Current (not past due)	12,891	(239)	No
1 – 30 days past due	3,864	(114)	No
31 – 60 days past due	1,747	(182)	No
61 – 90 days past due	2,022	(652)	No
Over 120 days past due	4,172	(1,621)	Yes
Debts individually assessed	1,014	(679)	
	<u>25,710</u>	<u>(3,487)</u>	

Loss rates are based on actual credit loss experience over the past two years.

Impact of COVID-19

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

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is disclosed in note 12.

Cash and cash equivalents

The Group held cash and cash equivalents of \$32.787 million at 30 June 2020 (2019: \$20.038 million). The cash and cash equivalents are held with banks, which are rated B to AA-, based on Standards and Poor's (S&P) ratings.

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

The Group did not recognise an impairment allowance against cash and cash equivalents as at 30 June 2020 (2019: nil).

Debt investment securities

The Group held debt investment securities of \$6,232,000 at 30 June 2020 (2019: \$10,942,000). The debt investment securities are held with banks, credit institutions and the Fiji Government. Debt investment securities held with banks and the Fiji Government are rated B to AA-, based on S&P ratings. In relation to debt investment securities held with credit institutions the Group monitors changes in credit risk by reviewing available press and regulatory information.

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

The Group did not recognise an impairment allowance against debt investment securities as at 30 June 2020 (2019: nil).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below:

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

See accounting policy in Note 2.4.6.

Significant increase in credit risk

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

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

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

Credit risk grades

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

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

Customer accounts are graded internally and all existing customers are categorised as excellent, good, satisfactory or limited. Further the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage and compliance with covenants;
- Payment record – this includes overdue status as well as a range of variables about payment ratios;
- Utilisation of the granted limit;
- Requests for and granting of forbearance; and
- Existing and forecast changes in business, financial and economic conditions.

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. MFL collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading.

MFL employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For all exposures, the key macro-economic indicator used is GDP growth, based on publications by the Reserve Bank of Fiji.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Generating the term structure of PD (continued)

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative modelling, the remaining lifetime PD is determined to have increased by more than 30 days past due.

Using its expert credit judgement and, where possible, relevant historical experience, MFL may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Renegotiation of loans to customers in financial difficulties is a qualitative indicator of a significant increase in credit risk.

As a backstop, MFL considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

MFL monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 2.4.4.

MFL renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under MFL's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both personal and motor loans are subject to the forbearance policy. The Audit Committee regularly reviews reports on forbearance activities.

For loans and advances modified as part of MFL's forbearance policy, the estimate of PD reflects whether the modification has improved or restored MFL's ability to collect interest and principal and MFL's previous experience of similar forbearance action. As part of this process, MFL evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 2.4.6) in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Definition of default

MFL considers loans and advances to be in default when:

- the borrower is unlikely to pay its credit obligations to MFL in full, without recourse by MFL to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to MFL.

In assessing whether a borrower is in default, MFL considers indicators that are:

- qualitative – e.g. breaches of covenant;
- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to MFL; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether loans and advances are in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

MFL incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Audit Committee and consideration of a variety of external actual and forecast information, MFL formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by Reserve Bank of Fiji.

The base case represents a most-likely outcome and is aligned with information used by MFL for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, MFL carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

MFL has identified and documented key drivers of credit risk and credit losses for each portfolio of loans and advances and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 30 June 2020 included the following ranges of key indicator for the years ending 30 June 2020 and 2021.

	2020	2021
GDP (contraction)/growth	(21.7%)	14.1%

Predicted relationship between the key indicator and default and loss rates on loans and advances have been developed based on analysing historical data over the past 4 years.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Measurement of ECL (continued)

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. MFL estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD model considers the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to individual loans and advances. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. MFL derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of loans and advances is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for loans and advances for which credit risk has not significantly increased, MFL measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, MFL considers a longer period. The maximum contractual period extends to the date at which MFL has the right to require repayment of an advance or terminate a loan commitment.

Loans and advances are grouped on the basis of shared risk characteristics that include loan purpose and credit risk grading. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Measurement of ECL (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and advances. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.4.6.

	12-month ECL (\$'000)	Lifetime ECL not credit- impaired (\$'000)	Lifetime ECL credit- impaired (\$'000)	Total (\$'000)
Loans and advances to customers at amortised cost				
Balance at 1 July 2019	1,251	2,314	4,997	8,562
Transfer to 12 months ECL	49	(47)	(2)	-
Transfer to lifetime ECL not credit impaired	(2,607)	2,685	(78)	-
Transfer to lifetime ECL credit impaired	(1,638)	(2,271)	3,909	-
Net remeasurement of loss allowance	4,114	3,803	1,454	9,371
New loans and advances originated or purchased	1,437	1,184	452	3,073
Loans and advances that have been derecognised	(366)	(722)	(1,289)	(2,377)
Write-off	-	-	(648)	(648)
Balance at 30 June 2020	2,240	6,946	8,795	17,981

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Loss allowance (continued)

	12-month ECL (\$'000)	Lifetime ECL not credit-impaired (\$'000)	Lifetime ECL credit-impaired (\$'000)	Total (\$'000)
Loans and advances to customers at amortised cost				
Balance at 1 July 2018	1,139	1,526	4,428	7,093
Transfer to 12 months ECL	18	(11)	(7)	-
Transfer to lifetime ECL not credit impaired	(552)	556	(4)	-
Transfer to lifetime ECL credit impaired	(185)	(1,016)	1,201	-
Net remeasurement of loss allowance	286	834	417	1,537
New loans and advances originated or purchased	707	743	361	1,811
Loans and advances that have been derecognised	(162)	(298)	(844)	(1,304)
Write-off	-	(20)	(555)	(575)
Balance at 30 June 2019	1,251	2,314	4,997	8,562

The loss allowance in these table includes ECL on loan commitments because MFL cannot separately identify the ECL on the loan commitment component from those on loans and advances.

Credit-impaired loans and advances

See accounting policy in Note 2.4.6.

Credit-impaired loans and advances are graded doubtful to loss in MFL's internal credit risk grading system.

Collateral held and other credit enhancements

MFL holds collateral and other credit enhancements against its credit exposures. The following table sets out the principal types of collateral held against different portfolios of loans and advances.

	Percentage of exposure that is subject to collateral requirements		Principal type of collateral
	30 June 2020	30 June 2019	
Loans and advances to customers			
Motor vehicle	100	100	Motor vehicles
Personal loans	100	100	Property and equipment

As at 30 June 2020, the net carrying amount of credit-impaired loans and advances to customers amounted to \$45.505 million (2019: \$18.385 million) and the value of identifiable collateral (mainly properties and motor vehicles) held against those loans and advances amounted to \$49.524 million (2019: \$30.992 million).

Credit quality analysis

The following table sets out the information about the credit quality of loans and advances. Unless specifically indicated, the amounts in the table represents gross carrying amount.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Credit quality analysis (continued)

Explanation of the terms: 12-months ECL, lifetime ECL and credit-impaired are included in Note 2.4.6.

2020

	12 months ECL \$'000	Lifetime ECL not credit impaired \$'000	Lifetime ECL credit impaired \$'000	Total \$'000
Loans and advances to customers				
Grade - Standard	37,634	-	-	37,634
Grade - Special mention	-	69,892	-	69,892
Grade - Substandard	-	26,113	-	26,113
Grade - Doubtful	-	-	41,251	41,251
Grade - Loss	-	-	4,255	4,255
	37,634	96,005	45,506	179,145
Loss allowance	(2,240)	(6,946)	(8,795)	(17,981)
Carrying amount	35,394	89,059	36,711	161,164

2019

	12 months ECL \$'000	Lifetime ECL not credit impaired \$'000	Lifetime ECL credit impaired \$'000	Total \$'000
Loans and advances to customers				
Grade - Standard	98,352	-	-	98,352
Grade - Special mention	-	30,266	-	30,266
Grade - Substandard	-	26,533	-	26,533
Grade - Doubtful	-	-	14,590	14,590
Grade - Loss	-	-	3,795	3,795
	98,352	56,799	18,385	173,536
Loss allowance	(1,251)	(2,314)	(4,997)	(8,562)
Carrying amount	97,101	54,485	13,388	164,974

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) *Credit risk (continued)*

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Credit quality analysis (continued)

Financial assets under stage 2 are closely monitored to ensure that they do not deteriorate further. Security inspections are undertaken on these accounts to verify the value of the collateral pledged. These assets are monitored by specialist collection teams on a daily basis and further monitored by management at each month end. Where necessary management restructures these loans to enhance recovery.

In order to manage credit risk, MFL closely monitors existing customers in ensuring a debt service ratio greater than 1 and loan to value ratio of 85% is maintained, and ensuring that all new customers go through comprehensive credit screening.

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

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

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to further minimise the potential for credit loss, MFL seeks additional collateral from the counterparty if the credit risk has increased significantly.

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

If an account goes into arrears, a credit review is performed and the collateral value is reassessed by MFL's in-house credit officers or independent valuers.

Credit risk concentration

Credit risk concentration is determined based on the industry for which the loan is given. An analysis of concentrations of credit risk from loans and advances and loan commitments is shown below

Industry	Loans and advances		Loan commitments	
	2020 (%)	2019 (%)	2020 (%)	2019 (%)
Agriculture	9.54	8.84	-	-
Building and construction	19.29	20.53	20.00	35.97
Manufacturing	3.11	3.26	-	-
Mining and quarrying	0.28	0.24	-	-
Private individuals	10.41	9.88	-	-
Professional and business services	5.27	5.47	-	9.06
Transport, communication and storage	37.58	37.46	80.00	54.97
Wholesale, retail, hotels and restaurants	8.65	8.34	-	-
Others	5.87	5.98	-	-
Total	100.00	100.00	100.00	100.00

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk management framework (continued)

(b) *Credit risk (continued)*

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Impact of COVID-19

In response to COVID-19 and the Group's expectations of economic impacts, the key conditions and assumptions utilised in the Group's calculation of ECL have been revised. The economic scenarios and forward-looking macroeconomic assumptions underpinning the collective provision calculation are outlined in the table below. At reporting date, the expected impacts of COVID-19 have been captured via the modelled outcome as well as a separate economic overlay reflecting the considerable uncertainty remaining in the modelled outcome given the unprecedented impacts of COVID-19. Notwithstanding that credit model inputs and assumptions, including forward-looking macroeconomic assumptions, were revised in response to the COVID-19 pandemic, the fundamental credit model mechanics and methodology underpinning the Group's calculation of ECL have remained consistent with prior periods.

