

**FIJIAN**  
**HOLDINGS**  
LIMITED



**GROWING INTO  
NEW FRONTIERS  
IN PURSUIT OF  
OUR PURPOSE**

**2023**  
ANNUAL REPORT



## HISTORY OF FIJIAN HOLDINGS LIMITED

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 co-operatives, individual iTaukei and family companies. Its investments gives 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 programs wherein young iTaukei are prepared and groomed for business utilizing the resources of its subsidiary companies.

E a tauyavu ena yabaki 1984 na kabani na Fijian Holdings Limited (FHL) ena vuku ni nodra gagadre na Turaga Bale kei Viti kei ira na lewe ni vanua iTaukei me vakatotolotaki na nodra vakaitavi ena bula raraba vakailavo ni vanua ko Viti. Era taukei ni sea ena FHL na Matabose ni veika Vakaitaukei, na Matabose ni Qele Maroroi, na Matabose ni iLavo Maroroi ni iTaukei, na vei Yasana, na i soqosoqo ni vei Tikina kei na Koro, na soqosoqo cokovata ni veivoli ka nodra na iTaukei, o ira na iTaukei yadua kei ira na kabani taukeni vakavuvale. Na nona vacurumi lavo ena voli sea na FHL ena veikabani lelevu eso, e mai rawa kina nai naki raraba ni kena vakayararataki na nodra vakaitavi na iTaukei ena bula vakabisinisi kei na bula vakailavo i Viti. E sa vakarabailevutaka tale ga na nona yavu ni 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.

### MISSION STATEMENTS

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

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



### NA YALAYALA ME VAKAVOTUKANATAKI

Sa tu vakarau na Kabani Cokovata na FHL me tutaka na kena laurai na vakavotukanataki ni nona yalayala e ra tiko qo:

- Keimami bulia ka cakacakataka na veika keimami vakavulica ena kabani baleti ira era I Taukei kei ira era vakaitavi kina.
- Keimami na saga me tadolavi kina na vanua ni vakatubu bisinisi ena neitou vakavulici ira keitou qarava, na vakasama titobu, na loloma kei na gadrevi ni veisau.
- Keimami na maroroya ka bulataka na i tovo ni vei qaravi ka kena yavu na dina, cakacaka vakadodonu kei na tuvaki ka qaravi vinaka ni tavi ni vei qaravi.
- Keimami na tutaka vakaukauwa na nodra tuberi cake kei na nodra vakavulici na I Taukei me ra daunibisinisi vinaka ka tamusuka na i vua ni nodra bula.

### FHL GROUP CORE VALUES

Integrity in our dealings



Innovative in our solutions



Progressive in our culture



Play together to win



Grow our people



### NA UTO NI VAKABAUTA NI KABANI

Dina ena neitou vei qaravi

Tubu cake na rawa ka ena vakasala vinaka

Me toso tiko ga na i tovo ni neitou vei qaravi

Cakacaka vata meda qaqa

Me tarai cake na i vatagedegede ni rawa ka ni neitou tamata cakacaka

### FHL CORE GROUP PURPOSE

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



### NA YAVUTU NI KABANI

Me vakusakusataka na nodra vakaitavi na I Taukei ena cicivaki ni bisinisi, vakadeitaka kina na nodra bula vakavanua, vakabisinisi.

### FHL GROUP VISION

To be the most innovative investment Group in the Pacific



### NA RAI NI KABANI

Me dau ni vakatubu i lavo taudua ena Pasifika

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Our theme this year is "Growing into New Frontiers in Pursuit of our Purpose" that reflects FHL's commitment to expanding its operations, reach, and impact as it strives to fulfill its purpose of 'accelerating the participation of iTaukei in the Commercial Sector'. The cover prominently showcase one of our subsidiaries, South Sea Cruises Group, which experienced a significant turnaround following the challenges of the COVID19 pandemic and played a substantial role in driving this year's overall growth within the Group.



## GLOSSARY

## IVOLAVOSA

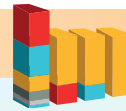
Annual Report	Tukutuku Vakayabaki
Associate Company	Kabani Taukeni Vakatikina
Capital	Cakacakalevu
Chairman	Liuliu ni Matabose
Construction	Taratara/Bulibuli
Director	Dairekita
Dividend	Tubu ni Lavo e Wasei
Economic	Bula Vakailavo
FHL Group / Group	Kabani Cokovata na FHL / Kabani Cokovata
Financial Performance	Rawaka Vakailavo
Financial Year (FY)	Yabaki Vakailavo (YV)
Free-cash-flow based dividend policy	Tubuwasei ena ilavoqaqa ni oti na Sausaumi
Governance	Veiliutaki Vakaivakarau
Growth	Tubu
Holding Company	Tinani Kabani
Impact	Revurevu
Investments	Vakatubuiyau
Loan	Loni
Loss	Lusi
Manage Solvency	Lewai matau ni nona iyau me rawa ni Sausaumi
Management	Veiliutaki
Media & Entertainment	Vakautikutuku kei na Veivakamarautaki
Net Assets	Sau ni Yau Taukeni
Net Profit after Tax (NPAT)	Tubu ni lavaki oti na Vakacavacava
Operating Revenue	Lavo e rawa ena Volivolitaki
Pandemic	Matedewa
Performance	Rawaka
Policy	Voladusidusi
Portfolio	Katoniyau
Profit	Tubu Vaka ilavo
Profit Before Tax	Tubu ni sebera ni musuki na Vakacavacava
Property	Taukeni Tabavale
Retail	Tabana ni Veivoli
Return on Investment	Tubu ni Lavo e Rawa
Revenue	Lavo ni Veivoli
Shareholders	Taukei ni Kabani/Taukeni Sea
Strategy	Tuvatuva Vakainaki
Subsidiary	Kabani taukeni
Tax	Vakacavacava

# TOP 30 SHAREHOLDERS|

NA I MATAI NI 30 NI TAUKEI NI SEA LEVU TAUDUA



SHAREHOLDER NAME



NO. OF  
SHARES



TOTAL %  
HOLDING

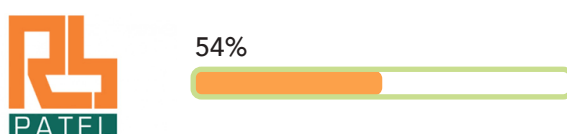
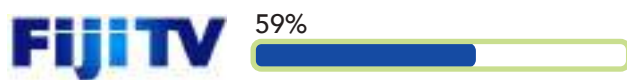
iTaukei Affairs Board	107,800,400	35.39
iTaukei Trust Fund Board	100,000,000	32.82
iTaukei Land Trust Board	8,846,660	2.90
Cakaudrove Provincial Holdings Company Limited	3,001,521	0.99
Ratu Sir K Mara Education Trust Fund	3,000,000	0.98
Cicia Plantation Cooperative Society Ltd	3,000,000	0.98
Tailevu 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
iTaukei Land Trust Board Atf Mataqali Serau, Nabiti, Dreketi, Macuata	1,198,293	0.39
Serua Provincial Council	1,166,860	0.38
Mualevu Koro Investment Ltd	1,087,540	0.36
Kadavu Provincial Council	1,061,363	0.35
Lomati Village Investment Ltd	1,023,019	0.34
Moala Tikina Council	1,010,050	0.33
Inoke Luveni	1,008,393	0.33
Dogotuki Tikina Council	1,000,000	0.33
Mavana Investment Ltd	1,000,000	0.33
Nabukebuke Holdings Ltd	1,000,000	0.33
Naqarani Holdings Ltd	1,000,000	0.33
Kiri Verewale Richmond	992,403	0.33
Vatulele Island Holdings Ltd	979,900	0.32
Munia Holdings Ltd	949,541	0.31
Rewa Provincial Council	936,010	0.31
Eta & Radike Qereqeretabua	905,001	0.30
Vukicea Investments Ltd	900,000	0.30
Mataqali Natabutale	847,430	0.28
Salote Dugu	820,040	0.27
Nadroga/Navosa Provincial Council	817,020	0.27
Naitasiri Provincial Investments	796,870	0.26
Mataqali Nacokocokobalavu	710,243	0.23

# FHL INVESTMENT PORTFOLIO

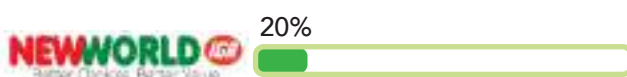
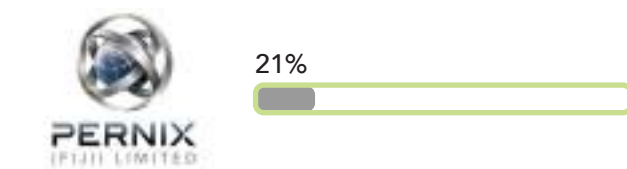
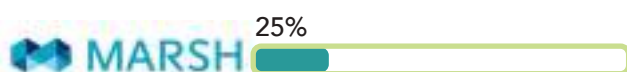
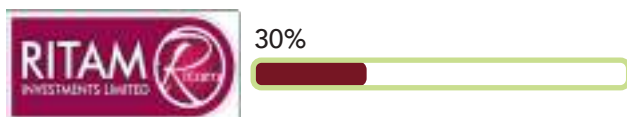
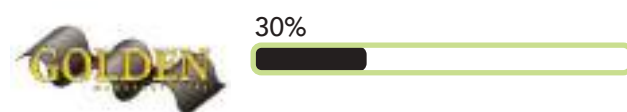
Investment In Subsidiaries/Associates As At 30th June 2023

KABANI TAUKENI / KABANI TAUKENI VAKATIKINA

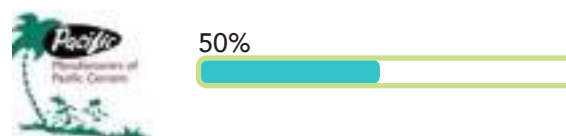
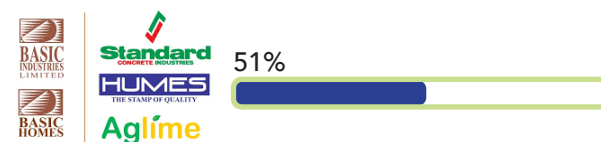
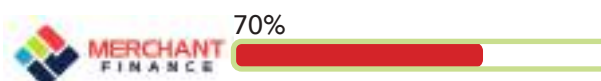
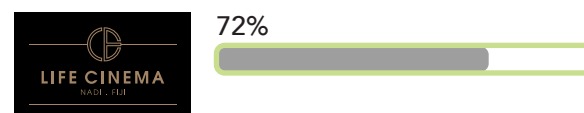
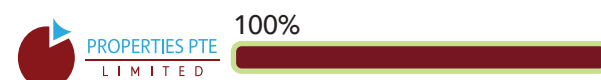
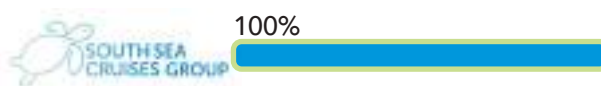
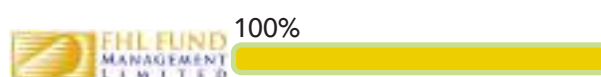
## LISTED



## ASSOCIATES



## UNLISTED



# FHL INVESTMENT PORTFOLIO

Investment by Sector as at 30th June 2023

## VAKATUBU ILAVO NI VEITABANA

### Retail

Tabana ni Veivoli



45.2%

\$252.29M

### Tourism

Tabana ni Sara Vanua



18.2%

\$101.50M

### Properties

Tabana ni Taukeni Tabavale



9.5%

\$52.90M

### Finance

Tabana ni Soli Lavo Dinau



10.8%

\$60.12M

### Media

Tabana ni Vakau i Tukutuku



7.0%

\$39.23M

### Building and Construction

Tabana ni Taratara / Bulibuli



6.4%

\$35.59M

### Manufacturing

Tabana ni Buli Yaya



2.9%

\$15.97M

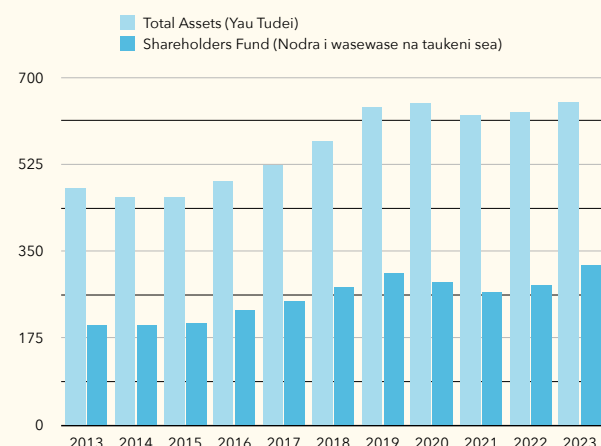
# FINANCIAL HIGHLIGHTS

## USUTU NI RAWA KA

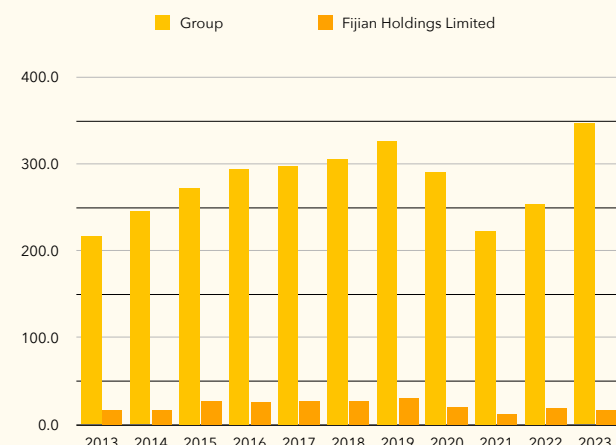
YEAR END 30 JUNE	HOLDING COMPANY			GROUP		
	2023	2022	Change %	2023	2022	Change %
<b>Operating Results</b>						
Total Revenue (\$, '000)	17,321	18,021	-4%	347,416	253,209	37%
EBITDA (\$, '000)	14,999	10,376	45%	81,723	40,137	104%
EBIT (\$, '000)	14,686	10,076	46%	67,968	24,538	177%
NPBT (\$, '000)	13,017	8,350	56%	63,215	18,626	239%
NPAT (\$, '000)	14,487	8,250	76%	50,451	14,903	239%
<b>Operating Ratios</b>						
EBIT / Total Revenue [%]	85%	56%	29%	20%	10%	10%
EBITDA / Total Revenue [%]	87%	58%	29%	24%	16%	8%
NPAT / Total Revenue [%]	84%	46%	38%	15%	6%	9%
<b>Financial Position</b>						
Total Assets (\$, '000)	620,263	563,626	10%	652,111	626,470	4%
Total Liabilities (\$, '000)	47,515	47,733	0%	328,814	346,194	-5%
<b>Financial Position Ratios</b>						
Gearing [%]	8%	8%	0%	50%	55%	-5%
Net Debt to Equity [%]	8%	9%	-1%	102%	124%	-22%
EBIT interest cover [times]	8.8	5.8	51%	14.3	4.2	245%
<b>Cash Flows</b>						
Net cash from/ (used in) operating (\$, '000)	17,165	10,221	68%	47,032	24,417	93%
Purchases of Investments (\$, '000)	-	-	N/A	-	-	N/A
<b>Shares</b>						
Earnings per share (EPS) [CENTS]	N/A	N/A	N/A	12	3	300%
Dividends per share [CENTS]	1.32	0.50	164%	0.00	0.00	0%
Net Tangible Asset per share	1.88	1.69	11%	0.87	0.72	20%
<b>Key Measures</b>						
Return on Net Assets [%]	3%	2%	1%	16%	5%	10%



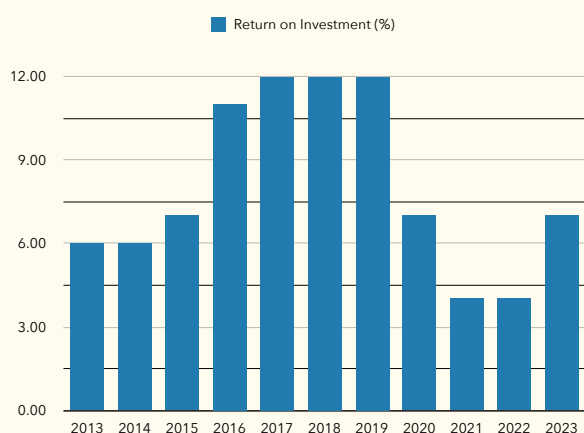
## Total Group Assets and Shareholders Funds (\$M) Yau Tudei kei na Nodra i Wasewase na Taukeni Sea (\$Million)



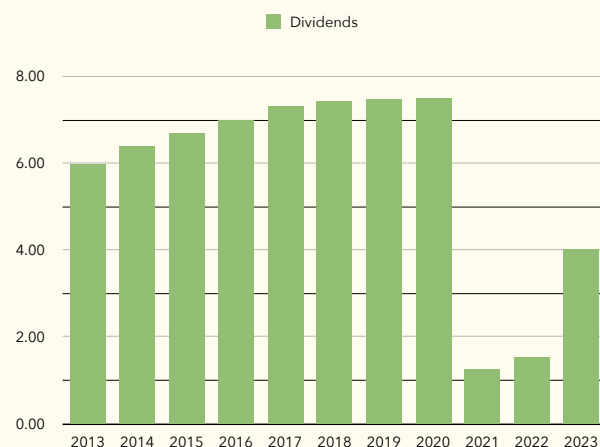
## Operating Revenue Lavo e rawa ena volivolitaki (\$M)