The Group is focused on supporting customers who are experiencing financial difficulties as a result of the COVID-19 global pandemic and has offered a range of industry-wide financial assistance measures including temporary loan repayment deferrals (principal and interest). In accordance with regulatory and industry guidance, temporary loan deferrals have been offered on a 3-month basis, with an option to extend for a further 3 months post a customer check-in to reassess the customer's circumstances.

As per industry guidance, a payment deferral request does not automatically result in a significant increase in credit risk (SICR) which transitions an exposure from stage 1 (12-month ECL) to stage 2 (lifetime ECL). For June 2020 the SICR assessment reflects the loan's risk grading at the time of the deferral. For all exposures an assessment is made of the proportion of each portfolio expected to be SICR given the state of the economy and, to the extent this proportion exceeds the observed proportion, which is SICR, an extra provision is established to ensure this proportion receives a lifetime ECL. This approach ensures the volume of exposures in stage 2 reflects a forward-looking view of the economy and not just what is observable in customer data (such as arrears) at the reporting date. Refer to note 2.4.6 for further information in relation to the Group's accounting policy for determining a SICR event.

At reporting date, the gross carrying value of loans and advances that are subject to a COVID-19 financial assistance package total \$77.447 million. Refer to note 2.4.4 for the Group's accounting policy with respect to determining a loan modification.

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

Reported ECL

The ECL at reporting date of \$17.981 million incorporates a base case (i.e. best estimate scenario) which reflects a sharp deterioration in forecast macroeconomic conditions driven by the significant restrictions and lockdowns that have been imposed since March 2020, followed by a fairly protracted recovery, beginning in 2021 ('reverse J' shaped recovery). Key macroeconomic indicators incorporated in the best estimate are outlined in below. The economic scenarios used as at 30 June 2020 included the following ranges of key indicator for the years ending 30 June 2020 and 2021.

	2020	2021
GDP (contraction)/growth	(21.7%)	14.1%

A separate economic overlay of 20% has been included to reflect the considerable uncertainty remaining in the modelled outcome given the unprecedented impacts of COVID-19.

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk management framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Impact of COVID-19 (continued)

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, signifying no single analysis can fully demonstrate the sensitivity of the ECL to fluctuations in macroeconomic variables. If the best estimate does not eventuate, rather more adverse economic indicators are experienced, akin to an 'L shaped' economic recovery (i.e. a slow rate of recovery and sustained negative GDP change), compared to the current 'reverse J' shaped recovery inherent in the Reported ECL, the actual ECL could be higher.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk management framework (continued)

(c) Liquidity risk

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

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

Non-derivative financial liabilities	Contractual cash flows					
	Carrying amount	Total	On demand	Up to 1 year	1-6 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2020						
Bank overdrafts	27,885	27,885	27,885	-	-	-
Secured bank loans	97,302	111,396	-	25,267	61,168	24,961
Deposits from customers and term borrowings	165,175	182,535	-	103,624	76,340	2,571
Payables	31,269	31,269	-	31,269	-	-
	321,631	353,085	27,885	160,160	137,508	27,532
30 June 2019						
Bank overdrafts	28,946	28,946	28,946	-	-	-
Secured bank loans	80,029	90,712	-	23,139	52,801	14,772
Deposits from customers and term borrowings	149,965	170,131	2,000	98,456	68,697	978
Payables	27,237	27,237	-	27,237	-	-
	286,177	317,026	30,946	148,832	121,498	15,750
Non-derivative financial assets	Contractual cash flows					
	Carrying amount	Total	On demand	Up to 1 year	1-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2020						
Cash and cash equivalents	32,787	32,788	1,088	31,700	-	-
Debt securities	6,232	6,383	-	1,182	4,362	839
Loans, advances and receivables	217,872	258,556	3,853	46,902	181,378	26,423
	256,891	297,727	4,941	79,784	185,740	27,262
30 June 2019						
Cash and cash equivalents	20,038	20,038	210	19,828	-	-
Debt securities	10,942	11,391	-	5,897	4,462	1,032
Loans, advances and receivables	215,331	270,161	3,835	64,761	185,743	15,822
	246,311	301,590	4,045	90,486	190,205	16,854

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

4.2 Risk management framework (continued)

(d) Liquidity risk (continued)

Additional details relating to MFL are set out below:

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

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

MFL's liquidity exposure is measured by calculating its Net Liquidity Gap and by comparing current ratios with targets. MFL Board/ ALCO monitors MFL's liquidity position by reviewing the Net Liquidity Gap expressed as a percentage of liabilities:

	Less than 1 month	1 to <3 months	3 to <6 months	6 to <12 months	Over 12 months
Net Liquidity Gap as a % of Rate Sensitive Assets (not to exceed)	-5%	-7%	-10%	-20%	40%

Apart from the above, MFL uses the following as a benchmark in monitoring its liquidity position.

<u>Ratio</u>	<u>Target</u>	<u>Tolerance Range</u>
Cash Reserve	Minimum 8%	Not to fall below 5%
Liquid Assets/Total Deposits Ratio	20-25%	Not to fall below 20%
Liquid Asset/Total Assets Ratio	10-20%	Not to fall below 10%
Loans/Deposit Ratio	120-135%	Not to exceed 135%
Loans/Adjusted Deposit Ratio	100-120%	Not to exceed 120%
Unimpaired Liquid Assets Ratio	Minimum 12%	Not to fall below 10%

The Cash Reserve ratio is calculated by expressing cash reserves (comprising of cash book balance and short term deposits) as a percentage of total deposits. Other ratios are calculated according to RBF guidelines on liquidity risk management for credit institutions. The loans to deposit ratio and unimpaired liquid assets ratio are monitored daily whilst other ratios are monitored monthly.

Any variance in the above ratios are actioned immediately by management.

4.2 Capital risk management

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

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

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Capital risk management (continued)

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

	2020 \$'000	2019 \$'000
Total Borrowings (excluding deposits from customers)	123,308	115,125
Less: Cash and cash equivalents (Note 10)	32,787	20,038
Net debt	90,521	95,087
Total capital	297,761	309,983
Gearing ratio	30%	31%

Additional details relating to MFL are set out below:

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

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

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

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROFIT

	Note	2020 \$'000	2019 \$'000
Profit before income tax has been determined after:			
(a) Crediting as other income			
Net gain on disposal of property, plant and equipment and assets held for sale		147	295
Management fees		102	104
Rental income		82	70
Change in fair value of investment properties	17	-	2,182
Gain on bargain purchase	3	-	697
Miscellaneous income		669	1,826
		<u>1,000</u>	<u>5,174</u>
(b) Charging as expense			
Other operating expenses includes:			
Auditors' remuneration:			
- audit fees – KPMG		186	217
- other auditors		144	137
- other services – KPMG		-	-
- other auditors		214	213
Directors' emoluments			
- for services as directors		520	612
- for other services		97	265
Inventory obsolescence expense		56	119
FNPF contributions		2,315	2,589
Marketing and promotion		2,909	3,109
Rent		2,167	1,577
Repairs and maintenance		3,465	5,877
Change in fair value of investment properties	17	(602)	-
Management fee		1,404	1,310

6. NET FINANCE COSTS

Interest income under the effective interest method	556	403
Total interest income arising from financial assets measured at amortised cost	<u>556</u>	<u>403</u>
Exchange gain	<u>131</u>	<u>150</u>
Finance income – other	<u>131</u>	<u>150</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. NET FINANCE COSTS (Continued)

	2020 \$'000	2019 \$'000
Financial liabilities measured at amortised cost – interest expense on:		
- borrowings	(5,559)	(3,860)
- lease liability	(1,136)	(1,226)
Exchange loss	(10)	(73)
Finance costs - other	(6,705)	(5,159)
Net finance costs recognised in profit or loss	(6,018)	(4,606)

7. INCOME TAX

(a) Income tax expense

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

Profit before income tax	11,107	45,441
Prima facie tax payable at 10% (2019:10%)	1,111	4,544
<u>Add/ (deduct):</u>		
Impact of difference in tax rate	371	3,605
Dividends received	(115)	(109)
Exempt income	(385)	(156)
Other permanent differences	(478)	625
Impact of equity accounted profit	(593)	(571)
Tax losses not brought to account	1,581	658
Deferred tax liabilities recognised upon acquisition of property, plant and equipment	-	31
Temporary difference not recognised	(114)	(117)
Under provision in prior year	(32)	245
Income tax expense attributable to profit	1,346	8,755
Total income tax expense is made up of:		
Current tax expense	4,524	7,752
Deferred tax (benefit)/expense	(3,146)	758
Under provision in prior years	(32)	245
Income tax expense attributable to profit	1,346	8,755

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (continued)

	2020 \$'000	2019 \$'000
(b) Current tax asset		
Balance at beginning of year	1,109	79
Income tax paid	6,115	8,835
Current tax expense	(4,524)	(7,752)
Transfer of balance from VAT account	328	192
Under provision in prior years	32	(245)
Balance at end of year	3,060	1,109
(c) Deferred tax assets and liabilities		
<u>Deferred tax assets</u>		
Property, plant & equipment	26	36
Annual leave	173	304
Doubtful debts	4,931	2,256
Inventory provisions	181	165
Lease liabilities	1,852	2,764
Others	178	204
Unrealised foreign exchange gain	(2)	(16)
Tax losses	1,533	855
	8,872	6,568
<u>Deferred tax liabilities</u>		
Property, plant & equipment	11,307	11,248
Cyclone reserve deposit	88	142
Right of use asset	1,650	2,497
Fair value on revaluation	1,109	1,254
	14,154	15,141

As at 30 June 2020, Group companies had unrecouped income tax losses of approximately \$13.7 million (2019: \$6.1 million) available to offset against future years' taxable income. The benefit at 20% (2019: 20%) tax rate amounting to approximately \$2.7 million (2019: \$1.2 million) has not been brought to account as realisation is not considered to be probable. Under the existing income tax laws, assessed tax losses can be carried forward for 8 years in succession for losses incurred from 1 January 2019. For losses incurred before 1 January 2019, assessed tax losses may only be carried forward for 4 years in succession. The benefit will only be obtained if:

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

Tax losses related to subsidiaries which are taxed at 20%. Tax losses carried forward expire as follows:

Tax losses year	Gross amount \$'000	Tax effect \$'000	Expiry date
2019	8,170	1,634	2028
2018	3,241	648	2022*
2017	1,574	315	2021
2016	724	145	2020
	13,709	2,742	

* The apportionment of tax losses from 1 January 2019 to 30 June 2019 can be carried forward for 8 years and will expire in 2027.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (continued)

(c) Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year

	1 July 2019 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2020 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	36	-	(10)	26
Annual leave	304	-	(131)	173
Doubtful debts	2,256	-	2,675	4,931
Others	204	-	(26)	178
Inventory provisions	165	-	16	181
Unrealised foreign exchange gain	(16)	-	14	(2)
Tax losses	855	-	678	1,533
Lease liabilities	2,764	-	(912)	1,852
	<u>6,568</u>	<u>-</u>	<u>2,304</u>	<u>8,872</u>
<i>Deferred tax liabilities</i>				
Property, plant & equipment	11,248	-	59	11,307
Cyclone reserve deposit	142	-	(54)	88
Fair value on revaluation (recognised directly in equity)	1,254	(145)	-	1,109
Right of use assets	2,497	-	(847)	1,650
	<u>15,141</u>	<u>(145)</u>	<u>(842)</u>	<u>14,154</u>
	1 July 2018 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2019 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	42	-	(6)	36
Annual leave	301	-	3	304
Doubtful debts	1,781	-	475	2,256
Others	262	-	(58)	204
Inventory provisions	197	-	(32)	165
Unrealised foreign exchange loss	22	-	(38)	(16)
Tax losses	804	-	51	855
Lease liabilities	3,337	-	(573)	2,764
	<u>6,746</u>	<u>-</u>	<u>(178)</u>	<u>6,568</u>
<i>Deferred tax liabilities</i>				
Property, plant & equipment	9,949	-	1,299	11,248
Cyclone reserve deposit	140	-	2	142
Fair value on revaluation (recognised directly in equity)	794	460	-	1,254
Right of use assets	3,218	-	(721)	2,497
	<u>14,101</u>	<u>460</u>	<u>580</u>	<u>15,141</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. LEASES

(a) As a lessee

The Group leases various assets including land and buildings, coaches and jetty. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	Jetty \$'000	Land and buildings \$'000	Coaches \$'000	Total \$'000
Balance at 1 July 2018	1,110	12,101	2,539	15,750
Additions	-	3,478	-	3,478
Re-measurements	39	166	-	205
Depreciation charge for the year	(199)	(1,873)	(436)	(2,508)
Balance at 30 June 2019	950	13,872	2,103	16,925
Balance at 1 July 2019	950	13,872	2,103	16,925
Additions	-	1,286	-	1,286
Transfers from property, plant and equipment	-	3,254	-	3,254
Disposals	(107)	-	-	(107)
Re-measurements	-	27	-	27
Depreciation charge for the year	(180)	(2,644)	(423)	(3,247)
Balance at 30 June 2020	663	15,795	1,680	18,138

2020
\$'000

2019
\$'000

Lease liabilities

**Maturity analysis – contractual
undiscounted cash flows**

Less than one year	5,607	3,273
One to five years	10,432	10,576
More than five years	18,112	18,887
Total undiscounted lease liabilities at 30 June	34,151	32,736

**Lease liabilities included in the
statement of financial position**

Current	2,613	2,182
Non-current	14,031	15,684
	16,644	17,866

Amounts recognised in profit or loss

Interest on lease liabilities	1,136	1,226
Variable lease payments not included in the measurement of lease liabilities	413	1,577
Expenses relating to short-term leases	61	34
Rent concessions due to COVID19*	(1,186)	-

**Amounts recognised in the statement of
cash flows**

Total cash outflow for leases	2,852	5,258
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* This relates to rental concessions received for leases due to COVID 19. Under the amendments issued by the IASB, rental discount and waivers as a result of COVID 19 are to be treated as a negative variable lease payment. Refer to note 1.2 for further details.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. LEASES (continued)

(a) As a lessee (continued)

i. Real estate leases

The Group leases land and buildings for its office space, retail stores, terminal check-in booth, sales booths and engineering and stores workshop. The Group also leases land for island day trips (South Sea Island and Malamala). The leases typically run for a period of two to twenty years except for land leased for island day trips which is typically for twenty-five years and certain land leases which are for ninety-nine years. Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. Some leases provide for additional rent payments that are based on changes in the consumer price index.

Variable lease payments based on passenger numbers

Land leases for island day trips contain variable lease payments that are based on the number of passengers that would have landed on the Island and depending on the package type that the guest would have purchased available at the Islands. These payment terms are common for cruise service providers in Fiji.

ii. Other leases

The Group leases coaches for guest services from resorts and airports, with lease terms of three to five years and jetty for berthing of the vessels, with lease terms of two to nine years. Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. The Group also leases IT equipment with contract terms of five years.

Variable lease payments based on passenger numbers and additional services

Coach leases contain variable lease payments that are based on the number of passengers, charters depending on the point of pick-up or drop-off, additional runs to those contracted and monthly fuel prices. Lease for jetty contains variable lease payments for passenger levy which is based on the number of passengers on board the vessels from and to Port Denarau Marina. These payment terms are common for cruises service providers in Fiji.

iii. Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options, and reassesses this if there is a significant event or significant change in circumstances within its control.

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

9. DIVIDENDS PAID

	2020	2019
	\$'000	\$'000
Dividend paid at 2 cents (2019: 2 cents)	7,525	7,464
	<u>7,525</u>	<u>7,464</u>

10. CASH AND CASH EQUIVALENTS

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

Cash on hand and at bank	28,787	15,967
Term deposits	4,000	4,071
	<u>32,787</u>	<u>20,038</u>
Bank overdrafts (Note 26)	(27,885)	(28,946)
	<u>4,902</u>	<u>(8,908)</u>

b) Financing facilities

Facilities available to the Group include bank overdrafts. Financing facilities of \$53 million were available to the Group as at 30 June 2020 (2019: \$33 million) of which \$28 million (2019: \$21 million) was utilised. See also note 26.

11. DEBT SECURITIES

Current investments

Government bonds	-	500
Deposits with financial institutions	46	5,392
	<u>46</u>	<u>5,892</u>

Non-current investments

Government bonds	5,050	5,050
Deposit with financial institutions	1,136	-
	<u>6,186</u>	<u>5,050</u>
Total	<u>6,232</u>	<u>10,942</u>

Maturity analysis

Not longer than 3 months	-	-
Longer than 3 months and not longer than 12 months	46	5,892
Longer than 1 year and not longer than 5 years	5,386	4,250
Longer than 5 years	800	800
	<u>6,232</u>	<u>10,942</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. LOANS, ADVANCES AND RECEIVABLES

	Note	2020 \$'000	2019 \$'000
Current			
Trade receivables		21,330	25,710
Allowance for expected credit loss		(7,556)	(3,487)
		<u>13,774</u>	<u>22,223</u>
Other receivables – third parties		6,891	6,206
– related parties		1,100	2,798
Allowance for expected credit loss		(14)	(14)
		<u>21,751</u>	<u>31,213</u>
Non-current			
Loans and advances			
– related parties		2,014	-
Other receivables		<u>7,392</u>	<u>7,081</u>
		<u>9,406</u>	<u>7,081</u>
TOTAL		<u>31,157</u>	<u>38,294</u>
Allowance for expected credit loss			
Balance at beginning of year		3,501	2,640
Additional provision made		4,096	864
Bad debts written off		(27)	(3)
Balance at end of year		<u>7,570</u>	<u>3,501</u>

Allowance for expected credit loss relates to receivables only. Allowance for expected credit loss on loans and advances are disclosed in note 13.

Related party receivables are unsecured.

13. LOANS AND ADVANCES

Gross term receivables		228,528	219,762
Deferred revenue		(49,383)	(46,226)
		<u>179,145</u>	<u>173,536</u>
ECL allowance	4.1(b)	(17,981)	(8,562)
		<u>161,164</u>	<u>164,974</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND ADVANCES (continued)

	2020 \$'000	2019 \$'000
<u>Maturity analysis</u>		
Not longer than 3 months	8,318	7,433
Longer than 3 months and not longer than 12 months	11,800	10,765
Longer than 1 year and not longer than 5 years	181,987	185,743
Longer than 5 years	26,423	15,821
	<u>228,528</u>	<u>219,762</u>
 Loan impairment expense		
Increase in impairment	7,191	2,044
Amounts written off directly to profit or loss during the year as uncollectible	293	533
	<u>7,484</u>	<u>2,577</u>

14. INVENTORIES

Raw materials, spares, stores and supplies	11,881	12,934
Finished goods	30,700	28,523
Goods in transit	860	1,698
Provision for obsolescence	(910)	(854)
	<u>42,531</u>	<u>42,301</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. PROPERTY, PLANT AND EQUIPMENT

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

	2020 \$'000	2019 \$'000
Freehold land		
- at cost/ deemed cost	7,064	7,064
Island properties		
- at directors' valuation	11,150	12,600
Leasehold land, improvements and buildings at cost/ deemed cost	92,197	79,121
Accumulated depreciation	(14,536)	(12,694)
	77,661	66,427
Plant and equipment		
- at cost/ deemed cost	195,413	194,092
Accumulated depreciation	(129,205)	(119,821)
Allowance for impairment	(5,530)	(5,005)
	60,678	69,266
Capital works in progress – at cost	8,383	4,133
	164,936	159,490

(b) Reconciliation of property, plant and equipment

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

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2019	7,064	12,600	66,427	69,266	4,133	159,490
Revaluations	-	(1,450)	-	-	-	(1,450)
Additions	-	-	476	3,940	8,192	12,608
Disposals	-	-	-	(78)	(64)	(142)
Transfers to right of use assets	-	-	-	(3,254)	-	(3,254)
Transfers from intangible assets	-	-	-	49	-	49
Transfers from investment properties	-	-	11,000	-	-	11,000
Transfers from capital work in progress	-	-	1,600	2,278	(3,878)	-
Impairment charge	-	-	-	(525)	-	(525)
Depreciation	-	-	(1,842)	(10,998)	-	(12,840)
Carrying amount at 30 June 2020	7,064	11,150	77,661	60,678	8,383	164,936

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2018	7,183	8,000	54,578	70,757	2,485	143,003
Revaluations	-	4,600	-	-	-	4,600
Acquisitions through business combination	-	-	4,415	1,046	-	5,461
Additions	-	-	8,705	4,340	6,900	19,945
Disposals	(119)	-	-	(869)	-	(988)
Transfers from capital work in progress	-	-	334	4,918	(5,252)	-
Depreciation	-	-	(1,605)	(10,926)	-	(12,531)
Carrying amount at 30 June 2019	7,064	12,600	66,427	69,266	4,133	159,490

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

(d) Refer to note 26 for items charged as security.