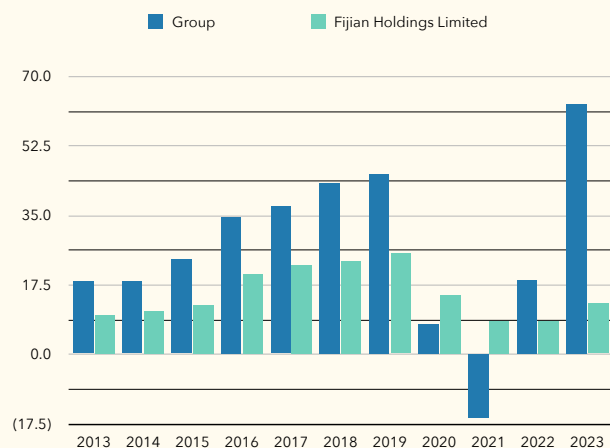
## FHL Return on Investment Tubu ni lavo e rawa (% - at cost)



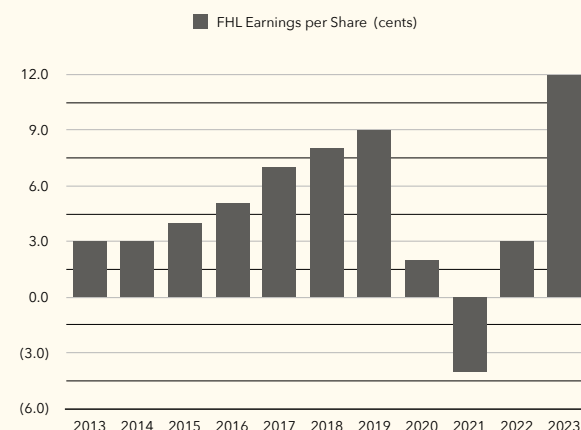
## Dividend Payments Tubu ni lavo e wasei (\$M)



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

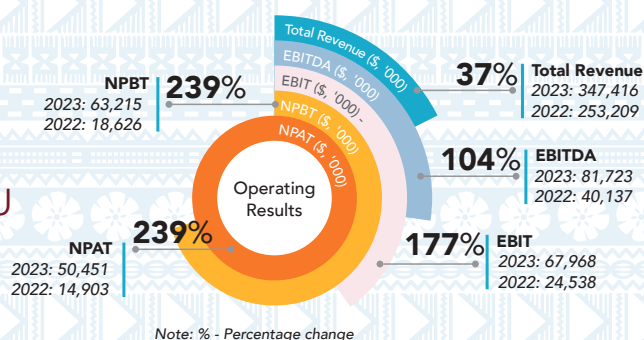


## FHL Earnings per Share (cents) Lavo e rawa ena volivolitaki (\$M)





## CHAIRMAN'S ADDRESS TUKUTUKU NI LIULIU NI MATABOSE



### Dear Shareholders

It gives me great pleasure to present my Report for the period ending June 2023. I assumed the Chairmanship role in February 2023 and would firstly take this opportunity to thank my predecessor, Acting Chairman, Mr. Karan for his stewardship over these years. The remarkable achievement for this review period is a testament to his commitment to steer the FHL Group through the COVID19 pandemic period. On behalf of the shareholders and the Board, we acknowledge his significant contributions. I will endeavour to carry on his legacy and get FHL to greater heights with the assistance and collaboration of the Board.

FY22 was a year of consolidation where we shaped the Group to recover from the effects of COVID19 and build platform for a more resilient and sustainable growth. The strategy to rebuild with stronger governance and right people has paid dividends. We also consolidated and address our non-performing entities to ensure that the Group is founded on solid companies. As the premier investment vehicle for iTaukei, we have a higher obligation to our shareholders to ensure that we are worthy of their trusts and meet their expectations.

### Financial Results

I am delighted to announce that FHL Group has achieved outstanding financial results in FY23. Our Group's profit stood at \$63.2 million, a significant increase from \$18.6 million in FY22. This remarkable growth is a testament to the dedication and hard work of our management team and employees.

As of June 30th, 2023, the net assets of the Group have grown to \$323.3 million, up from \$280.3 million during the same period last year. This substantial increase in net assets signifies the strong financial position that FHL holds and reflects the prudent management of our assets and resources, and denotes a continuing growth in shareholders' equity in the company.

Some of these improvements can be attributed to the successful raising and listing of the Wholesale Corporate Bond and the implementation of a split banking model. These strategic moves have further fortified our financial position, allowing us to weather uncertainties and focus on long-term growth prospects.

FHL key strategies for FY23-FY25 disclosed in FY22 report has been updated to reflect some of the key goals initially set to be achieved in FY25 has been achieved in FY23. The major item being the actual Group profit reported in FY23 of \$63.2 million has well surpassed the profitability target set for FY25 in the FY23-FY25 strategic plan.

The current economic environment is re-assuring to investors. The stability post-election and accommodating budgetary measures will provide some confidence to business-owners and investors. Banking system liquidity remains high at \$2.5 billion, which has kept interest at historic lows, providing us opportunity to pursue new investment opportunities.

### Strategic Direction

The Board and the management have now set new targets and focus areas as part of its Strategic planning for the period FY24-FY26. These include:

1. Investing for Impact.
2. Grow and stabilise Investments.
3. Pursue sustainable and resilient investments.
4. Digital Transformation.
5. Corporate Culture.

We have now added Investing for Impact and Corporate Culture as part of the plans.

### Investing for Impact

Impact investment is a transformative approach that goes beyond traditional financial returns, focusing on generating positive and measurable impacts on society and the environment. As part of Fijian Holdings Limited's commitment to its core purpose and Environmental, Social, and Governance (ESG) principles, the company has taken a significant step by allocating 10% of its investment portfolio to impact investments. These impact-driven investments aim to address pressing social and environmental challenges, such as poverty alleviation, climate change mitigation, healthcare improvement, and community development. By channelling capital towards projects and initiatives that create lasting positive change, FHL is leveraging its resources to not only drive financial growth but also to contribute meaningfully to the well-being of communities and the preservation of our planet for future generations.

Embracing impact investment demonstrates Fijian Holdings Limited's dedication to responsible and sustainable business practices, making it a beacon of positive change in the corporate landscape.

### Corporate Culture

Corporate culture plays a pivotal role in shaping the strategic plan of FHL Group. Recognizing its significance, FHL has placed a strong emphasis on cultivating a positive and purpose-driven corporate culture that aligns with its long-term vision and goals. At the heart of this cultural strategy lies a commitment to ethical conduct, transparency, and inclusivity. FHL fosters an environment where employees are empowered to innovate, collaborate, and contribute their diverse perspectives. This culture of open communication and trust enables the organization to adapt swiftly to evolving market dynamics and challenges. Moreover, a people-centric approach drives employee engagement, talent retention, and professional growth, enhancing overall productivity and competitiveness. As a strategic plan, this corporate culture cements FHL's reputation as an employer of choice and a responsible corporate citizen, thereby attracting socially-conscious investors and fostering enduring partnerships. By embedding corporate culture into its strategic blueprint, Fijian Holdings Limited secures a sustainable competitive advantage, driving both financial success and positive societal impact.

### Future Outlook

Looking ahead, we are optimistic about the future of FHL Group. Our strong financial performance, stable balance sheet, and the positive momentum of our core subsidiary companies position us well for sustained growth and success. FHL is cautious of the impact from the international

economies, particularly with likely recessions for Fiji's key trading partners and inflationary effects to the interest rate environment.

### Appreciation

Last but not the least, I extend my heartfelt gratitude to our dedicated employees, committed shareholders, and esteemed customers for their unwavering support. We recognize that our achievements are a result of your trust and confidence in FHL.

In conclusion, we remain committed to our mission of enhancing shareholder value and contributing positively to the economic prosperity of Fiji. We will continue to drive innovation, sustainability, and responsible business practices in our pursuit of excellence.

Thank you for your continued trust in Fijian Holdings Limited.

Sincerely,

  
**Col. Sakiusa Raivoce**  
Chairman, Fijian Holdings Limited

“

We are optimistic about the future of FHL Group. Our strong financial performance, stable balance sheet, and the positive momentum of our core subsidiary companies position us well for sustained growth and success.”

”

**Col. Sakiusa Raivoce**  
Chairman, Fijian Holdings Limited

### Kivei Kemuni na iTaukei ni sea,

E ka dokai vei au meu vakarautaka na noqu itukutuku ni Yabaki Vakailavo ka sa mai cava e na Jiune 2023. E mai vakadeitaki tale na noqu itutu vaka iLiuli ni Matabose e cake e na Vevueri ni 2023 ka'u via taura na gauna vinaka qo meu vakavinavinakataka kina vakalevu na noqu itokani; Mr Karan e na vuku ni nodra a taura vakatawa tiko mai na itutu oqo ena loma ni vica na yabaki sa oti. Na uasivi ni rawaka e rawati e na loma ni yabaki sa oti, e vakadinadinakati kina na nodra gumatuataka tiko mai na nodra itavi ni liutaka tiko na Kabani Cokovata e na gauna oya ka oka talega kina na gauna ni COVID19. E na vukudra na iTaukei ni Sea kei na Matabose e Cake, au vakavinavinakataka na itavi levu e ra sa mai qarava oti. E sa noqu itavi meu na tomana na irogorogo vinaka ni nodra veiliutaki kei na sasaga me na laveti cake tale na ivakatagedegede ni rawaka kei FHL, kau sa na nuitaka tale tiko ga kina na nodra ivakasala kei na veivuke na noqu Matabose e Cake.

Na YV22 e a yabaki ni neimami sosoqonivata ka moici kina na kabani cokovata ni oti na revurevu ni COVID19 kei na kena tarai cake e dua na vatavata me kakavaki kina na tubu vinaka ka tudei. Na ituvatuva raraba ni kena sagai me tarai cake tale na kabani ena Veiliutaki Vakaivakarau kei na Tamata donu, e sa yaga sara vakalevu. Keitou umana vata na vica na kabani ka ra sega soti ni rawa ka vinaka tiko me vakadeitaki kina na yavu ni Kabani Cokovata e na ilakolako vou oqo.

### iTukutuku Vakailavo

E ka marautaki vei au meu vakarogotaka ni FHL e mai tekia e dua na isausau vou e na YV23. Na tubu ni kabani cokovata e toka e na \$63.2 na milioni, ka veisivi levu sara kei na \$18.6 na milioni e na YV22. Na isausau oqo, e vakadinadinakati kina na cakacaka vakaukauwa kei na nodra gugumatua na veiliutaki kei na yara qele ena loma ni kabani.

Me yacova mai nai ka 30 ni Jiune, 2023, na isau ni iyau tudei ni kabani cokovata e tubu ki na \$323.3 milioni, ka tubu mai na \$280.3 milioni e na gauna vata vaka oqo e na yabaki sa oti. Na tubu vakaitamera oqo e dusia tiko ga na kena vakadeitaki vinaka tu vakailavo ka vakauasivi na kena maroroi vinaka tiko na noda iyau kei na noda ivurevure. Ia, na tikina bibi talega, oya ni vakaraitaka tiko na tubu ni nomuni iyau vatu na iTaukei ni sea e na loma ni kabani.

Na vica na veiveisau vinaka e sa sotavi tiko oqo e rawa ni vuna talega na kena mai dolavi na ivola ni dinau ni kabani, oya na Wholesale Corporate Bond, kei na kena mai vakayagataki talega na nodra veiqaravi na vo ni vica na baqe me da vakaivola ni baqe kina. Na veituvatuva qo e sa qai vakadeitaka vakavinaka na noda itutu vakailavo, ka sa rawa ni da vakanamata matua tu kina ki na ituvatuva ni veigauna mai muri ka na rawa talega ni na levei kina na veidraki lecaleca ena sotavi koso yani.

E vica na ituvatuva lelevu ka lalawataki tiko me na qaravi e

na YV23–YV25, ka a tabaki e na itukutuku vakailavo ni YV22, e ra sa mai veisautaki tale me vaka ni ra sa mai rawati e na YV23, e dina ga ni a namaki tiko me ra na qai rawati e na YV25. Na tikina levu duadua koya ka mai veisau, oya na kena mai rawati na Tubu Vakailavo levu e \$63.2 milioni, ka sivita vakadua na takete ka a tuvani tu mai me na qai rawati e na YV25 e na tuvativaka me baleta na YV23–YV25.

Na draki vakailavo eda sa donuya tiko nikua ena noda vanua e sa mai veivakadeitaki tale tu ga kivei ira na daunivakatubuilavo, qo ni sa oti na Veidigidigi Levu kei na kena sa mai kacivaki na iTuvatuva Vakailavo ni Matanitu, ka sa veivakadeitaki tiko kivei ira na dau vakatubuilavo. Na levu ni ilavo e ra sa maroroi tiko e na noda vei baqe e Viti e se levu tiko ga, ka toka e na \$2.5 bilioni, ka bikaca vakadua sara toka ga na tubu lavaki, ia e solia tiko kina vei keitou na galala me keitou vaqara tiko ga e so na veigaunisala ni vakatubu ilavo tale e so.

### Na iLakolako Vou

Keitou sa vakanamata qo na Veiliutaki e na loma ni ikabani kei na Matabose e cake e na vica na veitakete vovou ka umani tiko ena ituvatuva vou ni YV24–YV26:

1. Vakatubuilavo me Vakilai
2. Susugi ka vakadeitaki na vakatubuilavo
3. Digitaki na vanua ni vakatubuilavo tudei
4. Veisau ki na Monalivaliva na vei qaravi
5. Na Bula Vakaivakarau ni Kabani

E rua na tiki vou ni neitou ituvatuva na Vakatabuilavo me vakilai kei na Bula Vakaivakarau.

### Vakatubuilavo me Vakilai

Na Vakatabuilavo me Vakilai, e dua na ituvatuva vou ni vakatabuilavo se qaravi bisinisi, ka sa mai veisautaka na rai ni rawa ilavo ka dau matau tu vei keda ni da dau vakatabuilavo, ia e sa mai kena inaki tiko me da vakanamata ki na vakavure kaukauwa kivei ira na lewenivanua ka me da na laurai tiko. Me vakadeitaki tiko ga na raivou ni qaravi bisinisi oqo, kei na inaki taumada ni kena tauyavu na kabani, e sa cavuikalawa kina na kabani me sa tikica tani e 10% ni nona iyau me sa vagolei kina na Vakatabuilavo me Vakilai. Sa inaki ni raivou ni bisinisi qo na kena vakailavo taki na sasaga ni kena wali na veileqa me vaka na valuti ni dravudravua, valuti ni draki veiveisau, vakavinakataki cake na vei qaravi e valenibula kei na bula raraba. Ni vaka oya na kena nanumi tu na veiituvatuva vaka oqo me na kauta mai na veisau ki na noda bula raraba, ena sega walega ni rogo vinaka kina na FHL, e na vakaitavi sara talega vakalevu na FHL ki na vinaka ni bula raraba ka vakabibi na kena maroroi tiko na noda iyau bula me baleti ira na noda kawa ni mataka. Ni tauri matua tu na Vakatabuilavo me Vakilai oqo, na Fijian Holdings Limited e vakaraitaka sara ga na nona gumatuataka na veisautaki ni qaraqaravi ni bisinisi me tudei ka me ivakaraitaki tiko ni veisau vinaka e na kena buturara.

### Na Bula Vakaivakarau ni Kabani

Na bula vakaivakarau e dua sara tu ga na itavi levu e na kena moici na ituvatuva ni kabani cokovata na Fijian Holdings Limited. Ni sa kilai na kena bibi, na FHL e sa vakaukauwataka na sasaga ni kena vakadeitaki na Bula Vakaivakarau Vakacacacaka, koya e vakainaki ka me veidonui vata kei na kena raivotu kei na ituvutuva raraba. E uto ni bula vakaivakarau oqo, e toka kina na kena vinakati na dina, na cakacaka vakadodonu kei na cakacakavata. Na FHL e vakarautaka e dua na vanua ni cakacaka ka soli tu kina na galala ni soli vakasama vovou ka momona ka me qai dau

dikevi vata tu. Na ivakarau ni bula vakacacacaka ni veitalanoa e na galala vaka oqo, e qai dau solia tu e dua na yalo ni veinuitaki levu, ka na dau veisuayaki toka ga kina na kabani ni dau sotavi na drakidrakita ni makete. E qai kena ikuri, ni ra dau qarauni vinaka na tamata cakacaka, oqo edau vukea sara vakalevu na veimaliwai vinaka, na maroroi ni taledi vinaka ni cakacaka kei na tubu ni kila vakacacacaka ka dau lai basika sara kina e cake na kabani ena nona rawaka. Na ituvatuva gona oqo, e vakadeitaki koya toka kina na FHL me dua na vanua ni cakacaka e dau segati ka dau nuitaki talega, ka sa lai vakavuna talega me ra ciciva mai na dau vakatubuilavo ka levu talega kina na nona sema veiwekani vinaka ka tudei. Ni sa vakacurumi na Bula Vakaivakarau ki na iTuvatuva ni Vei qaravi ni kabani, e sa na qai duatani duadua kina na FHL e na kena buturara, vakauasivi e na rawaka vakailavo kei na veiwekani.

### Rai Ki Liu

Mai muri, keitou sa nuidei tiko e na vuku ni veisiga ni mataka ni Kabani Cokovata na FHL Group. Na rawaka vakailavo vinaka, na ivola ni baqe vinaka kei na nodratou cici vinaka tiko na kabani ka ratou uto tiko ni Kabani Cokovata, e sa mai vakadaberi keda vinaka tiko qo me kakavaki ki na veigauna vinaka.

E qaqarauni tale tiko ga na FHL ena revurevu ni draki vakailavo ni noda vuravura, vakabibi ni veitalanoataki tiko na lutu ni kaukauwa vakailavo ni vica na Matanitu ka ra dau veivoli kei Viti vata kei na kena na mai veidreyaka na makete ni ilavo na lutu ni kauwakauwa ni lavo oqo.

### Vakavinavinaka

Au sa vakarau tinia, au vagolea tiko yani kina na noqu vakavinavinaka levu kivei ira na dauniveiqaravi yalodina, kivei kemuni na itaukei ni sea kei kemuni na dau vakayagataka na neitou vei qaravi. Keimami vakadinadinataka ni neimami rawaka vinaka tu qo e vuna tiko ga na nomuni veivakabauti tiko ki na FHL.