(e) The island property in Nanuya Lailai Island – Yasawa, was revalued by the Directors of Blue Lagoon Cruises Pte Limited based on an independent valuation by Professional Valuations. The valuation resulted in a decrease of \$1.45 million (\$1.305 million net of tax). The revaluation has been categorised as a Level 2 fair value based on the inputs to the valuation technique used. The following table shows the valuation technique used, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market approach using recent sales data and market values	Adjustment factor of 10% to market selling prices due to impacts of COVID-19	The estimated fair value would increase (decrease) if the adjustment factor were lower (higher).

The carrying amount that would have been recognised had the island properties been carried under the cost model is \$108,000.

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. OTHER ASSETS

	2020 \$'000	2019 \$'000
Prepayments	3,199	4,765

17. INVESTMENT PROPERTIES

Valuation

Opening balance	39,228	35,526
Acquisitions	9,774	1,520
Transfer to property, plant and equipment	(11,000)	-
Change in fair value	(602)	2,182
Closing balance	37,400	39,228

Work in progress

Opening balance	14,726	10,264
Acquisitions	10,032	4,462
Closing balance	24,758	14,726

Carrying amount

Opening balance	53,954	45,790
Closing balance	62,158	53,954

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

Refer to note 26 for items charged as security.

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property annually. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

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

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

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. INTANGIBLE ASSETS

	2020 \$'000	2019 \$'000
Goodwill on consolidation	62,620	62,620
Provision for impairment on goodwill	(6,912)	(6,912)
Management rights	4,377	4,877
Software	780	865
Total intangible assets	<u>60,865</u>	<u>61,450</u>
Movements during the year are as follows:		
Opening net book amount	61,450	61,864
Additions	90	133
Transfers to property, plant and equipment	(49)	-
Transfers from work in progress	33	81
Amortisation of software	(159)	(128)
Amortisation of management rights	<u>(500)</u>	<u>(500)</u>
Total intangible assets	<u>60,865</u>	<u>61,450</u>

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

18. INTANGIBLE ASSETS - continued

(a) FHL Retailing Pte Limited

Impairment test for goodwill

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

Management value the investment in RB Patel Group Limited at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for RB Patel Group Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2020 of \$3.48 (2019: \$7.00) less estimated cost to sell. A decrease in RB Patel Group Limited's share price by more than \$3.00 would result in impairment. The fair value measurement was categorised as a Level 1 fair value based on quoted prices. The carrying amount of the cash generating unit (CGU) in 2020 was determined to be lower than its recoverable amount of \$260.921 million (2019: \$104.968 million).

During the year, the subsidiary company, RB Patel Group Limited, undertook a share split to a ratio of 1:5, that is 5 shares for each existing share.

Impairment test for management rights

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

These projections were based on financial budgets approved by management for the year ending June 2021. Cash flows beyond June 2021 are extrapolated using the estimated growth rates in the underlying business. The growth rate does not exceed the long term average growth rate in which the CGU operates. The key assumptions used in the value in use calculation are as follows:

	2020	2019
	<i>In percent</i>	
Discount rate	10.0	10.0
Terminal value growth rate	2.0	2.0

The weighted average growth rates are based on management's assessment. The discount rate used reflects the risk adjusted rate of return. The carrying amount of the CGU in 2020 was determined to be lower than its recoverable amount. Management rights are being amortised over the remaining life on a straight line basis.

(b) South Sea Cruises Pte Limited

Impairment test for goodwill

Goodwill of \$46.143m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of \$86,022,000. The key assumptions used in the estimation of value in use were as follows:

	2020
Discount rate	11.90%
Terminal value growth rate	2.50%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 13.59%.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for Fiji.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

18. INTANGIBLE ASSETS (continued)

(b) South Sea Cruises Pte Limited - continued

Impairment test for goodwill - continued

Management has identified that a reasonably possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Discount rate	0.55%
Terminal value growth rate	0.76%

Impact of COVID-19

The Group incorporated the impact of COVID-19 via revising its forecast cash flows. The following factors were considered by the Group when determining the impact of COVID-19:

- travel bans and the associated impact on visitor arrivals.
- duration of travel restrictions, shutdown of border and expected gradual opening up of the international borders.
- flow on impact on the CGU of a sharp deterioration in economic conditions driven by significant restrictions and lockdowns.
- reduction in Environmental and Climate Adaption Levy and removal of Service Turnover Tax announced by the Government in its 2020/21 budget.

Due to the travel restrictions the operations of the CGU has been suspended from 23 March 2020. The Group expects operations to recommence from April 2021. This is based on the expectation that Australia and New Zealand, Fiji's two largest tourist market, will open up their borders in the first quarter of 2021. As a result, the Group has forecasted a significant reduction in EBITDA for 2021 when compared to 2020. For the following 2 years the Group envisages a protracted recovery ('reverse J' shaped recovery) with a steady growth from there-on.

(c) Fiji Television Limited

Impairment test for goodwill

Goodwill of \$1.984m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary which holds the Group's 59.4% investment in Fiji Television Limited. Management value the investment in Fiji Television Limited at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for Fiji Television Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2020 of \$3.50 less estimated cost to sell. A decrease in Fiji Television Limited's share price by more than \$2.77 would result in impairment. The fair value measurement was categorised as a Level 1 fair value based on quoted prices. The carrying amount of the CGU in 2020 was determined to be lower than its recoverable amount of \$21.101 million.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. EQUITY SECURITIES

Equity securities are valued in accordance with Note 2.4 of the financial statements.

	2020 \$'000	2019 \$'000
(a) Listed/ quoted securities		
- Amalgamated Telecom Holdings Limited	4,213	9,892
- Fijian Holdings Unit Trust	7,335	6,603
- Pacific Green Industries Limited	1,123	1,123
- Fiji Care Insurance	318	297
- Kinetic Growth Fund	224	224
- Communications (Fiji) Limited	-	3
- Vision Investment Limited	220	-
- Flour Mills of Fiji Limited	3,133	3,126
	<u>16,566</u>	<u>21,268</u>
(b) Unlisted securities		
Shares in other companies		
- Goodman Fielder International (Fiji) Pte Limited	2,200	2,200
- South Pacific Stock Exchange	15	15
- Fiji Gas Company Pte Limited	2,328	2,328
- Asian Paints (South Pacific) Pte Limited	3,500	3,500
- Motibhai and Company Pte Limited	58	55
	<u>8,101</u>	<u>8,098</u>
Total investments	<u>24,667</u>	<u>29,366</u>

Equity securities designated as at FVOCI

No strategic investments were disposed of during 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(c) Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value is estimated using inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. EQUITY SECURITIES (continued)

(c) Valuation of financial instruments (continued)

	Carrying amount				Fair value			
	Amortised cost \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2020								
Financial assets measured at fair value								
Listed equities	-	-	16,566	-	16,566	-	-	16,566
Unlisted equities	-	-	8,101	-	-	2,328	5,773	8,101
	-	-	24,667	-				24,667
Financial assets not measured at fair value								
Government bonds	5,050	-	-	-	-	5,096	-	5,096
	5,050	-	-	-				5,050
30 June 2019								
Financial assets measured at fair value								
Listed equities	-	-	21,268	-	21,268	-	-	21,268
Unlisted equities	-	-	8,098	-	-	2,328	5,770	8,098
	-	-	29,366	-				29,366
Financial assets not measured at fair value								
Government bonds	5,550	-	-	-	-	5,882	-	5,882
	5,550	-	-	-				5,550

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. EQUITY SECURITIES (continued)

(c) Valuation of financial instruments - continued

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	<i>Dividends capitalisation technique:</i> The valuation model is based on the future maintainable dividends and capitalisation rates.	<ul style="list-style-type: none"> Capitalisation rates (2020: 5-10%; 2019: 5-10%) 	The estimated fair value would increase/ (decrease) if any of the significant unobservable inputs were changed. Generally, a change in the annual growth rate is accompanied by directionally similar change in future maintainable dividends.
Government bonds	<i>Market comparison</i> - The fair value of the long term investment securities is based on market prices published by the Reserve Bank of Fiji.	Not applicable	Not applicable

Fair value of assets included in Level 3 are based on Directors' valuations. During the financial year ended 30 June 2020, there were no transfers in and out of fair value hierarchy levels mentioned above. There was no material movement between the opening and closing balances in Level 3 of the fair value hierarchy. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair value.