Au sa na tinia, keimami na tomana tiko ga na neimami itavi ni kena sagai me vakaliuci tiko ga na kedra bibi na iTaukei ni Sea ka vakakina na neimami na qarava tiko na neimami itavi ni kena tarai cake o Viti me vanua vuavua vinaka. Keitou na saga tiko ga na veivakasama vakabisinisi vovou ka me ra cakacakataki me rawa ni ra tudei ka donu tu e na kena sagai tiko ga me da uasivi.

Vinaka vakalevu na nomuni vakabauta tiko ga na Fijian Holdings Limited.

O au saka



Col. Sakiusa Raivoce

iLiuliu ni Matabose e Cake, Fijian Holdings Limited

“

Keitou sa nuidei tiko e na vuku ni veisiga ni mataka ni Kabani Cokovata na FHL. Na rawa ka vakailavo vinaka, na ivola ni baqe vinaka kei na nodratou cici vinaka tiko na kabani ko ratou uto tiko ni Kabani Cokovata, e sa mai vakadaberi keda vinaka tiko qo me kakavaki ki na veigauna vinaka.

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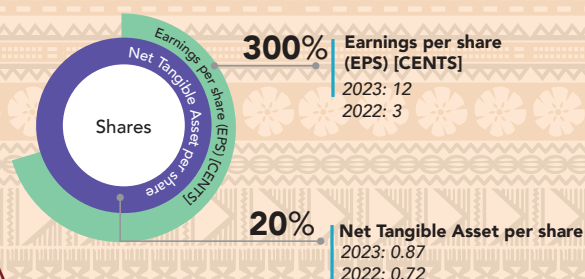
Col. Sakiusa Raivoce  
Chairman, Fijian Holdings Limited





## GROUP CHIEF EXECUTIVE OFFICER'S REPORT

TUKUTUKU NI LIULIU  
NI KABANI COKOVATA



Note: % - Percentage change

As we approach FHL's 40th Anniversary, the Financial Year ending June 2023 marks a significant milestone in our journey. The Group's record financial results for the year benefitted from the Tourism-led recovery in the economy and vindicated our post-COVID19 consolidation efforts. This accomplishment is not only a reflection of our commitment to delivering value but also a testament to the dedication and collective efforts of our employees, partners, and the Fijian community. Whilst we are cautious of the immediate challenges, we believe that the Group is placed in a stronger platform to chart a more purposeful-growth-path into the future.

Apart from the record financial achievements, other key highlights for the Group include the following:

1. Group performance has surpassed the pre-COVID19 level with revenue ahead by 6% and net profit 37% ahead of the FY 2019 record.
2. Broad-based improvements in all our businesses with all our subsidiaries contributing positively to the Group's profitability. Group operating margin was 18%.
3. For the first time, all our subsidiaries contributed positively to the Group profitability with all subsidiaries posting a profit for the financial year.
4. Successful raising and listing of the first-ever corporate bond in Fiji, in line with our strategy to diversify our funding sources. The \$30 million capital raising was oversubscribed.
5. The divestment of the printing assets in our subsidiary Serendib Investment Pte. Limited following a public process.
6. Construction works for the FHL Tower continued to progress, albeit slowly, as we tried to amicably resolve the variation claims from the Contractor.

### Financial Performance

The Group reported a consolidated profit before tax of \$63.2 million, a notable increase from \$18.6 million in FY22. Likewise, the Holding company's net profit before tax (NPBT) reached \$13.0 million, surpassing the previous year's figure of \$8.4 million. Furthermore, the net assets for the Group expanded to \$323.3 million, compared to \$280.3 million in FY22, while the Holding company's net assets saw improvement, reaching \$572.7 million, up from \$515.9 million in the last year. Movements in the balance sheet mainly reflected our efforts to consolidate and reduce debt in preparation for growth.

The considerable 37% growth in revenue for the Group and the substantial 239% surge in net profit before tax (NPBT) can be attributed to the first full year of operation

following the COVID19 pandemic. Whilst year-on-year comparison is distorted, the Group has also exceeded the pre-COVID19 levels. Notably, South Sea Cruises played a pivotal role as a major contributor to the profit, experiencing a significant turnaround as Fiji witnessed an unprecedented influx of visitors. The tourism industry demonstrated robust performance throughout the year, with visitor arrivals, hotel occupancy rates, and revenue generated from room sales exceeding the levels observed in both 2022 and 2019. Investments in Associate companies have continued to bolster the Group's consolidated figures, with this year witnessing a marginal decrease in the share of profits, amounting to \$5.6 million, compared to the prior year's figure of \$9.3 million.

The Holding company maintains a proactive stance in optimizing its investment portfolio to maximize returns for shareholders. In addition to stabilizing and nurturing existing investments, the company is actively seeking to divest from under performing businesses. A significant strategic decision was the closure of the printing business in the prior year, with major assets and liabilities associated with the business being divested during the reporting period. Furthermore, the successful issuance of \$30 million in corporate bonds in November 2022 has enabled the Group to reduce its outstanding debts with banks, effectively diversifying its sources of capital, reduce cost and mitigating risk.

### FHL Sectorial Performance

Our Tourism sector performed exceptionally and emerged as the standout performer for the Group. This sector made a significant contribution, accounting for 29% of the total Group profit attributable to the substantial influx of tourists following the reopening of our borders in FY22.

The Retail sector also continued its growth trajectory, posting an impressive 18% increase in profit before tax. Notably, this sector constitutes a substantial 52% of the total Group revenue, solidifying its position as a cornerstone of our operations. It is worth noting that sustaining the current profit margin remains a challenge, owing to fierce competition among retail stores and supermarkets.

The Construction sector, which ranks as the second-largest contributor to our Group's revenue, witnessed an improvement as the Nation began its recovery from the pandemic. This resurgence translated into increased profits for our companies within the construction segment, notably Basic Industries Pte Limited and Pacific Cement Pte Limited. Nevertheless, managing competition, meeting evolving consumer expectations, national budgetary allocations toward infrastructure projects, and international price volatility of raw materials pose ongoing challenges for this

sector.

In the Financial sector, primarily represented by Merchant Finance Limited, we have made substantial strides in enhancing the quality of our loans portfolio. Strategic measures have been implemented to address non-performing accounts, and we have effectively managed lending costs amid the heightened liquidity in the economy. The introduction of new products during the year also contributed to a remarkable 58% growth in net profit before tax.

Within the property sector, a decrease in profit was noted, primarily due to the absence of gains on investment properties during the year. Ratu Sukuna remained vacant as renovation works are currently underway. Despite supply chain challenges and price fluctuations, construction work for FHL Tower is nearing completion.

The Media and Entertainment sector, while recording a profit of \$1.0 million this year compared to a loss of \$0.2 million last year, remains a challenging segment for the Group. The industry continues to be disrupted by technology, which has introduced multiple avenues for advertising and streaming content, in contrast to traditional cinema and television methods. Management continues to focus intently on this area, exploring alternative strategic options to address the evolving landscape.

#### FHL Tower

The FHL Tower stands as the Group's single largest investment, and project completion is expected for April 2024. Management has initiated marketing efforts for securing tenancy, and there has been encouraging interest within the market. Our objective is to achieve 50% pre-leasing rate by December 2023.

FHL Tower has not been immune to the disruptions caused by global economic and political events including Russia-Ukraine conflict. These disruptions have affected various aspects, including supply chain operations, logistics, and the availability of skilled labor. Nevertheless, our management remains in close collaboration with our contractors to ensure the project's timely completion while maintaining reasonable costs.

#### FHL Group Outlook

In pursuit of our core purpose, FHL will be taking a more active role in facilitating investments with our shareholder base. The Board has allocated 10% of its capital base to invest alongside iTaukei businesses. This is our new frontier. While the Board is fully aware of the risks involved, it is in line with our core purpose and we will ensure that we collaborate

with like-minded partners to build an appropriate governance framework and the right model to feasibility-unlock this opportunity.

We also take great pride in our core strengths, including a well-defined strategy, an unwavering commitment to achieving excellence, and a robust governance framework. These strengths serve as the foundation of our organization and will reinforce our position as we strive for excellence in all aspects of our operations. We remain dedicated to enhancing our margins through constructive dialogue with regulatory authorities regarding pricing strategies and optimizing our market routes to improve efficiency.

Our future growth is directed by 5 key priorities which forms part of the Group Strategic Plan for the next 3 years. As an investment company, our results rely on the type and quality of investments we make. The Management together with the Board will ensure that the Company continues to make investments that maximize the shareholder returns.

Despite the year's commendable achievements, the Board remains prudent and vigilant about the future. Global factors such as weaker-than-expected global economic growth rates, persistent high inflation leading to central banks tightening monetary policy, and financial market volatility demand ongoing attention. Additionally, increase in corporate tax rates may impact the returns from all of FHL's investee companies.

#### Appreciation

I would like to express my gratitude to the Board and our valued shareholders for their unwavering confidence and support extended to the Group Management team. While the outcomes of FY23 provide cause for optimism, it is imperative that we exercise caution, considering the emerging risks associated with inflation, labour disruptions and possible tightening of monetary conditions.

I would first extend my heartfelt thanks to our employees and the FHL family for their steadfast support. We also deeply appreciate the resolute backing of our strategic partners, both locally and within the broader regional market.

Furthermore, my sincere appreciation goes out to our esteemed customers and all other stakeholders who have joined us on this remarkable journey of growth.

From this strong base FHL will "Grow into New Frontiers in Pursuit of our Purpose".

Vinaka Vakalevu.



**Jaoji Koroi**  
Group Chief Executive Officer

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In pursuit of our core purpose, FHL will be taking a more active role in facilitating investments with our shareholder base.

”

Ni da vakarau vavaca yani nai ka 40 ni yabaki ni veiqaravi ni FHL, the Yabaki Vakailavo ka mai cava tiko e na vula o Jiune 2023, e mai teki kina e dua na isausau vou. Na itukutuku ni rawaka vakailavo ni yabaki ni Kabani Cokovata e mai kalougata vakalevu ni sotava na veivuetai ni Saravanua ki na bula vakailavo e na noda vanua ka mai vakota vinaka na ituvatuva ni bula ni kabani ni oti na COVID19. Na isausau oqo e sega walega ni laurai kina na yaga ni neimami cakacaka, ia e vakavotukana sara talega kina na nodra yalodina kei na cakacakavata na tamata cakacaka, o ira na weka ni Kabani ka vaka kina na lewe i Viti taucoko. E dina ni keimami na tu vakarau tu ga de na mani dua na dredre e na basika mai vakasauri, ia keimami sa vakabauta tu ni dua na vatavata e sa dabe toka kina qo na Kabani Cokovata e sa vakanamata sara tu ga ki na dua na gaunisala vinaka me na muria yani.

E sa tiko na rawaka vakailavo, ka sa ra qai kuria tu na isausau ka rawata na Kabani Cokovata

1. Na rawaka ni Kabani Cokovata e sa sivita na rawaka ni sebera na COVID19 ka tubu kina na ilavo ni Veivoli e na 6% kei na Tubu ni lavaki oti na iVakacavacava e tubu e na 37% mai na kena ka rawa e na YV2019
2. Na cakacaka ni veivakavinakataki raraba ki noda veitabana lalai taucoko ena loma ni Kabani Cokovata e laurai ni ra vukeya vakavinaka na kena rawaka vinaka na Kabani Cokovata. Ni laurai na ilavo bula vakabisinisi ni Kabani Cokovata e 18%
3. E sa qai isevu ni gauna me ra vakaitavi taucoko na veikabani e na Kabani Cokovata ki na kena rawaka me vaka ni ra rawa tubu taucoko na noda veikabani.
4. Na dolavi vakavinaka ni isevu ni ivola ni dinau ni kabani (corporate bond) e Viti, ka muri tiko ga kina na tuvatuva ni kabani me qarai tale e so na ivurevure vovou.
5. Na kena mai volitaki na vei misini ni taba ivola ni kabani na Serendib Investment Pte. Limited ka a kacivaki raraba me vaka na kena ivakarau.
6. Na kena toso tiko ga na tara ni FHL Tower, e dina ga ni bera tiko, ia e sa sagai vata tiko ga kei na vica tale na veiveisau ka sa kerei tiko kivei ratou na matai ni vale me ratou qarava.

## Rawaka Vakailavo

E tabaka tiko na Kabani Cokovata ni rawata e \$63.2 milioni, ka tubu umauma ni sebera ni musu na ivakacavacava, e vakilai sara ga me vaka ni a rawa ga e na YV22 e \$18.6 milioni. Ia, na Tubu ni Kabani Levu na FHL ni sebera ni musu na ivakacavacava e yacova sara na \$13.0 milioni, ka sivita na \$8.4 milioni ka a kena mata ni vika e na yabaki sa oti. E sega ga ni yaco e kea, na iyau tudei ni Kabani Cokovata e tubu kina \$323.3 milioni, ka vakatauvatani kei na \$280.3 milioni e na YV22, ka tubu talega na iSau ni Yau Taukeini ni Kabani Levu na FHL ka yacova sara ga na \$572.7 milioni, ka tubu mai na \$515.9 milioni ka a rawa e na yabaki sa oti.

E vakilai na Tubu e na 37% ni Lavo e rawa e na volivolitaki e na Kabani Cokovata, kei na tubu vakaiyanaqa ni Tubu lavaki ni Sebera na Vakacavacava e na 339%, ka vuna tiko ga ni sa taladrodro vinaka na cakacaka ka sega tale ni qai dua na sogosogo me vaka ni sa oti na COVID19. E dina ni sa mai veicalati na kena dau vakatauvatani tiko na rawaka kei na veiyabaki sa oti, ia na rawaka ni yabaki qo e sa sivita sara vakadua na rawaka ni sebera ni tarai keda mai na revurevu ni COVID19. Ni laurai, o South Sea Cruises e a rawata na Tubu levu duadua, ka dua na saumaki levu me vaka ni vakadinadinataka sara ga o Viti na nodra gole mai vakayauyau na mai gade e Viti. Na veitabana ni Saravanua e ra dui vakaraitaka sara ga na nodra dui rawaka vinaka ena loma ni yabaki, ni laurai na levu ni vulagi e ra tadu mai, na

oso ni otela kei na iLavo ni Veivoli e ra rawa mai ena kedra volitaki na vei rumu ni otela e laurai ni sivia ruarua na yabaki 2022 kei na 2019.

E ra tomana tiko ga noda Veikabani Taukeni Vakatikina me ra vukeya tiko ga na rawaka raraba ni Kabani Cokovata, ia e na yabaki qo e laurai ni lutu vakalailai na Tubu Vakailavo ni kedra dui sea ka yacova ga na \$5.6 milioni, ni vakatauvatani kei na \$9.3 milioni e na yabaki sa oti.

Na Kabani Liuliu e se tudei tiko ga e na kena dau yadravi tiko na noda Vakaturubuilavo taucoko sara e na sasaga me dau rawati na Tubu levu duadua e rawa ni dau rawati kivei kemuni na iTaukei ni Sea. E na kena sagai tiko ga me ra qaravi vinaka na noda vei vakaturubuilavo ko ra sa tiko rawa qo, e sa nanuma tiko na Kabani me ra sa na volitaki na veikabani ko ra sega tiko ni ra rawaka vinaka. E dua na vakatulewa levu vaka bisinisi, oya na kena mai sogoti na noda vale ni taba ivola mai Vatuwaqa e na yabaki sa oti, ka ra volitaki na kena iTaukei ka boko laivi na kena dinau, ka qai yaco tiko na veivakasavasavataki qo e na loma ni yabaki qo.

Meu kuria, na kena mai dolavi na iVola ni Dinau ni Kabani e na vula o Noveba 2022 e sa vukeya saraga vakalevu na Kabani e na kena musuki sobu na dinau e na veibaqe, ka mai dolava talega kina vei keda e dua na ivurevure vou, ka vinaka me vaka ni lailai na kena icurucuru kei na kena ririkio.

## Na Rawaka ni Veitabana Yadua e na FHL

Na noda Makete ni Saravanua e sa bau uasivi saga na nona rawaka e na yabaki oqo ka tauri uli e na loma ni Kabani Cokovata. E vakilai sara ga na rawaka ni noda tabana ni Saravanua ni rawata rawa sara ga e 29% mai na levu ni rawaka taucoko ni Kabani ka vu tiko ga qo e na levu ni Vulagi Saravanua e ra gade mai Viti ni dola tale na veilakoyaki e na YV22.

Na Makete ni Volivoli e a toso cake talega na nona rawaka, ka tubu saraga e na 18% na nona Tubu Vakailavo ni sebera na iVakacavacava. Ia, me matata tiko ni Tabana oqo e ratou vota mai e 52% ni iLavo ni Veivoli ni laurai na kena taucoko ka rawata na Kabani Cokovata, ka vakadeitaki koya tiko ga ni se duruvesi tiko ga ni noda bisinisi. Ia, e kilikili me da na kila tiko ni na dua tiko na bolebole levu na kena sagai me na tomani tiko na rawaka vinaka mai na tabana qo me vaka ni sa kaukauwa sara tiko na nodra veiqati na vei Sitoa e ra tiko e Viti.

Na Makete ni Taratara, ka ratou karua e na rawa ni iLavo ni Veivoli ni Kabani Cokovata, e vakadinadinataka na tubu ni bisinisi ni sa tekivu vakabulabula tale mai na noda Vanua ni oti na mate levu e a mai tarai keda. Ni oti ya, e laurai votu sara ga na kena veitubutuburi na Tubu vaka iLavo e na noda vei bisinisi e na Tabana ni Taratara, vakabibi o Basic Industries Pte Limited kei na Pacific Cement Pte Limited. Ia, e se bolebole levu tiko ga na kena sagai me qarauni tiko na veiqati ena kena makete, na kena sagai me dau sotavi na nodra gagadre na dauvolivoli, na ivotavota mai ni Matanitu e na vei iTuvatuva Vakailavo e dau kacivaki e na vei yabaki ki na tabana qo kei na veiveisau ni isau ni yaya umauma e Vuravura.