	\$'000
Balance at 1 July 2018	5,270
Gain included in OCI	
- Net change in fair value	500
Balance at 30 June 2019	<u>5,770</u>
Balance at 1 July 2019	5,770
Gain included in OCI	
- Net change in fair value	3
Balance at 30 June 2020	<u>5,773</u>

Sensitivity analysis

For the fair values of equity securities, a reasonably possible change of 10% at the reporting date to one of the significant unobservable inputs, holding other inputs constant would have the following effects:

	OCI, net of tax	
	Increase	Decrease
	\$'000	\$'000
Capitalisation rates	(184)	184
Forecast dividend yield	512	(512)

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DETAILS OF INVESTMENTS

	Place of incorporation/ principal country of operation	Ownership interest 2020 %	2019 %
Name of company			
(a) Listed/ quoted securities			
Fijian Holdings Unit Trust	Fiji	25.2	25.2
FMF Foods Limited	Fiji	4.3	4.3
(b) Unlisted securities			
Subsidiary companies:			
Basic Industries Pte Limited	Fiji	51.1	51.1
Serendib Investments Pte Limited	Fiji	75.0	75.0
South Sea Cruises Pte Limited	Fiji	100.0	100.0
- Blue Lagoon Cruises Holdings Pte Limited	Fiji	100.0	100.0
- Blue Lagoon Cruises Pte Limited	Fiji	96.1	96.1
FHL Logistics Pte Limited	Fiji	100.0	100.0
FHL Retailing Pte Limited	Fiji	100.0	100.0
- RB Patel Group Limited	Fiji	54.3	53.7
FHL Stockbrokers Pte Limited	Fiji	100.0	100.0
Pacific Cement Pte Limited	Fiji	50.3	50.3
FHL Fund Management Limited	Fiji	100.0	100.0
FHL Properties Pte Limited	Fiji	100.0	100.0
FHL Media Pte Limited	Fiji	100.0	100.0
- Fiji Television Limited	Fiji	59.4	61.8
- Life Cinema Pte Limited	Fiji	71.6	71.6
Merchant Finance Pte Limited	Fiji	80.0	80.0
Other companies			
Asian Paints (South Pacific) Pte Limited	Fiji	8.9	8.9
Goodman Fielder International (Fiji) Pte Limited	Fiji	10.0	10.0
Golden Manufacturers Pte Limited	Fiji	30.0	30.0
Pernix (Fiji) Pte Limited	Fiji	21.0	21.0
Marsh Pte Limited	Fiji	25.0	25.0
New World Pte Limited	Fiji	20.3	20.3
Ritam Investments Pte Limited	Fiji	30.0	

21. NON-CONTROLLING INTERESTS

The Group has a number of subsidiaries which it controls but which also have significant non-controlling interests.

The table set out below shows the interest that non-controlling interests have in each subsidiary that is material to the reporting entity.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. NON-CONTROLLING INTERESTS - continued

30 June 2020	Basic Industries Pte Limited	Pacific Cement Pte Limited	Serendib Investment Pte Limited	Merchant Finance Pte Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Pte Limited	Blue Lagoon Cruises Pte Limited	Basic Holdings Limited	Intra-group eliminations	Total
NCI percentage	48.99%	49.75%	25.00%	20.00%	45.67%	40.62%	28.37%	3.90%	49.00%		
Non-current assets	22,550	7,459	9,011	159,054	77,851	6,022	10,053	17,670	-		
Current assets	31,255	12,798	1,084	47,862	16,891	11,790	600	6,201	2,488		
Non-current liabilities	(3,429)	(731)	(3,920)	(63,989)	(24,500)	(1,428)	(10,840)	(2,066)	-		
Current liabilities	(29,383)	(11,783)	(2,870)	(107,933)	(19,093)	(1,443)	(1,029)	(112)	(258)		
Net assets	20,993	7,743	3,305	34,994	51,149	14,941	(1,216)	21,693	2,230	(1,530)	51,452
Net assets attributable to NCI	10,284	3,852	826	6,998	23,359	6,069	(344)	846	1,092		
Revenue	57,545	27,017	1,492	16,570	139,606	(9,076)	(3,820)	2,410	2,604		
Profit/(loss)	(4,818)	(4,300)	(2,397)	2,639	9,681	263	(1,226)	1,562	2,230		
Other comprehensive expense	-	-	-	(2,876)	-	(2)	-	(1,305)	-		
Total comprehensive income/(expense)	(4,818)	(4,300)	(2,397)	(237)	9,681	261	(1,226)	257	2,230		
Profit/(loss) allocated to NCI	(2,360)	(2,139)	(599)	528	4,421	107	(348)	60	1,093	-	763
Other comprehensive expense allocated to NCI	-	-	-	(575)	-	(1)	-	(51)	-	-	(627)
Cash flows from/(used in) operating activities	2,628	105	(1,846)	19,776	13,805	821	16	(90)	24		
Cash flows (used in) investing activities	(2,330)	(469)	(2,326)	(323)	(7,380)	(284)	(4)	-	-		
Cash flows (used in)/from financing activities (dividends to NCI: \$4.118 million)	(1,116)	1,536	3,475	(5,614)	(1,575)	(650)	67	140	-		
Net (decrease)/increase in cash and cash equivalents	(818)	1,172	(697)	13,839	4,850	(113)	79	50	24		

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. NON-CONTROLLING INTERESTS (continued)

30 June 2019	Basic Industries Pte Limited	Pacific Cement Pte Limited	Serendib Investment Pte Limited	Merchant Finance Pte Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Pte Limited	Blue Lagoon Cruises Pte Limited	Intra-group eliminations	Total
NCI percentage	48.99%	49.75%	25.00%	20.00%	46.27%	38.19%	28.37%	3.90%	\$'000	\$'000
Non-current assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	22,522	7,638	6,799	165,676	68,883	7,056	11,607	19,156		
Non-current liabilities	33,368	15,270	1,667	30,640	19,728	11,810	623	4,563		
Current liabilities	(3,471)	(502)	(895)	(48,400)	(19,815)	(1,562)	(9,474)	(2,221)		
	(23,608)	(10,363)	(1,868)	(110,809)	(21,327)	(2,110)	(2,746)	(62)		
Net assets	28,811	12,043	5,703	37,107	47,469	15,194	10	21,436		
Net assets attributable to NCI	14,115	5,991	1,426	7,421	21,964	5,803	3	836	(1,587)	55,972
Revenue	76,305	28,182	987	19,085	136,486	11,881	5,263	3,445		
Profit/(loss)	6,853	(1,769)	(297)	7,854	10,080	1,202	(588)	2,437		
Other comprehensive income/(expense)	-	-	-	-	-	(8)	-	4,140		
Total comprehensive income/(expense)	6,853	(1,769)	(297)	7,854	10,080	1,194	(588)	6,577		
Profit/(loss) allocated to NCI	3,357	(880)	(74)	1,571	4,664	459	(167)	95	-	9,025
Other comprehensive income/(expense) allocated to NCI	-	-	-	-	-	(3)	-	162	-	159
Cash flows from/(used in) operating activities	1,401	(2,055)	(1,092)	3,533	8,057	(1,124)	169	(203)		
Cash flows (used in)/from investing activities	(5,041)	(622)	(5,839)	(1,312)	(8,529)	(544)	(415)	209		
Cash flows (used in)/from financing activities (dividends to NCI: \$4.669 million)	(949)	1,428	6,000	6,418	(4,051)	(977)	101	-		
Net (decrease)/increase in cash and cash equivalents	(4,589)	(1,249)	(931)	8,639	(4,523)	(2,645)	(145)	6		

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

22. INVESTMENTS IN ASSOCIATES

The Group's share of profit after tax in its equity accounted investees for the year was \$5.340 million (2019: \$5.136 million). The Group has interests in the following associates which are considered individually immaterial:

Marsh Pte Limited
Golden Manufacturers Pte Limited
Pernix (Fiji) Pte Limited
New World Pte Limited
Ritam Investments Pte Limited

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Profit/ (loss) \$'000
2020	249,413 =====	124,195 =====	318,741 =====	295,346 =====	23,395 =====
2019	202,846 =====	101,790 =====	315,215 =====	294,604 =====	20,611 =====

Reconciliation of the carrying value of investments in associates:

	2020 \$'000	2019 \$'000
Opening balance	30,784	28,955
Additions	6,440	-
Equity accounted earnings of associates (net of tax)	5,340	5,136
Dividends from associates	(3,600)	(3,307)
Closing balance	<u>38,964</u>	<u>30,784</u>

23. PAYABLES

Current

Trade creditors	18,594	15,114
Accruals and other creditors	<u>12,390</u>	<u>11,629</u>
	<u>30,984</u>	<u>26,743</u>

Non-current

Trade creditors	<u>288</u>	<u>494</u>
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TOTAL

<u>31,272</u>	<u>27,237</u>
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24. EMPLOYEE ENTITLEMENTS

Current

Annual leave	699	966
Bonus and gratuity	<u>283</u>	<u>923</u>
	<u>982</u>	<u>1,889</u>

Non-current

Bonus and gratuity	31	24
Long service leave	<u>-</u>	<u>6</u>
	<u>31</u>	<u>30</u>
	<u>1,013</u>	<u>1,919</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. DIVIDENDS PAYABLE

	2020 \$'000	2019 \$'000
Dividends	<u>4,180</u>	<u>4,045</u>

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

26. BORROWINGS

Current

Bank overdrafts secured (Note 10)	27,885	28,946
Term loans secured	20,884	20,011
Fixed term deposits and term borrowings (unsecured) – third parties	97,342	98,766
– related parties	917	-
	<u>147,028</u>	<u>147,723</u>

Non-current

Term loans secured	76,418	60,018
Fixed term deposits and term borrowings (unsecured) – third parties	63,120	47,049
– related parties	3,796	4,150
	<u>143,334</u>	<u>111,217</u>

TOTAL

	<u>290,362</u>	<u>258,940</u>
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The bank overdraft, stand by facilities, and term loans of the subsidiary companies with Australia and New Zealand Banking Group Limited ("ANZ Bank", "ANZ Banking Group Limited") are secured by registered equitable mortgages over all the assets and undertakings of the companies, including uncalled and unpaid capital of the respective companies.