E na makete ni iLavo, na Merchant Finance Limited e sa katukatu sara toka ga e na kena sagai me vakavinakataki na veimataqali loni e dau soli. E veisau na ituvatuva levu ni Kabani me walia na leqa ni sega ni sausumi kei ira na dinau ka sa raici lesu talega na isau ni soli loni me vaka ni levu tiko na ilavo bula e na noda vei baqe.

E na Makete ni Vale kei na Qele Volivakadua, e mai vakilai na lutu ni Tubu Vakailavo, ni sega ni levu na nodratou rawaka na

noda vei vale e na loma ni yabaki qo. Ratu Sukuna e se lala tiko ga me vaka ni qaravi tiko na kena vakavinakataki tiko . la, e dina ga ni sotavi tiko na bolebole e na kena qarai na yaya ni taravale kei na veiveisau ni isau ni yaya, na kena tara tiko na FHL Tower e sa voleka sara tiko ni mai vakacavari.

Na Makete ni Veivakamarautaki, e rawata e \$1.0 milioni na Tubu Vakailavo e na yabaki oqo ni vakatauvatani kei na \$0.2 milioni ka a lusi kina e na yabaki sa oti, e se na okati tiko ga me tabana ka dau veibolei duadua tiko ena loma ni Kabani Cokovata. Na kena toso tiko ga na vuravura ni mona livaliva e sa dau mai vakavuna vakalevu tiko na tatao ni bisini ena tabana qo, me vaka ni sa dolava e vuqa tale na vei iwalewale ni taba itukutuku kei na iyaloyalo yavala, ka sa mai guileca kina kena dau vakayagataki na retio yaloyalo kei na vale ni yaloyalo levu me vaka e liu.

Na FHL Tower e vakatubuilavo levu duadua tiko ena gauna oqo ni Kabani Cokovata, ka namaki tiko me na mai vakacavari e na vula o Epereli ni 2024. Keimami sa tekivu maketetaka tiko na vale ka sagai tiko na veitabana me ra na mai rede kina, ka sa bau veivakayaloqataki sara tiko ga na vakatataro Keimami sa ciqoma tiko mai. Sa neitou takete tiko me Keimami bau vakadeitaka mada me sa na tawa e veimama ni taba vale e na vula o Tiseba ni 2023.

E sega ni vakuwai na FHL Tower mai na medremedrewa e mai sotava na noda vuravura e na bula vakailavo kei na veileqaleqati vakapoliti ka okati kina na nodrau mai veivaluvaluti tiko na Matanitu e rua o Rusia kei Ukareni. Na vei tatao oqo e mai tara na vica na yasa lelevu ni vei qaravi e na makete oqo, ka wili kina na veivanua e da voli iyaya umauma tiko mai kina, na veitosoyaki kei ira na Matai vakaivola. Ia, Keimami sa dau veitalanoa toka ga kei ratou na qarava tiko na tara ni vale me rawa ni qarauni tiko kina na gauna Keimami sa tuvana tiko me na vakacavari kina ka me veiraurau tale toka ga na kena isau.

#### Na Rai ki Liu ni Kabani Cokovata

E na kena sagai tiko ga me da yacova na inaki taumada ni Kabani qo, na FHL e sa na vakaitavi sara tiko vakalevu e na nodra vukeyi na iTaukei ni Sea me ra vakatubuilavo. E sa vakatikikitaka tani e 10% ni nona iyau na Matabose e Cake me vukea na bisinisi ni iTaukei.

Keimami dau dokadokataka talega na vica na ka ka Keimami kila ni Keimami kaukauwa tiko kina, ka wili tiko kina na ituvatuva levu ni kabani koya sa mai vakavinakataki cake, na neimami dau segata tale tu ga me keimami dau yacova na ivakatagedegede uasivi duadua, kei na veituvatuva vinaka ni Veiliutaki vakaivakarau.

E sa vakarautaki tiko e 5 na idusidusi lelevu me vukea na ituvatuva ni noda veigauna e sa tu mai liu, ka sa okati tale tiko ga e na iTuvatuva levu ni Kabani ni yabaki 3 sa tiko qo e matada. Me vaka ni Kabani tiko ni vakatubuilavo, na Rawaka e na vakatautaki e na mataqali vakatubuilavo e qaravi. Keitou sa dau cakacakavata tiko ga kei na Matabose e cake na Veiliutaki e na Kabani, me dau qaravi ga na vakatubuilavo koya e na rawata e levu duadua na tubu vei ira na itaukei ni sea.

E dina ga ni rawaka vinaka na yabaki qo, the Matabose e cake e na qaqarauni tu ga e na vuku ni veigauna sa tu mai liu. Na veika e na dau yaco mai vanua tani me vaka na kena sega sara ni tubu vakavinaka na bula vakailavo, na tubu ni isau ni bula ka dau lai vakavuna na kena dau veidreyaki tu na veilawa ni makete ni ilavo. E qai kena ikuri, na kena mai tubu na ivakacavacava ka dau lavaki kivei ira na kabani, e na rawa ni ra na vakila na noda vei bisinisi taucoko e na loma ni

Kabani Cokovata.

#### Na Vakavinavinaka

Au via vakavinavinaka vakalevu ki na Matabose e Cake kei ira na iTaukei ni Sea ena nodra veivakabauti kei na veitokoni ka dau vakaleleci tiko mai kivei keitou na Veiliutaki tiko e na Kabani Cokovata. E dina ni rawaka ni YV23 e na veivakayaloqataki tiko, e na ka bibi tiko ga me da na dau qaqarauni tiko ga, me vaka ni na tiko ga na vei ririko ka sala vata tu mai na tubu ni isau ni bula, na leqa ni tamata cakacaka kei na veiveisau ni lawa ni makete ni ilavo.

Au via vakavinavnakataki ratou vakalevu na vakailavotaka tiko na Kabani e na nodratou veitokoni tudei tu kei kemuni taucoko na daunivetokoni ki na FHL Group. Keimami sa vakavinavinakataki kemuni sara vakalevu na dauniveitokoni, na weka ni kabani, e Viti kei vanua tani.

Mai na yavu oqori, na FHL e na "Tubu Basikata Yani na vei Yalava Vovou me Rawati kina na kena Inaki"

Vinaka Vakalevu



**Jaoji Koro**  
Manidia Liulu Ni Kabani Cokovata



E na kena sagai tiko ga me da yacova na inaki taumada ni Kabani qo, na FHL e sa na vakaitavi sara tiko vakalevu e na nodra vukeyi na iTaukei ni Sea me ra vakatubuilavo.





## CORPORATE GOVERNANCE STATEMENT

### TUKUTUKU NI KENA CICIVAKI NI KABANI



“

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

”



## Principle

### 1. Establish clear responsibilities for board oversight

### 2. Constitute an effective Board



## Requirement

**Separation of duties:** Clear separation of duties between Board and Senior Management.

**Board Charter:** Adopt a Board charter detailing functions and responsibilities of the Board.

**Board Composition:** Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.



**Gender Diversity:** Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?

**Nomination Committee:** Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with the Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.

**Board Evaluation:** Process of evaluation of performance of the Board, its Committees and individual



## Compliance Status

The FHL Board is responsible for the overall corporate governance of the Company.

The Board has delegated to the Group Chief Executive Officer (GCEO) the responsibility of operating and administering the company. The GCEO is accountable to the Board for the performance of these duties.

A Board Charter is in place and specifies the Board's responsibilities and functions towards the company. The Charter is reviewed annually.

FHL's Articles of Association specifies the number of Directors shall not be less than the number required by the Companies Act 2015 (currently three), nor more than nine (or such number within the range as the Board may determine from time to time).

The Board currently, comprises of nine (9) Directors of which three (3) are Independent Directors. The Board met six (6) times during the financial year ending 30th June 2023.

Directors	Board Meeting	
	Held	Attended
Sakiusa Raivoce	5	4
Yogesh Karan	5	5
Mereia Volavola	5	5
Litiana Loabuka	5	4
Ilimotama Cawi	5	4
Alifereti Kikau	5	4
Savendra Dayal	5	5
Eseta Nadakuitavuki	5	4
Anthony Whitton	5	5

FHL continues to maintain gender diversity throughout the group. As much as we believe that Gender diversity increases corporate board effectiveness and that women on boards bring different perspectives, more creative and innovative insights to the difficult issues facing today's corporations. We have established 24% female directors in the Group and 63% of FHL's employees are female.

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

The Board Evaluation process and guidelines is in place. It ensures that individual directors and the Board as a whole work efficiently in achieving their functions towards the company.



## Principle



## Requirement



## Compliance Status

directors. Evaluation to be linked to key performance indicators of the listed entity.

### *Directors Training:*

Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.

### *Board Sub-committees:*

Board must have sub-committees which must at a minimum include -

- Audit Committee.
- Risk Management Committee; and
- Nomination Committee/ Recruitment Committee.

Directors' training is in place and induction is carried out for every newly appointed Director to the Board. Workshops for Directors are also organised with external stakeholders.

The Board has formally constituted four (4) sub committees namely:

1. Board Nomination & Remuneration Sub-Committee.
2. People & Leadership Sub-Committee.
3. Audit & Risk Sub-Committee.
4. Investment & Strategy Sub-Committee.

### 3. Appointment of Chief Executive Officer/ Managing Director

#### *Group Chief Executive Officer:*

To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director.

The appointment of the GCEO is a role vested in the office of the Board of FHL. The Board of Directors exercised due diligence in the appointment of GCEO. The qualification and criteria of the GCEO is at the discretion of the People & Leadership Sub-Committee in consultation with the Board. Total remuneration package for the GCEO will be the final decision of the Board. The remuneration has been structured to reward corporate and individual performances.

### 4. Appointment of a Board and Company Secretary

#### *Company Secretary:*

Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.

The appointment of the Company Secretary is the prerogative of the Board. As a listed public entity, FHL has appointed a suitably qualified and competent Company Secretary.

### 5. Timely and balanced disclosure

#### *Annual Reports:*

Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.

Disclosures made as per SPX Listing Rules.

#### *Payment to Directors and Senior management:*

Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.

Disclosures made as per SPX Listing Rules.

#### *Continuous Disclosure:*

General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.

FHL continues to make timely, accurate and full disclosures as per SPX Listing Rules.





## Principle



## Requirement



## Compliance Status

### 6. Promote ethical and responsible decision-making

#### *Code of Conduct:*

To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.

A Code of Conduct for Directors and Senior Management and employees is in place.

Internal trainings are conducted for all new Directors, Senior Management and employees

### 7. Register of Interests

#### *Conflicts of Interest:*

Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.

All conflicts of interest (including all Directors and members of the senior management team) are disclosed and formally recorded.

### 8. Respect the rights of shareholders

#### *Communication with shareholders:*

To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.

FHL encourages and promotes effective communication with shareholders and effective participation at the Annual General Meeting (AGM).

FHL frequently examines how best to take advantage of technology to enhance shareholders' communications and how to use General Meetings to enhance a two-way communication.

FHL maintains an up-to-date website to compliment the official release of information to the market.

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

#### *Website:*

To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.

FHL continues to maintain its website to complement market announcement released to the market for shareholder's benefit. The Website address is [www.fijianholdings.com.fj](http://www.fijianholdings.com.fj).

#### *Grievance Redressal Mechanism:*

To establish a Grievance Redressal Mechanism for Shareholders to address shareholder's complaints and grievances.

A Policy is in place and sets out FHL Grievance Redressal mechanism with respect to ensuring that adequate steps are taken for expeditious redress of shareholders complaints or questions by FHL as per the applicable statutory and regulatory requirements.

#### *Shareholders' Complaints:*

To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended

There were none received from the Shareholders during the financial year.

#### *Corporate Sustainability:*

To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.

FHL 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, manage risk and protects the social license to operate.





## Principle

### 9. Accountability and audit

### 10. Risk Management



## Requirement

#### *Internal Audit:*

To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.

#### *External Audit:*

To appoint an external auditor who reports directly to the Board Audit Committee.

#### *Rotation of External Auditor:*

To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.

#### *Audit Committee:*

To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.

#### *Risk Management Policy:*

To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.

#### *Whistle Blower Policy:*

As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act.



## Compliance Status

FHL has an internal audit division with the Group Manager Audit leading the team and reports directly to the FHL Audit & Risk Sub-Committee. The Sub-Committee has overall responsibility to assist the Board through systematic and disciplined approach with its responsibilities in the oversight and effective management of all risk management, audit, and compliance activities of the company.

External Auditors are appointed by the Shareholders at the Annual General Meeting of the company, and they report to the Audit & Risk Sub-Committee.

An external auditor is appointed annually during FHL's Annual General Meeting.

The FHL Audit Sub-Committee comprises of 4 members of which 2 are independent members.

Every member of FHL continuously manages risk which includes the identification of all potential risks. However, specific risk management responsibilities are allocated to the FHL management team to ensure the Risk Management Policy is effectively implement, maintained and monitored at all levels of the organization including:

- Board of Directors
- Audit & Risk Committee
- Group Chief Executive Officer
- Group Chief Financial Officer
- Group Manager Audit, Risk & Compliance
- Executive Management
- Employees & Contractors

Details of specific risk management responsibilities for these Directors, Officers and Committees nominated above. Effective implementation and application of risk management initiatives, systems and plans is a responsibility of all FHL employees. FHL employees are also obligated to communicate our Risk Management Policy and supporting systems to all of our stakeholders.

A policy is in place to address unethical behaviour, actual dishonesty, fraudulent, corrupt or illegal behaviour; accounting or internal control matters. The policy is reviewed and updated annually.

## BOARD OF DIRECTORS

### LEWE NI MATABOSE



**Colonel Sakiusa Raivoce MSD (Ret'd)**  
**Chairman (Independent)**

Is currently the Chairman of Fijian Holdings Limited, South Sea Cruises Limited (SSC); Life Cinema; FHL People & Leadership Sub-Committee; and FHL Board Nomination & Remuneration Sub-Committee. He 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 possesses extensive experience as a Board Director and has successfully completed the Director Course offered by the Australian Institute of Company Directors.

**Yogesh J. Karan**  
**Director**

Is currently the Permanent Secretary for Multi Ethnic Affairs and Sugar Industry. He was the Permanent Secretary to the Office of the Prime Minister. He has served as High Commissioner to India, Non-Accredited Ambassador to SAARC Countries and Fiji's Representative on Colombo Plan Secretariat. He was also Fiji's Alternate Director with the Asian Productivity Organization-Japan. He holds a Master's Degree in Management, Grad. Cert. in HRM, Adv. Dip. in Quality Management, Dip. in Civil Eng, Cert IV in Business Excellence Evaluation and other professional qualifications from International Institutions.



**Eseta Nadakuitavuki**  
**Director**

Is currently the Permanent Secretary for the Ministry of Women, Children and Social Protection. A former Senior Manager Sustainability & Engagement for Westpac Fiji, former Vice President of the Fiji Commerce and Employers Federation Board; former Vice Chair of the Governance Board for the Fiji Women's Rights Movement and former Chairperson of the Women Entrepreneurs Business Council. She holds a double major degree in Management and Public Administration and Industrial Relations from the University of the South Pacific.



**Dr. Ilimotama Cawi**  
**Director (Independent)**

Is currently a Lecturer at the University of the South Pacific. A Director of Fijian Holdings Limited; Basic Industries Pte. Limited; and Chairman of Pacific Cement Pte Limited. He also sits as a member of FHL Audit, Risk Sub-Committee; BIL Audit, Risk Sub-Committee; and PCL Audit, Risk Sub-Committee. Mr. Cawi has a Doctorate in Philosophy (Forensic Accounting) and Master of Forensic Accounting with Distinction from the University of Wollongong, Australia in 2017 and 2008 respectively. He also graduated with a Bachelor of Arts (Accounting/Banking) and Bachelor of Arts (Economics/Management) from the University of the South Pacific in 2001 and 1996 respectively. Mr. Cawi holds professional qualifications and affiliations as a CPA and Certified Forensic Accountant Specialist (ACFE).



# BOARD OF DIRECTORS

## LEWE NI MATABOSE



**Mereia Volavola**  
**Director**

Is currently the CEO of Sole Ltd. She is a Business Consultant specifically working in the private sector in the Pacific region. She has an undergraduate degree from the University of South Pacific (USP) with a Bachelor of Arts majoring in Economics, Management and Public Administration in 1989. As a Chevening Scholar, she obtained her MBA with Banking and Finance with Distinction from the University of Wales in the United Kingdom in 2004. She is Fellow (FFin) of the Financial Services Institute of Australasia and Associate Fellow (AFAIM) of the Australian Institute of Management. Mrs. Volavola is a board member of Fijian Holdings Limited; Chairperson for FHL Audit Risk Sub-Committee; former member of FHL People & Leadership Sub-Committee; and member of MFL Asset, Liability, Risk & IT Sub-Committee;

**Ratu Alifereti Kikau**  
**Director**



Is currently the Head of Business - Public Sector at Kontiki Finance. Mr Kikau has expertise in the area of Banking and Finance, Corporate Governance, Corporate & SME Finance, Risk Analyst & Management, Business Strategic & Logistic Planning, Portfolio Management with proven strong Leadership Skills. He holds a Bachelor of Art majoring in Business Economics from the Fiji National University. Mr. Kikau is a Director of Fijian Holdings Limited and FHL Properties Pte. Limited. He also sits as a member of the FHL People & Leadership Sub-Committee.



**Litiana Loabuka**  
**Director (Independent)**

Is the former Chief Executive Officer of the Fiji Sports Council. She formerly sat on the RB Group Board as an Independent Director and also as Chair of the HR Sub Committee for the RB Group. She is presently the Chairperson of FHL Properties Limited and board member of Fijian Holdings Limited. She 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 and Public Administration from the University of the South Pacific. She has more than 11 years' experience as executive management and holds professional qualification as a Member of the Australia Institute of Company Directors (AICD).