- i. Fijian Holdings Limited – the loan and bank overdraft with ANZ Bank are secured by Scrip Lien over shares in Basic Industries Pte Limited, shares in Merchant Finance Pte Limited, shares in South Sea Cruises Pte Limited, shares in Golden Manufacturers Pte Limited, shares in FHL Media Pte Limited, shares in Pernix (Fiji) Pte Limited, Scrip Lien given by FHL Retailing Pte Limited over shares in RB Patel Group Limited, Scrip Lien given by the FHL Trustees Limited, over shares in Pernix (Fiji) Pte Limited, Naked deposit given by Fijian Holdings Trust Management Limited (100% FHL owned) over 1 ordinary share in South Sea Cruises Pte Limited, and first registered charge (mortgage debenture), given by the Company including its uncalled and unpaid capital. (Being a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid or uncalled capital of that Security Provider).
- ii. South Sea Cruises Pte Limited – the loan and bank overdraft with ANZ Bank are secured as follows:
 - First registered mortgage debenture by South Sea Cruises Pte Limited dated 26 August 2005 being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital.
 - First Charge Ships Mortgage and Deed of Covenant over MV Dau Saru Cakau, MV Yasawa Flyer II, MV Ocean Dreaming, MV Cougar II, MV Panther and MV Tiger V.
 - Master Finance Lease Agreement between ANZ and the Company.
 - First Charge Registered Mortgage over the property situated at Malamala Island comprising the Malamala Beach Club being the land described in iTaukei sublease number 820719.
 - First Charge Registered Mortgage Debenture by Blue Lagoon Cruises Pte Limited dated 16 December 2013 being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital of Blue Lagoon Cruises Pte Limited.
 - First Charge Ships Mortgage and Deed of Covenant over MV Fiji Princess.
 - First Charge Registered Mortgage over the property situated at Nanuya Lailai Island being the land described in Crown Grant Folio Number 1248.

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

26. BORROWINGS - continued

- iii. RB Patel Group Limited – the bank overdraft facility and bank loans (together with letter of credit and guarantee facilities) from ANZ Banking Group Limited is secured by:
- Registered first mortgage debenture given by the company over all its present and future assets and undertakings and its uncalled and unpaid capital, stamped to \$26.8 million.
 - Registered first mortgage over properties (CT No. 23400) situated at corner of Dovi Road and Ratu Mara Road, Laucala Beach Estate, Nasinu, (CT No. 7082) situated at Martintar, Nadi, (CT No. 34330) situated at Tavewa Avenue, Lautoka, (CL No. 53120) situated at Tavewa Avenue, Lautoka and (CT No. 39150) situated at Queens Road, Lami.
 - A Deed of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.
- The bank overdraft facility and bank loan (together with letter of credit and guarantee facilities) from Westpac Banking Corporation is secured by:
- Registered equitable mortgage debenture given by the company over all its assets and undertakings including its uncalled and called but unpaid capital.
 - A Deed of Pari Passu between Westpac Banking Corporation, ANZ Banking Group Limited and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.
 - Registered first mortgage over properties (CL No. 2843) situated at the corner of Kings & Adi Davila Roads, Nakasi, Nausori, (CL No. 4825) situated at Clarke Street, Suva and (NL No. 15761) situated at Nasekula Road, Labasa.
- iv. Basic Industries Pte Limited – the loan and bank overdraft with ANZ Bank is secured by a registered first mortgage debenture over all assets and undertakings of Basic Industries Pte Limited including its uncalled and unpaid premiums. The overdraft attracts interest at a rate of 4.65% per annum (2019: 5.15%) and has a revolving limit of \$10 million (2019: \$4.4 million).
- Basic Industries Pte Limited leases vehicles and equipment with lease terms of 3 to 5 years. At the end of the lease, the respective vehicle and/or equipment is owned by Basic Industries Pte Limited.
- The borrowings and finance lease on motor vehicles are secured as follows:
- first registered mortgage debenture over all the assets of the Company including its uncalled and unpaid capital;
 - master lease agreement between Basic Industries Pte Ltd and Australia and New Zealand Banking Group Limited; and
 - letter of comfort given by Fijian Holdings Limited in support of facilities amounting in aggregate to \$12.995m held on account of Basic Industries Pte Limited.
- v. Life Cinema Pte Limited – the bank overdraft facility and loan from ANZ Banking Group Limited is subject to interest at 4.65%, is repayable by monthly instalments of \$51,071 (inclusive of interest) and is secured by:
- First Registered Mortgage Debenture over the company's assets and undertakings including its called and uncalled capital.
 - Letter of Undertaking given by Fijian Holdings Limited for the entire indebtedness of FJD 6,250,000 to ANZ Banking Group Limited.
- vi. Pacific Cement Pte Limited - the loan with ANZ Bank is secured by a first registered mortgage debenture, dated 30 June 2004, over all of Pacific Cement Pte Limited's assets and undertakings, stamped at \$9.1 million. The loan is secured by a first registered mortgage over Customary/Native Lot 2 Lovu & Vatamai off Naikabula Road, Lautoka.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. BORROWINGS (continued)

vii. FHL Properties Pte Limited - the loans with ANZ Bank are secured as follows:

- First registered mortgage debenture over the assets and undertakings of the Company;
- First registered mortgage over Certificate of Title number 19239 on property known as "Vanua House";
- First registered mortgage over Certificate of Title number 4098, being property known as "Ratu Sukuna House";
- First registered Mortgage over Certificate of Title No.12609, being property known as "Ra Marama House";
- First Registered Mortgage over Freehold, at the corner of Gordon and Gorrie streets, over Certificate of Title number 7767; and
- First Registered Mortgage over Freehold, off Momi Bay Road, over Certificate of Title number 23603.

The Company has entered into a loan agreement with ANZ Bank as follows for which no drawdowns were made during the current financial year:

- \$63,891,000 to assist with funding the cost for the construction of a 17 storey modern commercial building (FHL Tower), at a variable interest rate of 5.15%. Interest is to be capitalized for the first 18 months from date of first drawdown. Thereafter, interest only payments for 18 months the principal and interest repayments of \$559,230 to apply; and
- \$2,000,000 business overdraft to assist with funding the VAT component of the FHL Tower project, at a variable interest rate of 6.05% and repayable at demand.

viii. Merchant Finance Pte Limited - the overdraft facility with ANZ Bank is secured by a registered equitable mortgage over all Merchant Finance Pte Limited's assets and uncalled capital.

ix. Serendib Investments Pte Limited – the overdraft facility and bank loan from HFC Bank are secured by:

- First registered mortgage debenture over all assets and undertakings of the company including uncalled and unpaid premiums
- Limited guarantee provided by Fijian Holdings Limited

The overdrafts bear interest rates of 4.40% per annum and the finance leases bear interest rates varying from 3.9% to 5% per annum.

Fixed term deposits and term borrowings are related to customer deposits with Merchant Finance Pte Limited and Fijian Holdings Unit Trust.

The Group did not have any defaults of principal or interest or other breaches with respect to its borrowings during the years ended 30 June 2020 and 2019.

Relief assistance received by subsidiary company, South Sea Cruises Pte Limited, due to COVID 19

On 22 April 2020, ANZ increased the subsidiary company's overdraft facility from \$1,500,000 to \$5,200,000 with monthly repayments of principal and interest on all borrowings (except repayment on insurance premium funding facility) temporarily ceased from 22 April 2020 to 22 October 2020 (temporary period). During the temporary period only interest will be charged and this will be capitalised into the loan balance. Interest has also been reduced during the temporary period from 5.15% per annum to 4.65% per annum for all borrowings with the exception of the insurance premium funding facility and bank overdraft.

Loan covenant waiver

The subsidiary company on 30 June 2020 obtained a temporary suspension from annual testing of loan covenants due to COVID 19 as at 30 June 2020. The next testing is to be conducted from 30 June 2021.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. BORROWINGS (continued)

Relief assistance received by subsidiary company, South Sea Cruises Pte Limited, due to COVID 19 (continued)

Repayments

The following table provides repayment details before the temporary period and after the temporary period.

Loan Details	Balance as at 30 June 2020	Repayment before the temporary period	Repayment after the temporary period
Loan 1	2,817,046	Principal and interest repayments of \$305,394 (2019: \$303,669) and interest of 5.15% (2019:4.40%)	Principal and interest repayments of \$312,612
Loan 2	3,897,030	Principal and interest repayments of \$86,122 (2019: \$82,318) and interest of 5.15% (2019:4.40%)	Principal and interest repayments of \$87,399
Loan 3	4,132,864	Principal and interest repayments of \$91,333 (2019: \$82,209) and interest of 5.15% (2019:4.40%)	Principal and interest repayments of \$92,688
Loan 4	3,111,134	Principal and interest repayments of \$49,295 (2019: \$48,098) and interest of 5.15% (2019:4.40%)	Principal and interest repayments of \$48,719
Loan 5	3,382,681	Principal and interest repayments of \$54,432 from March 2020 and prior to that interest only repayments (2019: interest only repayments) and interest of 5.15% (2019:4.40%)	Principal and interest repayments of \$54,881

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. BORROWINGS (continued)

Reconciliation of movement of liabilities to cash flows from financing activities

	Term loan (secured) \$'000	Lease liabilities \$'000	Total \$'000
Balance at 30 June 2018	76,139	16,248	92,387
Changes from financing cash flows			
Proceeds from loans and borrowings	8,943	-	8,943
Repayment of borrowings	(5,053)	-	(5,053)
Payment of lease liabilities	-	(2,421)	(2,421)
Total changes from financing cash flows	3,890	(2,421)	1,469
Other changes			
Liability-related			
New lease liabilities	-	4,039	4,039
Interest expense	3,860	1,226	5,086
Interest paid	(3,860)	(1,226)	(5,086)
Total liability-related other changes	-	4,039	4,039
Balance at 30 June 2019	80,029	17,866	97,895
Changes from financing cash flows			
Proceeds from loans and borrowings	40,215	-	40,215
Repayment of borrowings	(22,942)	-	(22,942)
Payment of lease liabilities	-	(1,242)	(1,242)
Total changes from financing cash flows	17,273	(1,242)	16,031
Other changes			
Liability-related			
New lease liabilities	-	1,286	1,286
Remeasurements	-	27	27
Disposals	-	(107)	(107)
Rent concessions due to COVID19	-	(1,186)	(1,186)
Interest expense	5,559	1,136	6,695
Interest paid	(5,559)	(1,136)	(6,695)
Total liability-related other changes	-	20	20
Balance at 30 June 2020	97,302	16,644	113,946

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. SHARE CAPITAL

	2020 \$'000	2019 \$'000
Issued and fully paid		
Issued and paid up capital	30,465	30,465
	<u>30,465</u>	<u>30,465</u>

Shares have no par value.

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

28. RESERVES

Fair value reserve

Fair value reserve consists of subsequent changes in the fair value of investments in equity instruments that are not held for trading.

Credit loss reserve

The credit loss reserve related to Merchant Finance Pte Limited in accordance with the requirements of the Reserve Bank of Fiji.

The Credit Loss Reserve was initially established to comply with Reserve Bank of Fiji requirements of maintaining prudent levels for possible losses inherent in the loan portfolio which are not associated with any facility or amount. These were maintained for credit facilities outstanding which are not subject to individually assessed provision. Following the implementation of IFRS 9, management believe that such credit loss for non-specific losses is already covered as part of the ECL model, including management overlay component. Accordingly the credit loss reserve was derecognized during 2020, with a corresponding adjustment through other comprehensive income. The credit loss reserve had been established gross of tax, which following the transfer through OCI, has been brought to account by recognizing an appropriate deferred tax impact.

Other equity reserve

Other equity reserve relates principally to acquisition of minority interest shareholdings in Blue Lagoon Cruises Pte Limited and RB Patel Group Limited.

Asset revaluation reserve

The asset revaluation reserve consists of increments arising from the revaluation of the Group's property, plant and equipment.

Foreign currency translation reserve

The foreign currency translation reserve relates to foreign currency translation as at year end on consolidation of subsidiary companies operating in foreign jurisdictions whose financial statements and transactions are denominated in a currency other than the functional and presentation currency of the Group.

Common control reserve

The acquisition of FHL Media Pte Limited in 2013 was accounted for as a common control transaction as at the time of this transaction both FHL Media Pte Limited and the Company were controlled by the same shareholder group. As a common control transaction, the acquisition did not reflect the fair value of assets and liabilities acquired or recording of additional goodwill at the time of the acquisition of FHL Media Pte Limited. The acquisition balance sheet of FHL Media Pte Limited reflected the carrying values for assets and liabilities acquired from FHL Media Pte Limited's consolidated accounting records. The difference between the fair value of the consideration given and the carrying value of the assets and liabilities acquired was recognised as a common control reserve in the consolidated financial statements. Upon disposal of all interests in FHL Media Pte Limited by the Group, this reserve will be transferred to retained earnings.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. RESERVES - continued		Asset Revaluation Reserve \$'000	Credit Loss Reserve \$'000	Common Control Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Equity Reserve \$'000	Total \$'000
	Balance at 30 June 2018	6,392	2,425	9,926	15,489	(229)	(2,703)	31,300
	Foreign currency movement	-	-	-	-	(6)	-	(6)
	Decrease in non-controlling interests	-	-	-	-	-	(62)	(62)
	Fair value movements	3,979	-	-	3,456	-	-	7,435
	Balance at 30 June 2019	10,371	2,425	9,926	18,945	(235)	(2,765)	38,667
	Foreign currency movement	-	-	-	-	(1)	-	(1)
	Decrease in non-controlling interests	-	-	-	-	-	(3,202)	(3,202)
	Increase in non-controlling interests	-	-	-	-	-	650	650
	Credit loss reserve derecognised	-	(2,425)	-	-	-	-	(2,425)
	Fair value movements	(1,254)	-	-	(2,943)	-	-	(4,197)
	Balance at 30 June 2020	9,117	-	9,926	16,002	(236)	(5,317)	29,492

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. OPERATING LEASES

Operating lease commitments

The Group has a number of leases with less than 12 months of lease term for which no right of use assets and liabilities have been recognised. The future aggregated minimum lease payments under these leases are as follows:

	2020 \$'000	2019 \$'000
Not later than 1 year	70	100
	<u>70</u>	<u>100</u>

Operating lease commitments – where a group company is the lessor

The group leases certain properties at varying terms and conditions. The future minimum lease payments receivable under these leases are as follows:

Not later than 1 year	6,375	5,959
Later than 1 year but not later than 5 years	8,581	10,728
Later than 5 years	<u>1,870</u>	<u>2,799</u>
	<u>16,826</u>	<u>19,486</u>

Amounts recognised in profit or loss

During 2020, investment property rentals of \$6.824 million (2019: \$6.764 million) were included in 'Operating revenue'. Direct operating expenses (including repairs and maintenance), were as follows:

Income-generating property	890	806
Vacant property	<u>-</u>	<u>-</u>
	<u>890</u>	<u>806</u>

30. EARNINGS PER SHARE

The calculation of earnings per share at 30 June 2020 was based on the profit attributable to ordinary shareholders of \$8.922 million (2019: \$27.661 million) and a weighted average number of ordinary shares outstanding of 304.647 million (2019: 304.647 million), calculated as follows:

	2020 \$'000	2019 \$'000
Profit after income tax attributable to members of the Company	8,922	27,661
Weighted average number of shares outstanding ('000)	<u>304,647</u>	<u>304,647</u>
Basic and diluted earnings per share	<u>\$0.03</u>	<u>\$0.09</u>

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

31. CONTINGENT LIABILITIES

	2020 \$'000	2019 \$'000
Non-performance guarantees given by the bank on behalf of subsidiary companies	2,187	3,805
Non-performance guarantees given by the bank on behalf of the Company	312	270

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

The Company has provided a letter of support to its subsidiary, South Sea Cruises Pte Limited undertaking that in the next 12 months it will provide sufficient financial assistance as and when it is needed to enable the subsidiary to continue operations and meet its financial obligations.

One of the Group's subsidiaries, South Sea Cruises Pte Limited, is currently a second defendant in a case involving the Land Tenure of Malamala Island. The matter was struck out by the High Court on 18 November 2016 against the first defendant. The Plaintiff filed an appeal on 23 January 2017 against this decision which was successful. The Company has since appointed a new legal representative who has to this point successfully had dates for a hearing in August 2020 vacated and is currently requesting further particulars from the Plaintiff in order to strengthen the Company's defence. It is uncertain at this stage the potential liability that may arise, if any.

32. CAPITAL COMMITMENTS

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

<u>8,247</u>	<u>12,826</u>
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Commitments in respect of loans and approved credit commitments offered but not yet advanced as at balance date amounted to approximately \$3.650 million (2019: \$5.270 million).

33. RELATED PARTY INFORMATION

Directors

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

Adrian Sofield – Chairman – Resigned 4 January 2020
Yogesh Karan – Acting Chairman – Appointed 8 January 2020
Sakiusa Raivoce
Aisea Waka Vosailagi – Resigned 4 January 2020
Anthony Whitton
Sanjit Patel – Resigned 4 January 2020
Litiana Loabuka
Kalpana Lal
Mereia Volavola – Appointed 15 August 2020
Savendra Dayal – Appointed 15 August 2020
Eseta Nadakuitavuki – Appointed 15 August 2020

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

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

33. RELATED PARTY INFORMATION (continued)

Identity of related parties

All material ownership interests in related parties are disclosed in Note 20. The Group also has related party transactions within the Group which are eliminated upon consolidation.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Group:

Name	Title
Fijian Holdings Limited	
Nouzab Fareed	Chief Executive Officer (resigned 20/12/2019)
Abilash Ram	Acting Chief Executive Officer (appointed 23/12/2019), Chief Financial Officer
Saleshni Warran	Manager Audit, Risk and Compliance
Mereti Cokanasiga	Manager Human Resources (resigned 31/12/2019)
Lui Lanyon	Assistant Manager Human Resources (appointed 01/01/2020)
Sitiveni Koya	Company Secretary
Asish Kumar	Manager IT
Fiji Television Limited	
Karen Lobendahn	Chief Executive Officer
South Sea Cruises Pte Limited	
Brad Rutherford	Chief Executive Officer
Basic Industries Pte Limited	
Mosese Volavola	Chief Executive Officer
Pacific Cement Pte Limited	
Sowani Tuidrola	Chief Executive Officer
Merchant Finance Pte Limited	
Rowena Fong	Chief Executive Officer
RB Patel Group Limited	
Deepak Rathod	Chief Operating Officer
Serendib Investment Pte Limited	
Pradeep Mendis	Manager Operations

The aggregate compensation of key management personnel of the Group comprising only short-term benefits amounted to \$2.438 million (2019: \$2.610 million).

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. SEGMENT INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Construction	Sales of cement, concrete and concrete products
Property	Owners and administrators of properties, and rental of property
Finance	Asset and loan financing, and acceptance of term deposits
Tourism	Provision of sea transportation services and boat charters
Media	Television and communications
Retail	Retailing and wholesaling of general merchandise
Investment	Equity investments

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. SEGMENT INFORMATION - continued
Primary Reporting - Business Segments

2020

	<u>Construction</u> <u>\$000</u>	<u>Property</u> <u>\$000</u>	<u>Finance</u> <u>\$000</u>	<u>Tourism</u> <u>\$000</u>	<u>Media</u> <u>\$000</u>	<u>Retail</u> <u>\$000</u>	<u>Investment</u> <u>\$000</u>	<u>Other</u> <u>\$000</u>	<u>Inter</u> <u>Segment</u> <u>\$000</u>	<u>TOTAL</u> <u>GROUP</u> <u>\$000</u>
External Operating										
Revenue										
Sale of goods	86,530	-	-	-	-	135,771	-	-	(15,672)	206,629
Rendering of services	-	-	-	37,687	12,467	-	-	4,092	(4,980)	49,266
Revenue from contracts										
with customers	86,530	-	-	37,687	12,467	135,771	-	4,092	(20,652)	255,895
Rental and property management	-	4,229	-	-	-	3,682	-	-	(921)	6,990
Interest income	-	-	24,543	-	-	-	-	-	-	24,543
Fee income	-	-	672	-	-	-	-	-	-	672
Interest expense	-	-	(8,612)	-	-	-	-	-	171	(8,441)
Other	-	-	-	-	-	-	20,354	11,026	(20,855)	10,525
Total operating revenue/net interest income										290,184
Result										
Profit/(loss) before income tax	(10,293)	3,035	2,619	3,214	(341)	10,728	15,050	5,456	(18,361)	11,107
Income tax (expense)/benefit	1,175	47	20	(524)	(78)	(1,048)	(170)	(768)	-	(1,346)
Other material non-cash items:										
- Impairment losses on non-financial assets	-	-	-	-	(525)	-	-	-	-	(525)
Depreciation and amortisation expense	(4,538)	(141)	(871)	(7,468)	(2,305)	(2,437)	(304)	(1,144)	2,462	(16,746)
Acquisition of property, plant and equipment	2,798	118	361	3,291	19	1,163	619	2,866	1,373	12,608
Total assets	76,025	67,013	207,224	83,328	60,440	94,698	426,991	158,342	(515,331)	658,730
Total liabilities	47,290	28,580	172,230	56,977	12,868	43,549	61,030	13,759	(75,309)	360,974