**Savendra Dayal**  
**Director**



Is currently the Deputy Chairman of the Fiji Sugar Corporation Limited; and Director of Dayal Company Limited. He is a businessman and held various executive role at Johnson & Johnson in Fiji and Australia for the past 20 years. Mr. Dayal sits as a Director of Fijian Holdings Limited and current Chairman of Basic Industries Pte. Limited. He holds a Master in Business Administration and a Post Graduate in Economic from the University of the South Pacific.



**Anthony Whitton**  
**Director**

Mr. Whitton is the Managing Director of the family-owned Rosie Group of companies: Rosie Holidays and Ahura Resorts (Likuliku Lagoon and Malolo Island Resort). He has served on numerous corporate boards, including Tourism Fiji, and is currently on the board of The Reserve Bank of Fiji, Chairman and Trustee of Cure Kids Fiji and the International School Nadi, and Trustee of the Koroipita Model Towns Charitable Trust. He was re-appointed to the Fijian Holdings Limited Board in 2019; currently a member of FHL Investment & Strategy Sub-Committee; and Director of Pacific Cement Pte. Limited.







FIJIAN HOLDINGS LIMITED AND SUBSIDIARY COMPANIES

# Financial Statements

for the year ended 30 June 2023

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## Directors' report

In accordance with a resolution of the Board of Directors, the directors of Fijian Holdings Limited ("the Company") present their report together with the financial statements of the Company and the Fijian Holdings Limited Group ("the Group") being the Company, its controlled entities (see note 21 for investments in subsidiaries, individually referred to as "group entities") and associates for the year ended 30 June 2023.

### 1. Directors

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

Sakiusa Raivoce	– Appointed as Chairman on 23/02/2023
Yogesh Karan	– Acting Chairman till 23/02/2023
Anthony Whitton	
Litiana Loabuka	
Mereia Volavola	
Savendra Dayal	
Eseta Nadakuitavuki	
Ilimotama Cawi	
Alifereti Kikau	

### 2. Principal activity

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

### 3. Trading results

The profit after income tax of the Group attributable to the members of the Company was:

	2023 \$'000	2022 \$'000
Profit attributable to equity holders of the Company	37,567	7,719

The profit after income tax of the Company was:

Profit after tax	14,487	8,250
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### 4. Dividends

The directors declared and paid a final dividend of \$nil (2022: \$nil) from the profits for the year ended 30 June 2023. The Company paid \$4.023 million (2022: \$1.523 million) interim dividend during the year.

### 5. Bad and doubtful debts

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

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

## Directors' report (continued)

### 6. Assets

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

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

### 7. Significant Events

In accordance with Income Tax (Rates of Tax and Levies) (Amendment) Regulations 2023, commencing from financial year ending 30 June 2024 (tax year 2023), all companies in the group including the Company will be subject to corporate income tax at the rate of 25%. Accordingly, the current corporate income tax rate of 10% for listed companies and 20% for unlisted companies will increase to 25% from financial year ending 30 June 2024.

### 8. Related Party Transactions

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

### 9. Other circumstances

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

### 10. Unusual transactions

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

### 11. Events subsequent to balance date

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

### 12. Going concern

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

## Directors' report (continued)

### 13. Directors' interests

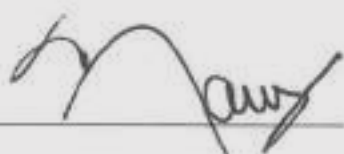
Interests of directors and any additions thereto during the year and up to the date of this report in the ordinary shares of the Company are as follows:

	Beneficially		Non-beneficially	
	Additions	Holding	Additions	Holding
Savvas Renova	-	5,313,739	-	-

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 16th day of September 2023.

  
 \_\_\_\_\_  
 Chairperson

  
 \_\_\_\_\_  
 Director



## STATEMENT BY DIRECTORS

In the opinion of the directors:

- (a) the accompanying statements of profit or loss and other comprehensive income of the Company and the Group is drawn up so as to give a true and fair view of the results of the Company and the Group for the year ended 30 June 2023;
- (b) the accompanying statements of financial position of the Company and the Group is drawn up so as to give a true and fair view of the state of the affairs of the Company and the Group as at 30 June 2023;
- (c) the accompanying statements of changes in equity of the Company and the Group is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2023;
- (d) the accompanying statements of cash flows of the Company and the Group is drawn up so as to give a true and fair view of the cash flows of the Company and the Group for the year ended 30 June 2023;
- (e) at the date of this statement, there are reasonable grounds to believe that the Company and the group entities will be able to pay their debts as and when they become due and payable;
- (f) all related party transactions have been adequately recorded in the books of the Company and the group entities; and
- (g) the financial statements have been prepared in accordance with the Companies Act 2015.

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

Dated this 15th day of September 2023

  
Chairperson

  
Director



# Independent Auditor's Report

To the shareholders of Fijian Holdings Limited

## Report on the audits of the Financial Reports

### Opinions

We have audited the consolidated **Financial Report** of Fijian Holdings Limited (the Group Financial Report). We have also audited the **Financial Report** of Fijian Holdings Limited (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report of Fijian Holdings Limited are in accordance with the *Companies Act 2015*, including:

- giving a true and fair view of the Group's and the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *International Financial Reporting Standards*.

The respective **Financial Reports** of the Group and the Company comprise:

- Statements of financial position as at 30 June 2023;
- Statements of profit or loss and other comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended; and
- Notes including a summary of significant accounting policies.

The **Group** consists of Fijian Holdings Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

### Basis for opinions

We conducted our audits in accordance with the *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Reports* section of our report.

We are independent of the Group and Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the *Companies Act 2015* and the ethical requirements that are relevant to our audits of the Financial Reports in Fiji. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that we have remained independent as required by the Code throughout the period of our audits and to the date of this Auditor's Report.

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## Key Audit Matters

The Key Audit Matters we identified are:

- Valuation of goodwill on consolidation of South Sea Cruises Pte Limited (the Group); and
- Valuation of unlisted securities (the Company).

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audits of the Financial Reports of the current period.

These matters were addressed in the context of our audits of each of the Financial Reports as a whole, and in forming our opinions thereon, and we do not provide separate opinions on these matters.

Valuation of goodwill on consolidation of South Sea Cruises Pte Limited (\$41m) – the Group	
Refer to Note 3.9, Note 3.10 and Note 19(b) to the Financial Report	
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 related to South Sea Cruises Pte Limited, given the size of the balance (being 6% of total assets). 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 model, including:</p> <ul style="list-style-type: none"> <li>• Forecast cash flows, growth rates and terminal growth rates – the Group has experienced significant growth as a result of record visitor arrivals to Fiji following re-opening of international borders.</li> </ul> <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 what the Group considers as its future business model when assessing the feasibility of the Group's forecast cash flows.</p> <ul style="list-style-type: none"> <li>• discount rate - this is 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 rate. We involve our valuations specialists with the assessment.</li> </ul>	<p>Working with our valuation specialists, our procedures included:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• assessing the integrity of the value in use model used, including the accuracy of the underlying formulas applied.</li> <li>• comparing the forecast cash flows contained in the value in use model to Board approved forecasts.</li> <li>• assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the model.</li> <li>• working with our valuation specialists we challenged the Group's significant forecast cash flow and growth assumptions in light of the expected continuation of strong growth in the tourism industry. We compared key events to the Board approved plan and strategy. We applied increased scepticism to forecasts in the areas where previous forecasts were not achieved. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations, and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and</li> </ul>



<p>The Group uses a complex model to perform their annual testing of goodwill for impairment. The model is 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>	<p>our industry experience.</p> <ul style="list-style-type: none"> <li>• checking the consistency of the growth rates to the Group's stated plan and strategy, past performance of the Group, and our experience regarding the feasibility of these in the industry and economic environment in which they operate.</li> <li>• 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.</li> <li>• considering the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rate and discount rate, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.</li> <li>• assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.</li> </ul>
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#### Valuation of unlisted securities (\$547m) – the Company

Refer to Note 3.4 and Note 20 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Valuation of unlisted securities is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the size of the balance, which represents 88% of the Company's total assets; and</li> <li>• the complexity of valuation models and techniques applied in estimating the fair value of the underlying investments held by the Company (investee company), particularly where the valuation of investee company were not observable in the market. This necessitated additional audit focus on the suitability and consistency with generally accepted valuation principles used by the Company, specifically the dividends capitalisation, market comparison and net tangible assets valuation techniques.</li> </ul>	<p>Working with our valuation specialists, our procedures included:</p> <ul style="list-style-type: none"> <li>• assessing the valuation techniques used by the Company against the requirements of the accounting standards.</li> <li>• considering the sensitivity of the Company's valuations by varying key assumptions, such as capitalisation rates, adjusted market multiples and forecasted earnings, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures</li> <li>• assessing the significant unobservable inputs in the Company's investee company valuations of capitalization rates, adjusted market multiples, forecasted earnings and</li> </ul>





<p>The Company uses fair value models for each of these valuation techniques and we focused on their key inputs and assumptions including:</p> <ul style="list-style-type: none"> <li>○ capitalisation rates;</li> <li>○ recoverable amount of net tangible assets;</li> <li>○ forecasted earnings; and</li> <li>○ adjusted market multiples.</li> </ul> <p>The models used are largely manually developed, using internal sources as inputs to the assumptions. Complex modelling, particularly unobservable inputs, tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us.</p> <p>We focused on gathering evidence in respect to the valuation techniques used by the Company and the significant unobservable inputs used in the Company's valuation techniques.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>recoverable amount of net tangible assets as follows;</p> <ul style="list-style-type: none"> <li>• comparing investee companies' net tangible assets included in the Company's net tangible assets valuations to the respective audited financial statements of the investee companies.</li> <li>• comparing investee companies' forecasted earnings included in the Company's market comparison valuations to the respective audited financial statements and Board approved forecasts of the investee companies.</li> <li>• assessing the accuracy of previous investee companies' forecasts to inform our evaluation of investee companies forecasted earnings incorporated in the Company's fair value models.</li> <li>• comparing Price Earnings ratios/EBITDA multiples included in the Company's market comparison valuations technique to adjusted market multiples derived from quoted prices of companies comparable to the investee companies adjusted for the effect of control, size, country risk and the non-marketability of the equity securities.</li> <li>• comparing trends of dividends received to profitability of investee companies over the last three years to inform our evaluation of the future maintainable dividends under the dividends capitalisation technique.</li> <li>• comparing capitalisation rates included in the Company's dividends capitalisation technique to capitalisation rates derived from quoted prices of companies comparable to the investee companies adjusted for the effect of control, size, country risk and the non-marketability of the equity securities.</li> <li>• determining the fair value of investee companies using market multiples and capitalisation rates independently developed by our valuations specialists and comparing it against the fair value</li> </ul>
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	<p>determined by the Company.</p> <ul style="list-style-type: none"> <li>• considering events occurring subsequent to the year end up until the date of this audit report and their impact to the Company's valuations and the results of our work.</li> <li>• assessing the appropriateness of disclosures in the financial report in respect of unlisted securities against the requirements of the accounting standards.</li> </ul>
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## Other Information

Other Information is financial and non-financial information in Fijian Holdings Limited's annual report, directors report and South Pacific Stock Exchange listing requirements which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the directors report and South Pacific Stock Exchange listing requirements. The 2023 Year in Review, FHL Investment Portfolio by Sector, FHL Investment Portfolio by Subsidiaries/ Associates, Financial Highlights, Chairman's Address, GCEO's Report, Corporate Governance Statement, Board of Directors, FHL Group Management, FHL Management Team, Governance: Sub-Committee Reports and Top 30 Shareholders are expected to be made available to us after the date of the Auditor's Report.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information. 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. Based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report in relation to the directors' report.

## Responsibilities of the Directors for the Financial Reports

The Directors are responsible for:

- preparing Financial Reports that give a true and fair view in accordance with *International Financial Reporting Standards* and the *Companies Act 2015*;
- implementing necessary internal control to enable the preparation of Financial Reports that give a true and fair view and are free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether each of the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *International Standards on Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.

As part of the audits in accordance with the *International Standards on Auditing*, we exercise professional judgement and maintain professional scepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the Financial Reports, 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 opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audits 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 or Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director'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 or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Reports or, if such disclosures are inadequate, to modify our opinions. 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 or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Reports, including the disclosures, and whether the Financial Reports represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group Financial Report. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during the audits.

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



and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audits of the Financial Reports of the current period and are therefore the Key Audit Matters. We describe these matters in our 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.

  
KPMG

  
Sharvek Naidu  
Partner

Suva, Fiji  
15 September, 2023





## Lead Auditor's Independence Declaration under Section 395 of the Companies Act 2015

To the Directors of Fijian Holdings Limited

I declare that, to the best of our knowledge and belief, in relation to the audit of Fijian Holdings Limited for the financial year ended 30 June 2023, 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

  
Sharvek Naidu  
Partner

Suva, Fiji  
15 September, 2023

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	Notes	Group 2023 \$'000	2022 \$'000	Company 2023 \$'000	2022 \$'000
<b>Revenue</b>					
Operating revenue	35	343,537	250,852	17,107	17,853
Other income	6(a)	3,879	2,357	214	168
		<u>347,416</u>	<u>253,209</u>	<u>17,321</u>	<u>18,021</u>
<b>Expenses</b>					
Changes in inventories of finished goods and work in progress		(130,583)	(112,135)	-	-
Raw materials and consumables used		(41,144)	(37,911)	-	-
Direct operating expenses		(30,917)	(11,163)	-	-
Staff costs		(36,293)	(25,239)	(1,489)	(1,396)
Depreciation and amortisation	9,16,19	(12,690)	(14,194)	(313)	(300)
Impairment loss on property, plant and equipment and intangible assets	16,19	(1,065)	(1,405)	-	-
Impairment loss on loans, advances and receivables	13,14	(329)	(7,638)	(846)	(5,720)
Impairment loss on equity accounted investments	23	(1,750)	-	-	-
Other operating expenses	6(b)	(31,739)	(28,658)	(1,167)	(1,010)
		<u>(286,510)</u>	<u>(238,343)</u>	<u>(3,815)</u>	<u>(8,426)</u>
<b>Operating profit</b>		<u>60,906</u>	<u>14,866</u>	<u>13,506</u>	<u>9,595</u>
Finance income - interest revenue		1,447	363	1,180	481
Finance costs - other		(4,753)	(5,912)	(1,669)	(1,726)
Net finance costs	7	<u>(3,306)</u>	<u>(5,549)</u>	<u>(489)</u>	<u>(1,245)</u>
Share of profit in associates, net of tax	23	5,615	9,309	-	-
<b>Profit before income tax</b>		<u>63,215</u>	<u>18,626</u>	<u>13,017</u>	<u>8,350</u>
Income tax (expense)/benefit	8(a)	(12,764)	(3,723)	1,470	(100)
<b>Profit after tax</b>		<u>50,451</u>	<u>14,903</u>	<u>14,487</u>	<u>8,250</u>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Equity investments at FVOCI – net change in fair value		1,733	(1,117)	46,391	(12,642)
Total items that will not be reclassified to profit or loss		<u>1,733</u>	<u>(1,117)</u>	<u>46,391</u>	<u>(12,642)</u>
<b>Other comprehensive income/ (loss), net of tax</b>		<u>1,733</u>	<u>(1,117)</u>	<u>46,391</u>	<u>(12,642)</u>
<b>Total comprehensive income/ (loss)</b>		<u>52,184</u>	<u>13,786</u>	<u>60,878</u>	<u>(4,392)</u>

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

	Notes	Group 2023 \$'000	2022 \$'000
<b>Profit attributable to:</b>			
Equity holders of the Company		37,567	7,719
Non-controlling interest	22	12,884	7,184
		<u>50,451</u>	<u>14,903</u>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Equity holders of the Company		39,300	6,642
Non-controlling interest	22	12,884	7,144
		<u>52,184</u>	<u>13,786</u>
<b>Basic and diluted earnings per share</b>	31	<u>12</u>	<u>3</u>

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

	Notes	Group 2023 \$'000	2022 \$'000	Company 2023 \$'000	2022 \$'000
<b>ASSETS</b>					
Cash and cash equivalents	11(a)	24,543	25,817	1,571	2,913
Debt securities	12	14,170	20,019	-	-
Inventories	15	39,926	44,075	-	-
Equity securities	20	25,820	23,983	657,606	511,212
Investments in associates	23	43,863	43,089	-	-
Trade and other receivables	13	22,644	21,779	58,496	47,789
Loans and advances	14	133,359	126,025	-	-
Current tax asset	8(b)	-	510	-	-
Investment properties	18	120,058	93,016	-	-
Property, plant and equipment	16(a)	40,430	142,761	221	360
Intangible assets	19	59,063	59,793	-	-
Right of use assets	9	14,552	15,165	581	717
Other assets	17	7,079	2,477	17	23
Deferred tax assets	8(c)	9,464	7,951	1,751	612
<b>Total assets</b>		<b>652,111</b>	<b>626,470</b>	<b>620,753</b>	<b>583,626</b>
<b>LIABILITIES</b>					
Payables and provisions	24	45,754	58,310	573	616
Contract liabilities		7,954	5,867	-	-
Current tax liability	8(b)	1,860	-	121	342
Dividends payable	26	4,905	4,723	-	-
Employee entitlements	25	2,152	2,058	284	248
Lease liabilities	8	15,029	15,256	617	739
Borrowings	27	228,832	249,516	46,165	45,788
Deferred tax liabilities	8(c)	22,528	12,664	-	-
<b>Total Liabilities</b>		<b>328,814</b>	<b>348,194</b>	<b>47,515</b>	<b>47,733</b>
<b>Net assets</b>		<b>323,297</b>	<b>280,276</b>	<b>572,748</b>	<b>515,893</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	28	30,465	30,465	30,465	30,465
Reserves	29	31,773	30,040	355,564	310,173
Retained earnings		206,771	173,227	185,719	175,255
Attributable to members of the Company		<b>268,009</b>	<b>233,732</b>	<b>572,748</b>	<b>515,893</b>
Non-controlling interest	22	54,288	46,544	-	-
<b>Total shareholders' equity</b>		<b>323,297</b>	<b>280,276</b>	<b>572,748</b>	<b>515,893</b>

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

For and on behalf of the Board

  
Chairperson

  
Director

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



	Notes	Group 2023 \$'000	Group 2022 \$'000	Company 2023 \$'000	Company 2022 \$'000
<b>Cash flows from operating activities:</b>					
Cash receipts from customers		326,182	237,499	199	138
Cash paid to suppliers and employees		(277,288)	(208,179)	(2,655)	(3,595)
Cash generated from/ (used in) operating activities		48,894	29,320	(2,456)	(3,457)
Dividends received		3,569	5,398	19,766	12,866
Management fees received		-	-	1,517	2,389
Management fees paid		(3,606)	(3,587)	-	-
Net customer loans collected		(4,853)	11,816	-	-
Net decrease in deposits		(8,794)	(28,245)	-	-
Interest received		23,228	22,686	165	28
Interest paid		(9,150)	(12,351)	(1,695)	(1,605)
Income tax refunds	8(b)	-	627	-	-
Income taxes paid	8(b)	(2,256)	(1,247)	(132)	-
<b>Net cash from operating activities</b>		<b>47,032</b>	<b>24,417</b>	<b>17,165</b>	<b>10,221</b>
<b>Cash flows from investing activities:</b>					
Acquisition of property, plant and equipment		(13,861)	(6,443)	(39)	(94)
Acquisition of investment properties		(23,702)	(14,315)	-	-
Proceeds from/(payment for) shareholder advance		397	(1,762)	300	(1,815)
Proceeds from disposal of equity securities		75	5,400	-	5,400
Proceeds from disposal of held-to-maturity investment		400	-	-	-
Proceeds from sale of investment property		341	-	-	-
Proceeds from disposal of property, plant and equipment		7,674	478	-	30
Acquisition of intangible assets		(44)	(182)	-	-
<b>Net cash (used in)/from investing activities</b>		<b>(28,720)</b>	<b>(16,824)</b>	<b>261</b>	<b>3,521</b>
<b>Cash flows from financing activities:</b>					
Dividends paid to the Company's shareholders	10	(4,023)	(1,523)	(4,023)	(1,523)
Payment for debt securities, net		5,150	(6,058)	-	-
Dividends paid to non-controlling interest		(4,957)	(3,651)	-	-
Payment for lease liabilities	27	(2,784)	(2,400)	(122)	(114)
Loan to related party		-	-	(15,000)	-
Repayment of related party loan		(6,497)	-	(6,150)	-
Repayment of loans by related party		-	-	-	72
Net movement in loans	27	(6,293)	25,366	6,797	(1,756)
<b>Net cash (used in)/from financing activities</b>		<b>(19,404)</b>	<b>11,734</b>	<b>(18,498)</b>	<b>(3,321)</b>
Net (decrease)/increase in cash and cash equivalents		(1,092)	19,327	(1,072)	10,421
Cash and cash equivalents at beginning of year		20,327	1,007	2,643	(7,778)
Effect of exchange rate changes on cash held		(1)	(7)	-	-
<b>Cash and cash equivalents at end of year</b>	11(a)	<b>19,234</b>	<b>20,327</b>	<b>1,571</b>	<b>2,643</b>

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

Group	Attributable to owners of the Company				Non- controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Other Reserves <sup>1</sup> \$'000	Retained Earnings \$'000	Total \$'000		
Balance at 1 July 2021	30,465	28,861	167,031	226,357	39,782	266,139
<b>Total comprehensive income</b>						
Profit	-	-	7,719	7,719	7,184	14,903
Other comprehensive income	-	(1,077)	-	(1,077)	(40)	(1,117)
<b>Total comprehensive income</b>						
<b>Transactions with owners of the Company</b>						
Contributions and distributions	-	(1,077)	7,719	6,642	7,144	13,786
Issue of ordinary shares	-	-	-	-	250	250
Dividends paid to owners of the Company	-	-	(1,523)	(1,523)	(3,632)	(5,155)
<b>Total contributions and distributions</b>						
<b>Change in ownership interest</b>						
Disposal of shares to NCI without loss of control (see note 21)	-	2,256	-	2,256	3,000	5,256
<b>Total changes in ownership interest</b>						
<b>Total transactions with owners of the Company</b>						
Balance at 30 June 2022	30,465	30,040	173,227	233,732	46,544	280,276
Balance at 1 July 2022	30,465	30,040	173,227	233,732	46,544	280,276
<b>Total comprehensive income</b>						
Profit	-	-	37,567	37,567	12,884	50,451
Other comprehensive income	-	1,733	-	1,733	-	1,733
<b>Total comprehensive income</b>						
<b>Transactions with owners of the Company</b>						
Contributions and distributions	-	1,733	37,567	39,300	12,884	52,184
Dividends paid to owners of the Company	-	-	(4,023)	(4,023)	(5,140)	(9,163)
<b>Total contributions and distributions</b>						
<b>Total transactions with owners of the Company</b>						
Balance at 30 June 2023	30,465	31,773	206,771	269,009	54,288	323,297

(1) See note 29.

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

Company	Share Capital \$'000	Other Reserves <sup>1</sup> \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2021	30,465	322,815	168,528	521,808
<b>Total comprehensive income</b>				
Profit	-	-	8,250	8,250
Other comprehensive income	-	(12,642)	-	(12,642)
<b>Total comprehensive income</b>	-	(12,642)	8,250	(4,392)
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Dividends paid to owners of the Company	-	-	(1,523)	(1,523)
<b>Total contributions and distributions</b>	-	-	(1,523)	(1,523)
<b>Total transactions with owners of the Company</b>	-	-	(1,523)	(1,523)
Balance at 30 June 2022	30,465	310,173	175,255	515,893
Balance at 1 July 2022	30,465	310,173	175,255	515,893
<b>Total comprehensive income</b>				
Profit	-	-	14,487	14,487
Other comprehensive income	-	46,391	-	46,391
<b>Total comprehensive income</b>	-	46,391	14,487	60,878
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Dividends paid to owners of the Company	-	-	(4,023)	(4,023)
<b>Total contributions and distributions</b>	-	-	(4,023)	(4,023)
<b>Total transactions with owners of the Company</b>	-	-	(4,023)	(4,023)
Balance at 30 June 2023	30,465	356,564	185,719	572,748

(1) See note 29.

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

## 1. EQUITY SECURITIES

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

Notes	2023 \$'000	Company 2022 \$'000	Movement \$'000
<b>(a) Listed/ quoted securities</b>			
- Fijian Holdings Unit Trust	8,154	7,291	863
- Flour Mills of Fiji Limited	2,442	2,558	(116)
	<u>10,596</u>	<u>9,849</u>	<u>747</u>
<b>(b) Unlisted securities</b>			
<b>Shares in subsidiary companies</b>			
- Basic Industries Pte Limited <sup>1</sup>	18,288	25,638	(7,350)
- FHL Retailing Pte Limited <sup>2</sup>	241,360	244,815	(3,455)
RB Patel Group Limited*			
- FHL Stockbrokers Pte Limited	736	745	(9)
- Pacific Cement Pte Limited <sup>1</sup>	12,066	5,928	6,138
- FHL Fund Management Pte Limited	4,845	3,246	1,599
- FHL Properties Pte Limited <sup>3</sup>	52,899	51,750	1,149
- Merchant Finance Pte Limited	40,806	37,800	3,006
- South Sea Cruises Pte Limited	101,499	55,500	45,999
Blue Lagoon Cruises Holding Pte Limited*			
Blue Lagoon Cruises Pte Limited*			
- FHL Media Pte Limited <sup>2</sup>	39,229	36,088	3,141
Fiji Television Limited*			
Life Cinema Pte Limited*			
- Serendib Investment Pte Limited <sup>3</sup>	-	-	-
	<u>511,728</u>	<u>461,510</u>	<u>50,218</u>
<b>Shares in other companies</b>			
- Goodman Fielder International (Fiji) Pte Limited	1,838	1,782	56
- Asian Paints (South Pacific) Pte Limited	2,720	2,672	48
- Marsh Pte Limited <sup>4</sup>	5,580	6,723	(1,143)
- Newworld Pte Limited <sup>4</sup>	10,930	8,978	1,952
- Golden Manufacturers Pte Limited <sup>4</sup>	11,694	14,602	(2,908)
- Pernix Fiji Pte Limited <sup>5</sup>	2,520	3,346	(826)
- Ritam Investment Pte Limited	-	1,750	(1,750)
	<u>35,282</u>	<u>39,853</u>	<u>(4,571)</u>
<b>Total investments</b>	<u>557,606</u>	<u>511,212</u>	<u>46,394</u>

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

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

<sup>2</sup> These entities primarily hold investments in listed equity securities. Fair value is based on the net tangible asset approach with investments in listed equity securities being measured at fair value based on the quoted share price at reporting date.

<sup>3</sup> Fair value is based on the net tangible asset approach. For FHL Properties Pte Limited the fair value primarily represents the value of the underlying investment properties which was independently valued at year end.

<sup>4</sup> Fair value is based on the future maintainable dividends approach. Movement in fair value is due to an increased volatility in capital markets.

<sup>5</sup> Fair value is based on recent and/or prior year comparable sale transaction.



## 2. General information

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

The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "group entities") and the group's interest in associates. The Company and its subsidiaries are incorporated and domiciled in Fiji and Papua New Guinea.

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

These financial statements were authorised for issue by the Board of Directors on 15 September 2023.

### 2.1. Statement of Compliance

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

### 2.2 Basis of accounting

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

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

#### Standards, amendments and interpretations issued but not yet effective

A number of new and amended standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these 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 IAS 12 – International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

### 2.3 Use of estimates and judgments

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

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

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

### 2.4 Functional and presentation currency

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

## 2. General information (continued)

### 2.5 Change in income tax rate

In accordance with Income Tax (Rates of Tax and Levies) (Amendment) Regulations 2023, commencing from financial year ending 30 June 2024 (tax year 2023), all companies in the group including the Company will be subject to corporate income tax at the rate of 25%. Accordingly, the current corporate income tax rate of 10% for listed companies and 20% for unlisted companies will increase to 25% from financial year ending 30 June 2024.

### 3. Summary Of Significant Accounting Policies

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

#### 3.1 Principles of consolidation

##### *i. Business combinations*

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

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

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

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

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

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

##### *ii. Subsidiaries*

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

##### *iii. Non-controlling interest*

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

##### *iv. Loss of control*

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

##### *v. Transactions eliminated on consolidation*

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.1 Principles of consolidation (continued)

##### *vi. Interests in equity accounted investees*

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

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

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

#### 3.2 Foreign operations

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

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

#### 3.3 Cash and cash equivalents

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

#### 3.4 Financial instruments

##### 3.4.1 Recognition and initial measurement

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

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

##### 3.4.2 Classification and subsequent measurement

###### **Financial assets**

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

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.4 Financial instruments (continued)

##### 3.4.2 Classification and subsequent measurement (continued)

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

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

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

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

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

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

##### **Financial assets: Business model assessment**

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

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

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

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

##### **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.



### 3. Summary Of Significant Accounting Policies (continued)

#### 3.4 Financial instruments (continued)

##### 3.4.2 Classification and subsequent measurement (continued)

###### **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (continued)**

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

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

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

###### **Financial assets: Subsequent measurement and gains and losses**

###### *Financial assets at FVTPL*

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

###### *Financial assets at amortised cost*

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

###### *Debt investments at FVOCI*

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

###### *Equity investments at FVOCI*

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

###### **Financial liabilities: Classification, subsequent measurement and gains and losses**

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

##### 3.4.3 Derecognition

###### *Financial assets*

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.4 Financial instruments (continued)

##### 3.4.3 Derecognition (continued)

###### Financial liabilities

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

##### 3.4.4 Modifications of financial assets

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

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

##### 3.4.5 Offsetting

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

##### 3.4.6 Impairment

###### Financial instruments

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

No impairment loss is recognised on equity investments.

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

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

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

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

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

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

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.4 Financial instruments (continued)

##### 3.4.6 Impairment (continued)

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

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

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

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

##### *Measurement of ECLs*

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

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

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

##### *Credit-impaired financial assets*

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

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

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

##### *Presentation of allowance for ECL in the statement of financial position*

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

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

##### *Write-off*

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.5 Property, plant and equipment

##### (i) Owned assets

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

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

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

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

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

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

##### (ii) Subsequent expenditure

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

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

##### (iii) Depreciation and amortisation

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

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

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

##### (iv) Reclassification to investment property

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



### 3. Summary Of Significant Accounting Policies (continued)

#### 3.6 Investment properties

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

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

#### 3.7 Assets held for sale and discontinued operations

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

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

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

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

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

#### 3.8 Inventories

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

#### 3.9 Intangible assets

##### (a) Goodwill

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

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

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

##### (b) Management rights

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.10 Impairment of non-financial assets

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

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

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

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

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

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

#### 3.11 Trade and other creditors

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

#### 3.12 Borrowings

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

#### 3.13 Current and deferred income tax

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

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

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

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

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

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.13 Current and deferred income tax (continued)

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

#### 3.14 Employee entitlements

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

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

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

#### 3.15 Leases

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

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

- the Company and the Group has the right to operate the asset; or
- the Company and the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

##### (i) As a lessee

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

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

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

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.15 Leases (continued)

##### (i) As a lessee (continued)

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

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

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

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

##### *Short-term leases and leases of low-value assets*

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

##### (ii) As a lessor

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

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

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

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

#### 3.16 Revenue recognition

##### a. Significant accounting policy

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

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

##### b. Nature of goods and services

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.16 Revenue recognition (continued)

##### b. Nature of goods and services (continued)

##### (i) Construction

##### a) Sale of goods and services

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

##### b) Construction services

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

##### ii. Property

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

##### iii. Finance

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

##### iv. Tourism

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



### 3. Summary Of Significant Accounting Policies (continued)

#### 3.16 Revenue recognition (continued)

##### b. Nature of goods and services (continued)

##### iv. Tourism (continued)

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

##### v. Media

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

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of communication equipment	The Group supplies communication equipment to customers. The equipment to be supplied together with the quantity, prices and payment terms are governed by a contract and are not subject to change during the duration of the contract. The Group purchases communication equipment when ordered by the customer and delivers the equipment to the customer as and when they arrive. The contract states the specific price for each piece of equipment ordered and there is a breakdown of the amount for each equipment. Revenue is recognised as and when the equipment gets delivered to the customer.
Advertising	Advertising is based on the purchase orders received from the customers. Advertising slots have various prices based on the length and timing of the advertisement. The advertising schedule is agreed with the customer and entered into the system. Invoices are raised at month end and only includes the revenue for the advertisements that were aired during the month. Invoices are usually payable within 30 days.
Sponsorship	Sponsorship is based on purchase orders received from the customers. The value of the purchase order is divided by the number of sponsored program episodes to determine the amount of revenue per episode. Invoice is raised at month end and only includes the revenue for the number of sponsored episodes that were aired during the month. Invoices are usually payable within 30 days.

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.16 Revenue recognition (continued)

##### b. Nature of goods and services (continued)

##### vi. Retail

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

##### vii. Investment

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

#### 3.17 Dividend distribution

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

#### 3.18 Provisions

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

#### 3.19 Basic and diluted earnings per share

Basic and diluted earnings per share is determined by dividing profit after income tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. If the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

#### 3.20 Rounding

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

#### 3.21 Foreign currency transactions and balances

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

#### 3.22 Finance income and finance costs

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

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

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

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

### 3. Summary Of Significant Accounting Policies (continued)

#### 3.22 Finance income and finance costs (continued)

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

#### 3.23 Fair value measurement

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

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

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

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

#### 3.24 Contract liabilities

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

#### 3.25 Comparative figures

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

### 4. ACQUISITION OF INVESTMENTS

#### Pernix (PNG) Limited

The Company made an investment of \$5.3 million in Pernix (PNG) Limited. The percentage shareholding is yet to be determined and will be finalised once Pernix (PNG) Limited is fully operational. Accordingly, the transaction is currently being treated as a share deposit and has been recorded as a non-current other receivable. The share deposit has been fully provided for as at 30 June 2023.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1 Risk Management Framework

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

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

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

#### (a) Market Risk

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

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

#### (i) Foreign exchange risk

The Company and the Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters. Major foreign exchange transactions relate to importation of goods and services with settlement based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency (refer notes 2.4 and 3.21).