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. SEGMENT INFORMATION - continued
Primary Reporting - Business Segments
2019

	<u>Construction</u> \$'000	<u>Property</u> \$'000	<u>Finance</u> \$'000	<u>Tourism</u> \$'000	<u>Media</u> \$'000	<u>Retail</u> \$'000	<u>Investment</u> \$'000	<u>Other</u> \$'000	<u>Inter Segment</u> \$'000	<u>TOTAL GROUP</u> \$'000
External Operating Revenue										
Sale of goods	103,540	-	-	-	-	131,718	-	-	(12,806)	222,452
Rendoring of services	-	-	-	53,753	16,601	-	-	984	(3,285)	68,053
Revenue from contracts with customers	103,540	-	-	53,753	16,601	131,718	-	984	(16,091)	290,505
Rental and property management	-	4,206	-	-	-	3,516	-	-	(958)	6,764
Interest income	-	-	23,651	-	-	-	-	-	-	23,651
Fee income	-	-	452	-	-	-	-	-	-	452
Interest expense	-	-	(6,138)	-	-	-	-	-	46	(6,092)
Other	-	-	-	-	-	-	30,664	10,451	(30,811)	10,304
Total operating revenue/net interest income										325,584
Result										
Profit before income tax	7,357	5,219	9,784	8,513	1,514	11,196	25,463	4,481	(28,086)	45,441
Income tax expense	(2,273)	(1,047)	(1,930)	(1,842)	(209)	(1,116)	(79)	(259)	-	(8,755)
Other material non-cash items:										
- Impairment losses on non-financial assets	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	(4,789)	(81)	(896)	(7,344)	(2,003)	(1,898)	(223)	(792)	2,359	(15,667)
Acquisition of property, plant and equipment	5,604	83	1,388	2,558	489	1,280	30	6,851	7,123	25,406
Total assets	79,931	52,388	195,819	91,045	59,053	88,646	406,516	131,340	(463,778)	640,960
Total liabilities	39,077	17,036	158,713	64,496	15,072	41,178	48,344	9,797	(62,736)	330,977

The Group operates in Fiji and in PNG with the PNG operations not being material and therefore do not require separate segment disclosures. The fee income above relates to financial assets not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial years.

LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE

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

- a) Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 30 June 2020 included

	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sakiusa Raivoce	-	1,313,739	-	-
Aisea Waka Vosailagi	-	-	-	12,641

- b) Distribution of Shareholding

<u>No. of shareholders</u>	<u>Shareholding</u>	<u>Total percentage holding</u>
136	0 - 500 shares	0.01
545	501 - 5,000 shares	0.47
320	5,001 - 10,000 shares	0.78
210	10,001 - 20,000 shares	0.96
86	20,001 - 30,000 shares	0.69
52	30,001 - 40,000 shares	0.59
37	40,001 - 50,000 shares	0.55
71	50,001 - 100,000 shares	1.63
128	100,001 - 1,000,000 shares	14.29
19	Over 1,000,000 shares	80.02
Total	1,604	100.00%

- c) Top 20 shareholders

	<u>Name</u>	<u>No. of shares</u>
1	iTaukei Affairs Board	107,800,400
2	iTaukei Trust Fund Board	100,000,000
3	iTaukei Land Trust Board	8,846,660
4	Cakaudrove Provincial Holdings Company Limited	3,001,521
5	Ratu Sir K Mara Education Trust Fund	3,000,000
	Cicia Plantation Co-Operative Society Ltd	3,000,000
6	Tailevu Dairy Farmers	2,200,000
7	Macuata Provincial Council	2,109,940
8	Vanua Ko Lovoni Investment	1,798,050
9	Bua Provincial Council	1,623,570
10	Duavata Holdings Ltd	1,410,000
11	Sakiusa & Anaseini Raivoce	1,313,739
12	Eta & Radike Qereqeretabua	1,196,201
13	Serua Provincial Council	1,166,860
14	iTaukei Land Trust Board ATF Mataqali Serau, Nabiti, Dreketi, Macuata	1,165,700
15	Mualevu Koro Investment Ltd	1,087,540
16	Kadavu Provincial Council	1,033,249
17	Lomati Village Investment	1,023,019
18	Moala Tikina Council	1,010,050
19	Dogotuki Tikina Council	1,000,000
	Mavana Investment Ltd	1,000,000
	Nabukebuke Holdings Ltd	1,000,000
	Naqarani Holdings Ltd	1,000,000
20	Munia Holdings Ltd	992,622

LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

- c) Share price details:
Highest share price during the year was \$1.93
Lowest share price during the year was \$1.12
Share price at year end was \$1.19

- d) Attendance at Board Meetings:

<u>Name</u>	<u>No of meeting</u>	<u>No attended</u>
Adrian Sofield (resigned 4 January 2020)	5	3
Yogesh Karan	5	4
Sakiusa Raivoce	5	5
Ratu Aisea Waka Vosilagi (resigned 4 January 2020)	5	1
Litiana Loabuka	5	4
Kalpana Lal	5	5
Anthony Whitton	5	4
Sanjit Patel (resigned 4 January 2020)	5	3

- e) Share register
Central Share Registry Pte Limited
Shop 1 and 11, Sabrina Building
Victoria Parade
Suva

Company Secretary – Sitiveni Koya

LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE

g) Disclosure under Section 51.2

	FHL Fund Management Limited \$'000	South Sea Cruises Limited \$'000	FHL Properties Limited \$'000	FHL Stock-brokers Pte Limited \$'000	FHL Retailing Pte Limited \$'000	FHL Industries Limited \$'000	Basic Cement Pte Limited \$'000	Serendib Investment Pte Limited \$'000	FHL Logistics Limited \$'000	FHL Merchant Finance Limited \$'000	FHL Media Holdings Limited \$'000	Basic Holdings Pte Limited \$'000	Awesome Tourism Limited \$'000	Pacific Property Holding Limited \$'000
Turnover	2,541	37,687	4,229	254	147,684	56,908	27,017	1,487	-	16,602	12,467	-	-	-
Other income	12	55	1,404	11	153	637	-	5	-	(32)	471	2,604	-	-
	2,553	37,742	5,633	265	147,837	57,545	27,017	1,492	-	16,570	12,938	2,604	-	-
Depreciation	(235)	(7,468)	(141)	(2)	(2,438)	(3,681)	(858)	(408)	-	(871)	(2,305)	-	-	-
Interest														
Income/(expe	41	(1,761)	(210)	35	(792)	(295)	(552)	(241)	-	(71)	(209)	-	-	-
nse)														
Other														
expenses	(1,268)	(25,299)	(2,247)	(111)	(129,852)	(59,411)	(30,058)	(3,280)	-	(13,009)	(10,765)	(19)	-	-
Income tax														
expense	(217)	(524)	47	(38)	(1,245)	1,024	151	40	-	20	(77)	(355)	-	-
Profit/(loss)														
after tax	874	2,690	3,082	149	13,510	(4,818)	(4,300)	(2,397)	-	2,639	(418)	2,230	-	-
Assets	2,866	96,006	66,960	1,119	222,169	53,805	20,257	10,095	1	206,916	60,544	2,488	909	200
Liabilities	786	57,208	28,526	301	46,400	32,812	12,514	6,790	918	171,922	12,963	258	909	200
Shareholders equity	2,080	38,798	38,434	818	175,769	20,993	7,743	3,305	(917)	34,994	47,581	2,230	-	-

LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

h) 5 Year Comparative

Year	2016	2017	2018	2019	2020
Dividend payment (\$m)	7.01	7.34	7.43	7.46	7.53
Return on investment (%)	11%	12%	12%	12%	3%
Earnings per share (¢)	5	7	8	9	3
Group total assets (\$m)	491.29	525.06	572.25	640.96	658.73
Group shareholders fund (\$m)	230.54	250.37	277.98	309.98	297.76
Group operating revenue (\$m)	293.55	297.35	306.91	325.58	290.18
Company operating revenue (\$m)	26.08	26.90	27.90	30.66	20.35
Group profit before tax (\$m)	34.81	37.22	42.99	45.44	11.11
Company profit before tax (\$m)	20.44	22.38	23.39	25.46	14.99



PROXY FORM

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

Proxy Form

Name of the Member: _____

Registered Address: _____

SIN: _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1. Name _____, of _____ or failing that;
2. Name _____, of _____

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the General Meeting of the Company, to be held on *19th November 2020 at 12:30pm at FMF Gymnasium, Laucala Bay Road, Suva* and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	*Optional [Mark X]		
	Ordinary Business	For	Against	Abstain
1.	Consideration of Financial Statements			
2.	Confirmation of Second Interim Dividend			
3.	Re- Election and Election of Directors:			
	a.) Sakiusa Raivoce			
	b.) Mereia Volavola			
	c.) Eseta Nadakuitavuki			
	d.) Savendra Dayal			
3.	Appointment of Auditors			
4.	Special Business [add if applicable]			

Signed this _____ day of _____ 20____.

Signature of Member(s) _____

Notes:

1. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For'/'Against'/'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
3. If a representative of the corporation is to attend the meeting, "Appointment of *Corporate Representative*" should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled in.
4. This Proxy Form must be received by the Company at Fijian Holdings Limited, Level 7 Ra Marama, 91 Gordon Street, Suva or Share Registry at Central Share Registry Pte Limited, Shop 1 and 11, Sabrina Building Victoria Parade Suva or 330 5020 or email to Sitiveni.Koya@fijianholdings.com.fj on 17th November before 12:30 pm being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid the scheduled meeting.

Fijian Holdings Ltd
Level 7
Ra Marama
91 Gordon St
Suva



FIJIAN
HOLDINGS
LIMITED