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

#### (ii) Price risk

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

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (ii) Price risk (continued)

##### *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 2023 and 2022. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Impact on equity</b>	<b>933</b>	<b>856</b>	<b>14,559</b>	<b>14,049</b>

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

#### (iii) Interest rate risk

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

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

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

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Financial instrument</b>				
<b>Financial assets</b>				
Deposits with financial institutions	13,670	15,069	-	-
Government securities	800	4,950	-	-
Cash and cash equivalents	24,643	25,817	1,571	2,913
Loans and advances	145,372	142,460	44,245	28,230
	<b>184,485</b>	<b>188,296</b>	<b>45,816</b>	<b>31,143</b>
<b>Financial liabilities</b>				
Bank overdraft	5,409	5,490	-	270
Bank loans	114,667	120,172	46,165	39,368
Fixed term deposits and short term borrowings (unsecured)	108,556	123,854	-	6,150
	<b>228,632</b>	<b>249,516</b>	<b>46,165</b>	<b>45,788</b>

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Bank overdraft	5,409	5,490	-	270
Bank loans	114,667	120,172	46,165	39,368
	<b>120,076</b>	<b>125,662</b>	<b>46,165</b>	<b>39,638</b>



## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (iii) Interest rate risk (continued)

##### *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 2022.

	Group		Company	
	Equity	Profit or loss before tax	Equity	Profit or loss before tax
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2023</b>				
Variable rate instruments	1,201	1,201	462	462
<b>30 June 2022</b>				
Variable rate instruments	1,257	1,257	396	396

There are no uncertainties related to interest rate cash flows during the period of borrowing for those financial instruments which are at fixed interest. The interest rate for financial instruments at fixed interest ranges from 1.55% to 7.25% (2022: 1.55% to 7.25%)

#### (b) Credit risk

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

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

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

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

	Group	
	2023	2022
	\$'000	\$'000
Impairment loss on loans, advances and receivables	329	7,638

##### *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 excluding other receivables from individual customers as at 30 June 2022 and 2023:

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

##### *Expected credit loss assessment for trade receivables (continued)*

	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
<b>30 June 2023</b>			
Current (not past due)	6,567	(121)	No
1 – 30 days past due	3,505	(121)	No
31 – 60 days past due	826	(60)	No
61 – 90 days past due	872	(135)	No
Over 90 days past due	1,926	(400)	Yes
Debts individually assessed	3,786	(2,636)	Yes
	<u>17,482</u>	<u>(3,473)</u>	
<b>30 June 2022</b>			
Current (not past due)	6,750	(195)	No
1 – 30 days past due	3,623	(175)	No
31 – 60 days past due	1,209	(173)	No
61 – 90 days past due	810	(372)	No
Over 90 days past due	1,010	(380)	Yes
Debts individually assessed	4,324	(4,309)	Yes
	<u>17,726</u>	<u>(5,604)</u>	

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

##### *Movements in the allowance for impairment in respect of trade receivables*

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

#### **Cash and cash equivalents**

The Group held cash and cash equivalents of \$24.643 million at 30 June 2023 (2022: \$25.817 million). The Company held cash and cash equivalents of \$1.571 million at 30 June 2023 (2022: \$2.913 million). The cash and cash equivalents are held with banks, which are rated B- to AA-, based on Standards and Poor's (S&P) ratings.

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

The Company and the Group did not recognise an impairment allowance against cash and cash equivalents as at 30 June 2023 (2022: nil).

#### **Debt investment securities**

The Group held debt investment securities of \$14,471,000 at 30 June 2023 (2022: \$20,019,000). 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 2023 (2022: nil).

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

**Details relating to MFL are set out below:**

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

#### **Amounts arising from ECL**

##### ***Inputs, assumptions and techniques used for estimating impairment.***

See accounting policy in Note 3.4.6.

##### ***Significant increase in credit risk***

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

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

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

##### ***Credit risk grades***

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

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

Customer accounts are graded internally and all existing customers are categorised as excellent, good, satisfactory or limited. Further the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes. All loans and advances are secured by collateral.

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.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

**Details relating to MFL are set out below: (continued)**

**Amounts arising from ECL (continued)**

**Generating the term structure of PD (continued)**

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.

#### *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 MFL'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 3.4.4.

MFL renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under MFL's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both personal and motor loans are subject to the forbearance policy. The Audit Committee regularly reviews reports on forbearance activities.

For loans and advances modified as part of MFL's forbearance policy, the estimate of PD reflects whether the modification has improved or restored MFL's ability to collect interest and principal and MFL's previous experience of similar forbearance action. As part of this process, MFL evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 3.4.6) in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

#### Definition of default

MFL considers loans and advances to be in default when:

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

In assessing whether a borrower is in default, MFL considers indicators that are:

- qualitative – e.g. breaches of covenant;
- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to MFL; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether loans and advances are in default and their significance may vary over time to reflect changes in circumstances.

#### Incorporation of forward-looking information

MFL incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Audit Committee and consideration of a variety of external actual and forecast information. MFL formulates three economic scenarios: a base case, which is the central scenario, and two less likely scenarios, one upside and one downside scenario. 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. External information includes economic data and forecasts published by Reserve Bank of Fiji.

The scenario probability weightings applied in measuring ECL are as follows:

30 June 2023	Upside	Base	Downside
Scenario probability weighting	20%	55%	25%

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 2022 included the following ranges of key indicator for the years ending 30 June 2023, 2024 and 2025.

	2023	2024	2025
GDP (contraction)/growth	8.0%	3.8%	3.0%

Predicted relationship between the key indicator and default and loss rates on loans and advances have been developed based on analysing historical data over the past 5 years.

As at 30 June 2023, MFL no longer considers that a separate management temporary adjustment is necessary for uncertainty associated with COVID-19. MFL however, continues to apply a post model overlay of 20% (2022: 20%) to accommodate the uncertainty associated with rising inflation, rapid changes to interest rates, geo-political and labor market pressures.

#### Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.



## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Measurement of ECL (continued)

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.

#### Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and advances. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 3.4.6.

	12-month ECL \$'000	Lifetime ECL not credit- impaired \$'000	Lifetime ECL credit- impaired \$'000	Total \$'000
<b>Loans and advances to customers at amortised cost</b>				
Balance at 1 July 2022	615	729	15,091	16,435
Transfer to 12 months ECL	589	(136)	(453)	-
Transfer to lifetime ECL not credit impaired	(36)	1,025	(989)	-
Transfer to lifetime ECL credit impaired	(22)	(58)	80	-
Net remeasurement of loss allowance	(727)	(1,074)	4,009	2,208
New loans and advances originated or purchased	463	199	664	1,326
Loans and advances that have been derecognised	(126)	(177)	(4,653)	(4,956)
Balance at 30 June 2023	756	508	13,749	15,013

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Loss allowance (continued)

	12-month ECL \$'000	Lifetime ECL not credit- impaired \$'000	Lifetime ECL credit- impaired \$'000	Total \$'000
Balance at 1 July 2021	1,389	1,785	15,969	19,143
Transfer to 12 months ECL	74	(41)	(33)	-
Transfer to lifetime ECL not credit impaired	(211)	381	(170)	-
Transfer to lifetime ECL credit	(329)	(1,507)	1,836	-
Net remeasurement of loss allowance	(442)	359	1,530	1,447
New loans and advances originated or purchased	359	109	74	542
Loans and advances that have been derecognised	(225)	(357)	(4,115)	(4,697)
Balance at 30 June 2022	615	729	15,091	16,435

The loss allowance in these table includes ECL on loan commitments because MFL cannot separately identify the ECL on the loan commitment component from those on loans and advances.

#### Credit-impaired loans and advances

See accounting policy in Note 3.4.6.

Credit-impaired loans and advances are graded doubtful to loss in MFL's internal credit risk grading system.

#### Collateral held and other credit enhancements

MFL holds collateral and other credit enhancements against its credit exposures. The following table sets out the principal types of collateral held against different portfolios of loans and advances.

	Percentage of exposure that is subject to collateral		Principal type of collateral
	30 June 2023	30 June 2022	
<b>Loans and advances to customers</b>			
Motor vehicle	100	100	Motor vehicles
Personal loans	100	100	Property and equipment

As at 30 June 2023, the net carrying amount of credit-impaired loans and advances to customers amounted to \$29.971 million (2022: \$50.478 million) and the value of identifiable collateral (mainly properties and motor vehicles) held against those loans and advances amounted to \$42.517 million (2022: \$64.891 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.

Explanation of the terms: 12-months ECL, lifetime ECL and credit-impaired are included in Note 3.4.6.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Credit quality analysis (continued)

	2023			Total \$'000
	12-month ECL \$'000	Lifetime ECL not credit- impaired \$'000	Lifetime ECL credit- impaired \$'000	
<b>Loans and advances to customers</b>				
Grade - Standard	94,336	-	-	94,336
Grade - Special mention	-	10,134	-	10,134
Grade - Substandard	-	10,931	6,411	17,342
Grade - Doubtful	-	-	21,736	21,736
Grade - Loss	-	-	1,824	1,824
	94,336	21,065	29,971	145,372
Loss allowance	(756)	(508)	(13,749)	(15,013)
<b>Carrying amount</b>	<b>93,580</b>	<b>20,557</b>	<b>16,222</b>	<b>130,359</b>

	2022			Total \$'000
	12-month ECL \$'000	Lifetime ECL not credit- impaired \$'000	Lifetime ECL credit- impaired \$'000	
<b>Loans and advances to customers</b>				
Grade - Standard	66,027	949	-	66,976
Grade - Special mention	-	12,075	4,098	16,173
Grade - Substandard	-	12,931	9,612	22,543
Grade - Doubtful	-	-	34,185	34,185
Grade - Loss	-	-	2,583	2,583
	66,027	25,955	50,478	142,460
Loss allowance	(615)	(729)	(15,091)	(16,435)
<b>Carrying amount</b>	<b>65,412</b>	<b>25,226</b>	<b>35,387</b>	<b>126,025</b>

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. Revolving individual credit facilities for MFL staff to a maximum of \$3,000 are unsecured. In addition, in order to further minimise the potential for credit loss, the MFL will seek additional collateral from the counterparty once impairment indicators are identified for the relevant individual loans and advances.

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

If an account goes into arrears, a credit review is performed and the collateral value is reassessed by the MFL's in-house credit officers or independent valuers for specialised equipment and real-estate.

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

#### Credit 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:

	Loans and advances	
	2023 (%)	2022 (%)
<b>Industry</b>		
Agriculture	7.38	8.75
Building and construction	14.63	18.41
Manufacturing	2.29	2.32
Mining and quarrying	0.36	0.17
Private individuals	23.79	16.71
Professional and business services	5.71	6.11
Transport, communication and storage	26.03	27.87
Wholesale, retail, hotels and restaurants	15.26	15.25
Others	4.55	4.41
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

#### (c) Liquidity risk

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

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

Group Non-derivative financial liabilities	Carrying amount \$'000	Contractual cash flows				
		Total \$'000	On demand \$'000	Up to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>30 June 2023</b>						
Bank overdraft	5,409	5,409	5,409	-	-	-
Secured bank loans	114,667	163,416	-	17,592	75,729	70,095
Deposits from customers and term borrowings	108,556	109,454	-	55,111	54,343	-
Payables	45,754	45,754	-	44,996	758	-
	<b>274,386</b>	<b>324,033</b>	<b>5,409</b>	<b>117,699</b>	<b>130,830</b>	<b>70,095</b>
<b>30 June 2022</b>						
Bank overdraft	5,490	5,490	5,490	-	-	-
Secured bank loans	120,172	145,497	4,352	20,674	79,654	40,817
Deposits from customers and term borrowings	123,854	137,079	-	56,309	80,770	-
Payables	56,310	56,310	-	55,794	516	-
	<b>305,826</b>	<b>344,376</b>	<b>9,842</b>	<b>132,777</b>	<b>160,940</b>	<b>40,817</b>

## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (c) Liquidity risk (continued)

Company Non-derivative financial liabilities	Carrying amount \$'000	Contractual cash flows				
		Total \$'000	On demand \$'000	Up to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>30 June 2023</b>						
Secured bank loans	46,165	51,407	-	5,257	28,888	17,262
Payables	570	570	-	570	-	-
	<b>46,735</b>	<b>51,977</b>	<b>-</b>	<b>5,827</b>	<b>28,888</b>	<b>17,262</b>
<b>30 June 2022</b>						
Bank overdraft	270	270	270	-	-	-
Secured bank loans	39,368	44,834	-	7,269	26,619	10,946
Deposits from customers and term borrowings	6,150	6,167	2,000	4,167	-	-
Payables	616	616	-	616	-	-
	<b>46,404</b>	<b>51,887</b>	<b>2,270</b>	<b>12,052</b>	<b>26,619</b>	<b>10,946</b>

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 further addresses its liquidity risk via a letter of comfort from the Company pledging its support and assistance as required to ensure that MFL maintains capital and liquidity levels to enable it at all times to meet its obligations as and when due.

MFL'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.

Ratio	Target	Tolerance Range
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.



## 5. FINANCIAL RISK MANAGEMENT (continued)

### 5.1 Risk Management Framework (continued)

#### (c) Liquidity risk (continued)

During the year the loans to deposit ratio went below the set threshold and the liquid assets to total deposit and liquid asset to total assets ratios went above the set threshold due to excess liquidity in the market and a decrease in the loan portfolio. MFL has implemented strategies to decrease the term deposit portfolio to realign the ratios with the set thresholds.

Other than the above, the other targets were met.

### 5.2 Capital risk management

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

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

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

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

	2023 \$'000	2022 \$'000
Total Borrowings (excluding deposits from customers)	120,076	125,662
Less: Cash and cash equivalents (Note 10)	24,643	25,817
Net debt	95,433	99,845
Total capital (Total equity plus net debt)	418,730	380,121
Gearing ratio	23%	26%

Additional details relating to MFL are set out below:

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

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

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

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

## 6. Profit

Notes	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Profit before income tax has been determined after:</b>				
<b>(a) Crediting as other income</b>				
Net gain on disposal of property, plant and equipment	1,454	235	-	-
Management fees*	104	104	-	-
Rental income	50	100	-	-
Miscellaneous income	2,271	1,918	214	168
	<u>3,879</u>	<u>2,357</u>	<u>214</u>	<u>168</u>

\* Management fees for the Company is classified as operating revenue on the Statement of Profit and Loss and Other Comprehensive Income.

## 6. Profit (continued)

Notes	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>(b) Charging as expense</b>				
Other operating expenses includes:				
Auditors' remuneration:				
- audit fees – KPMG	295	279	79	82
- audit fees – other auditors	181	137	36	-
- other services – KPMG	3	-	-	-
- other services – other auditors	211	173	175	122
Directors' emoluments				
- for services as directors	441	468	226	213
- for other services	38	35	38	35
FNPF contributions	2,147	1,199	112	96
Marketing and promotion	2,174	1,438	85	32
Rent and other related expenses	949	1,232	109	104
Repairs and maintenance	3,525	3,339	-	-
Management fee	1,224	311	-	-

## 7. Net Finance Costs

Interest income under the effective interest method	1,014	363	1,180	481
<b>Total interest income arising from financial assets measured at amortised cost</b>	1,014	363	1,180	481
Exchange gain	433	-	-	-
<b>Finance income – other</b>	433	-	-	-
	1,447	363	1,180	481
Financial liabilities measured at amortised cost – interest expense on:				
- borrowings	(3,803)	(4,426)	(1,625)	(1,674)
- lease liabilities	(950)	(1,162)	(44)	(52)
Exchange loss	-	(324)	-	-
<b>Finance costs - other</b>	(4,753)	(5,912)	(1,669)	(1,726)
<b>Net finance costs recognised in profit or loss</b>	(3,306)	(5,549)	(489)	(1,245)

## 8. Income Tax

### (a) Income tax expense

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

Profit before income tax	63,215	18,626	13,017	8,350
Prima facie tax expense at 10% (2022:10%)	6,322	1,863	1,302	835
<u>Add/ (deduct):</u>				
Impact of difference in tax rate	5,001	1,090	-	-
Effect of change in tax rate	5,132	-	(1,051)	-
Dividends received	(129)	(128)	(1,500)	(1,582)
Other permanent differences	333	1,704	303	847
Impact of equity accounted profit	(624)	(1,034)	-	-
Tax losses not brought to account or expired	(152)	533	-	-
Temporary difference not recognised	(784)	(20)	-	-
Temporary difference recognised	(1,599)	-	-	-
Over provision in prior year	(736)	(285)	(524)	-
<b>Income tax expense</b>	12,764	3,723	(1,470)	100

Total income tax expense is made up of:

Current tax expense	5,149	2,965	193	691
Deferred tax expense/ (benefit)	8,351	1,043	(1,139)	(591)
Over provision in prior year	(736)	(285)	(524)	-
<b>Income tax expense</b>	12,764	3,723	(1,470)	100

## 8. Income Tax (Continued)

Notes	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(b) Current tax (liability)/asset				
Balance at beginning of year	510	2,798	(342)	350
Income tax paid	2,256	1,247	132	-
Income tax refund	-	(627)	-	-
Current tax expense	(5,149)	(2,965)	(193)	(691)
Transfer of balance to VAT account	(213)	(230)	-	(1)
Over provision in prior year	736	287	524	-
Balance at end of year	(1,860)	510	121	(342)
(c) Deferred tax assets and liabilities				
<u>Deferred tax assets</u>				
Property, plant & equipment	37	29	26	12
Annual leave	382	220	71	25
Doubtful debts	6,245	4,898	1,645	573
Provision for obsolescence	1,203	944	-	-
Lease liabilities	1,951	2,077	154	74
Others	(50)	3	-	-
Carried forward tax losses	3,695	4,790	-	-
	13,463	12,961	1,896	684
Set-off of tax	(3,999)	(5,010)	(145)	(72)
	9,464	7,951	1,751	612
<u>Deferred tax liabilities</u>				
Property, plant & equipment	23,398	14,504	-	-
Cyclone reserve deposit	207	81	-	-
Right of use assets	1,813	1,980	145	72
Fair value on revaluation	1,109	1,109	-	-
	26,527	17,674	145	72
Set-off of tax	(3,999)	(5,010)	(145)	(72)
	22,528	12,664	-	-

As at 30 June 2023, group entities had unrecouped income tax losses of approximately \$23.082 million (2022: \$30.178 million) available to offset against future years' taxable income. The benefit at 25% (2022: 20% and 10%) tax rate amounting to approximately \$5.8 million (2022: \$5.2 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. The benefit will only be obtained if:

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

Tax losses relate to group entities which are taxed at 20% and 10%. Tax losses carried forward expire as follows:

Tax losses year	Gross amount \$'000	Tax effect \$'000	Expiry date
2023	4,738	1,184	2031
2022	4,173	1,043	2030
2021	5,802	1,450	2029
2020	5,481	1,370	2028
2019	2,888	722	2022*
	23,082	5,769	

\* 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.

## 8. Income Tax (Continued)

### Movement in temporary differences during the year

#### Group

	1 July 2022 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2023 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	29	-	8	37
Annual leave	220	-	162	382
Doubtful debts	4,898	-	1,347	6,245
Provision for obsolescence	944	-	259	1,203
Lease liabilities	2,077	-	(126)	1,951
Others	3	-	(53)	(50)
Carried forward tax losses	4,790	-	(1,095)	3,695
	12,961	-	502	13,463

<i>Deferred tax liabilities</i>				
Property, plant & equipment	14,504	-	8,894	23,398
Cyclone reserve deposit	81	-	126	207
Right of use assets	1,980	-	(167)	1,813
Fair value on revaluation (recognised directly in equity)	1,109	-	-	1,109
	17,674	-	8,853	26,527

	1 July 2021 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2022 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	37	-	(8)	29
Annual leave	167	-	53	220
Doubtful debts	5,224	-	(326)	4,898
Provision for obsolescence	1,055	-	(111)	944
Lease liabilities	2,057	-	20	2,077
Others	98	-	(95)	3
Carried forward tax losses	3,926	-	864	4,790
	12,564	-	397	12,961

<i>Deferred tax liabilities</i>				
Property, plant & equipment	13,089	-	1,415	14,504
Cyclone reserve deposit	78	-	3	81
Right of use assets	1,958	-	22	1,980
Fair value on revaluation (recognised directly in equity)	1,109	-	-	1,109
	16,234	-	1,440	17,674

## 8. Income Tax (Continued)

### Company

	1 July 2022 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2023 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	12	-	14	26
Annual leave	25	-	46	71
Doubtful debts	573	-	1,072	1,645
Lease liabilities	74	-	80	154
	684	-	1,212	1,896
<i>Deferred tax liabilities</i>				
Right of use assets	72	-	73	145
	72	-	73	145

	1 July 2021 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2022 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	12	-	-	12
Annual leave	7	-	18	25
Doubtful debts	2	-	571	573
Lease liabilities	85	-	(11)	74
	106	-	578	684
<i>Deferred tax liabilities</i>				
Right of use assets	85	-	(13)	72
	85	-	(13)	72

## 9. Leases

### (a) As a lessee

The Group leases various assets including land and buildings, coaches and jetty. Information about leases for which the Group is a lessee is presented below:

#### Right-of-use assets

	Jetty \$'000	Land and buildings \$'000	Coaches \$'000	Total \$'000
<b>Group</b>				
Balance at 1 July 2021	907	13,384	1,260	15,551
Additions	246	3,059	-	3,305
Disposals	(59)	(125)	-	(184)
Re-measurements	1	232	(753)	(520)
Depreciation charge for the year	(184)	(2,506)	(297)	(2,987)
Balance at 30 June 2022	911	14,044	210	15,165
Balance at 1 July 2022	911	14,044	210	15,165
Additions	-	2,955	-	2,955
Disposals	-	(831)	-	(831)
Re-measurements	-	166	-	166
Depreciation charge for the year	(171)	(2,523)	(209)	(2,903)
Balance at 30 June 2023	740	13,811	1	14,552



## 9. Leases (continued)

### (a) As a lessee (continued)

#### Right-of-use assets (continued)

	Jetty \$'000	Land and buildings \$'000	Coaches \$'000	Total \$'000
<b>Company</b>				
Balance at 1 July 2021	-	853	-	853
Depreciation charge for the year	-	(136)	-	(136)
Balance at 30 June 2022	-	717	-	717
Balance at 1 July 2022	-	717	-	717
Depreciation charge for the year	-	(136)	-	(136)
Balance at 30 June 2023	-	581	-	581

#### Lease liabilities

##### Maturity analysis – contractual undiscounted cash flows

Less than one year	3,100	3,079	166	166
One to five years	7,682	7,018	541	666
More than five years	15,747	14,451	-	42
<b>Total undiscounted lease liabilities at 30 June</b>	<b>26,529</b>	<b>24,548</b>	<b>707</b>	<b>874</b>

##### Lease liabilities included in the statement of financial position

Current	2,028	2,951	130	122
Non-current	13,001	12,305	487	617
	<b>15,029</b>	<b>15,256</b>	<b>617</b>	<b>739</b>

##### Amounts recognised in profit or loss

Interest on lease liabilities	950	1,162	44	52
Variable lease payments not included in the measurement of lease liabilities	513	451	2	1
Expenses relating to short-term leases	267	437	-	-
Rent concessions due to COVID19*	-	(580)	-	-

##### Amounts recognised in the statement of cash flows

Total cash outflow for leases	4,117	4,437	167	167
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\* This relates to rental concessions received for leases due to COVID 19. Under the 2021 amendments issued by the IASB, COVID-19-Related Rent Concessions beyond 30 June 2021, rental discount and waivers as a result of COVID 19 are to be treated as a negative variable lease payment.

### 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.

## 9. Leases (continued)

### (a) As a lessee (continued)

#### i. Real estate leases (continued)

##### *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. Fixed and variable rental payments for the period ended 30 June 2023 is as follows:

	Fixed payments \$'000	Variable payments \$'000	Total payments \$'000
Leases with lease payments based on passenger number	107	354	461

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

#### 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. Fixed and variable rental payments for the period ended 30 June 2023 is as follows:

	Fixed payments \$'000	Variable payments \$'000	Total payments \$'000
Leases with lease payments based on passenger number	694	-	694

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

#### 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.

## 10. Dividends Paid

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Dividend paid at \$0.0132 (2022: \$0.0050)	4,023	1,523	4,023	1,523
	4,023	1,523	4,023	1,523

## 11. Cash and Cash Equivalents

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

Notes	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash on hand and at bank	24,643	25,817	1,571	2,913
Bank overdrafts (Note 27)	(5,409)	(5,490)	-	(270)
	19,234	20,327	1,571	2,643

- b) Financing facilities

Facilities available to the Group include bank overdrafts. Financing facilities of \$45,850,000 were available to the Group as at 30 June 2023 (2022: \$46,350,000) of which \$5,409,000 (2022: \$5,490,000) was utilised. Financing facilities of \$20,000,000 were available to the Company as at 30 June 2023 (2022: \$20,000,000) of which \$Nil (2021: \$270,000) was utilised. See also note 27.

## 12. Debt Securities

### Current

Government bonds	-	4,150	-	-
Deposits with financial institutions	12,324	13,469	-	-
	12,324	17,619	-	-

### Non-current

Government bonds	800	800	-	-
Deposit with financial institutions	1,346	1,600	-	-

	2,146	2,400	-	-
Total	14,470	20,019	-	-

### Maturity analysis

Not longer than 3 months	3,780	7,346	-	-
Longer than 3 months and not longer than 12 months	8,544	10,273	-	-
Longer than 1 year and not longer than 5 years	1,346	1,600	-	-
Longer than 5 years	800	800	-	-
	14,470	20,019	-	-

## 13. Trade and Other Receivables

### Current

Trade receivables	17,482	17,726	-	-
Allowance for expected credit loss	(3,473)	(5,604)	-	-
	14,009	12,122	-	-

Other receivables – third parties	3,430	5,004	29	68
Other receivables – related parties	2,212	1,385	12,576	7,447
Loans and advances – related parties	3	8	303	207
Allowance for expected credit loss	(208)	(342)	(419)	(44)
	19,446	18,177	12,489	7,678

### Non-current

Loans and advances – related parties	2,615	3,017	46,865	31,247
Other receivables – third parties	6,248	5,889	-	-
Other receivables – related parties	-	-	5,304	14,554
Allowance for expected credit loss	(5,765)	(5,304)	(6,162)	(5,690)
	3,098	3,602	46,007	40,111
TOTAL	22,544	21,779	58,496	47,789

### Allowance for expected credit loss

Balance at beginning of year	11,250	11,018	5,735	14
Additional allowance (reversed)/recognised	(190)	3,861	846	5,720
Bad debts written off	(1,614)	(3,629)	-	-
Balance at end of year	9,446	11,250	6,581	5,734

### 13. Trade and other receivables (continued)

Allowance for expected credit loss relates to receivables only. Allowance for expected credit loss on loans and advances are disclosed in note 14.

	Notes	Group 2023 \$'000	2022 \$'000	Company 2023 \$'000	2022 \$'000
<b>14. Loans and Advances</b>					
Loans and advances at amortised cost		145,372	142,460	-	-
ECL allowance	5.1 (b)	(15,013)	(16,435)	-	-
		<u>130,359</u>	<u>126,025</u>	<u>-</u>	<u>-</u>
<u>Maturity analysis</u>					
Not longer than 3 months		17,075	51,231	-	-
Longer than 3 months and not longer than 12 months		6,818	5,419	-	-
Longer than 1 year and not longer than 5 years		113,746	82,093	-	-
Longer than 5 years		7,733	3,717	-	-
		<u>145,372</u>	<u>142,460</u>	<u>-</u>	<u>-</u>
<b>Loan impairment expense</b>					
Increase in impairment		519	3,777	-	-
		<u>519</u>	<u>3,777</u>	<u>-</u>	<u>-</u>
<b>15. Inventories</b>					
Raw materials, spares, stores and supplies		11,729	17,344	-	-
Finished goods		28,729	27,225	-	-
Goods in transit		1,368	1,796	-	-
Provision for obsolescence		(1,900)	(2,290)	-	-
		<u>39,926</u>	<u>44,075</u>	<u>-</u>	<u>-</u>

Write-downs of inventories to net realisable value is presented in 'changes in inventories of finished goods and work in progress'.

During the year \$nil (2022: \$nil) inventory were written off.

### 16. Property, Plant and Equipment

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

Freehold land - at cost	7,064	7,064	-	-
Island properties - at directors' valuation	11,150	11,150	-	-
Leasehold land, improvements and buildings				
- at cost	89,632	93,283	-	-
- accumulated depreciation	(19,696)	(17,861)	-	-
	<u>69,936</u>	<u>75,422</u>	<u>-</u>	<u>-</u>
Plant and equipment				
- at cost	211,030	202,419	1,492	1,460
- accumulated depreciation	(149,362)	(145,790)	(1,284)	(1,113)
- allowance for impairment	(10,568)	(9,568)	-	-
	<u>51,100</u>	<u>47,061</u>	<u>208</u>	<u>347</u>
Capital works in progress				
- at cost	2,013	2,897	13	13
- allowance for impairment	(833)	(833)	-	-
	<u>1,180</u>	<u>2,064</u>	<u>13</u>	<u>13</u>
	<u>140,430</u>	<u>142,761</u>	<u>221</u>	<u>360</u>

## 16. Property, Plant and Equipment (continued)

### b) Reconciliation of property, plant and equipment

Reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current year is set out below:

#### Group

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2022	7,064	11,150	75,422	47,061	2,064	142,761
Additions	-	-	409	4,414	9,219	14,042
Disposals	-	-	(4,378)	(489)	(1,428)	(6,295)
Transfers from capital work in progress	-	-	318	8,357	(8,675)	-
Impairment charge	-	-	-	(1,000)	-	(1,000)
Depreciation	-	-	(1,835)	(7,243)	-	(9,078)
Carrying amount at 30 June 2023	7,064	11,150	69,936	51,100	1,180	140,430

#### Company

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2022	-	-	-	347	13	360
Additions	-	-	-	38	-	38
Depreciation	-	-	-	(177)	-	(177)
Carrying amount at 30 June 2023	-	-	-	208	13	221

#### Group

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2021	7,064	11,150	75,922	47,418	8,490	150,044
Additions	-	-	109	4,764	1,659	6,532
Disposals	-	-	(39)	(1,134)	(478)	(1,651)
Transfers to intangible assets	-	-	-	-	(340)	(340)
Transfers from capital work in progress	-	-	933	5,501	(6,434)	-
Impairment charge	-	-	-	(495)	(833)	(1,328)
Depreciation	-	-	(1,503)	(8,993)	-	(10,496)
Carrying amount at 30 June 2022	7,064	11,150	75,422	47,061	2,064	142,761



## 16. Property, Plant and Equipment (continued)

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

#### Company

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2021	-	-	-	418	13	431
Additions	-	-	-	93	-	93
Depreciation	-	-	-	(164)	-	(164)
Carrying amount at 30 June 2022	-	-	-	347	13	360

(c) The depreciation policy is set out in Note 3.5.

(d) See note 27 for items charged as security.

(e) In 2020, the island property in Nanuya Lailai Island – Yasawa, was revalued by the Directors of Blue Lagoon Cruises Pte Limited based on an independent valuation by Professional Valuations Pte Limited dated 30 June 2020. The revaluation had been categorised as a Level 3 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).

An independent valuation has not been undertaken during the year ended 30 June 2023 as the Directors believe that the circumstances have not changed materially to impact the fair value determined at 30 June 2020.

The carrying amount that would have been recognised had the island properties been carried under the cost model is \$108,000.

(f) For group purposes, investment properties are transferred to property, plant and equipment when they are occupied by group entities. There is impact on profit or loss of this transfer as investment properties are held at fair value. Upon transfer the change in fair value of investment properties that are occupied by group entities are reversed and depreciation charge is recorded.

## 17. Other Assets

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Prepayments	7,079	2,477	37	23

## 18. Investment Properties

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Valuation</b>				
Opening balance	52,880	51,554	-	-
Acquisitions	2,545	306	-	-
Change in fair value	321	1,020	-	-
Closing balance	55,746	52,880	-	-
<b>Work in progress</b>				
Opening balance	40,136	26,078	-	-
Acquisitions	24,216	14,058	-	-
Closing balance	64,352	40,136	-	-
<b>Carrying amount</b>				
Opening balance	93,016	77,632	-	-
Closing balance	120,098	93,016	-	-

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

See note 27 for items charged as security.

### Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property annually. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

### Valuation technique and significant unobservable inputs

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

# 18. Investment Properties (continued)

## Valuation technique and significant unobservable inputs (continued)

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.	Adjustments for: <ul style="list-style-type: none"> <li>• tenure: (2023: (10%) - 10%; 2022: (10%) - 10%)</li> <li>• location: (2023: (20%) - 0%; 2022: (5%) - 10%)</li> <li>• size: (2023: (65%) - 10%; (2022: (40%) - 20%)</li> <li>• improvement: (2023: (0%) - (10%); 2022: (5%) - 10%)</li> <li>• time: (2023: 5% - 18%; 2022: 4% - 64%)</li> <li>• improvement condition: (2023: (20%) - 10%; 2022: (20%) - 10%)</li> </ul>	The estimated fair value would increase (decrease) if adjustments for: <ul style="list-style-type: none"> <li>• tenure was higher (lower)</li> <li>• location was higher (lower)</li> <li>• size was higher (lower)</li> <li>• time was higher (lower)</li> <li>• improvement condition was higher (lower)</li> </ul>
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacancy rate and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	<ul style="list-style-type: none"> <li>• Expected market rental growth (2023: 0% - 2.5%; 2022: 5% - 10%)</li> <li>• Vacancy rate (2023: 0% - 25%; 2022: 5% - 20%)</li> <li>• Discount rate (2023: 9.14% - 11.46%; 2022: 8% - 11.5%)</li> <li>• Capitalisation rate (2023: 8% - 9%; 2022: 8% - 9%)</li> <li>• Period of cash flows (2023: 11 years; 2022: 10 years)</li> </ul>	The estimated fair value would increase (decrease) if adjustments for: <ul style="list-style-type: none"> <li>• expected market rental growth were higher (lower);</li> <li>• the vacancy rate was lower (higher);</li> <li>• the risk adjusted discount rate was lower (higher)</li> <li>• the capitalisation rate was lower (higher)</li> <li>• period of cash flow was higher (lower)</li> </ul>
Income capitalisation: The valuation model considers the estimated net rental income from the property after allowing for the outgoing from management, ground rental, insurance, repairs and maintenance and other related property outgoing. The potential income derived from the property is directly related to the capital value.	<ul style="list-style-type: none"> <li>• Annual rental income</li> <li>• Outgoings</li> <li>• Capitalisation rate: (2023: 5% - 9%; 2022: 7.5%-9%)</li> </ul>	The estimated fair value would increase (decrease) if adjustments for: <ul style="list-style-type: none"> <li>• annual rental income was higher (lower)</li> <li>• outgoing was lower (higher)</li> <li>• capitalisation rate was lower (higher)</li> </ul>

## Capitalisation of Borrowing Costs

Borrowing costs amounting to \$2,067,000 (2022: \$946,000) in relation to construction of buildings were capitalised to investment properties during the year.

## 19. Intangible Assets

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Goodwill on consolidation	62,620	62,620	-	-
Provision for impairment of goodwill	(6,912)	(6,912)	-	-
Management rights	2,877	3,377	-	-
Software	478	708	-	-
Total intangible assets	59,063	59,793	-	-
Movements during the year are as follows:				
Opening net book amount	59,793	60,204	-	-
Additions	44	37	-	-
Transfers from property, plant and equipment	-	340	-	-
Impairment charge	(65)	(77)	-	-
Amortisation of software	(209)	(211)	-	-
Amortisation of management rights	(500)	(500)	-	-
Total intangible assets	59,063	59,793	-	-

The accounting policy on intangible assets is set out in Note 3.9 and impairment loss on goodwill is recognised in profit or loss.

### (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 2023 of \$3.20 (2022: \$3.25) less estimated cost to sell. A decrease in RB Patel Group Limited's share price by more than \$2.58 (2022: \$2.63) 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 2023 was determined to be lower than its recoverable amount of \$234.131 million (2022: \$238.566 million).

### (b) South Sea Cruises Pte Limited

#### Impairment test for goodwill

Goodwill of \$41.099m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of \$138,478,000 (2022: \$77,160,000). The key assumptions used in the estimation of value in use were as follows:

	2023	2022
Discount rate	13.60%	13.60%
Terminal value growth rate	2.00%	2.50%
Budgeted EBITDA growth rate (average of next five years)*	4.00%	14.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 16.62% (2022: 16.10%).

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.

## 19. Intangible Assets

### (b) South Sea Cruises Pte Limited (continued)

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount

### (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 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 2023 of \$2.10 less estimated cost to sell. A decrease in Fiji Television Limited's share price by more than \$1.09 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 2023 was determined to be lower than its recoverable amount of \$11.471 million.

## 20. Equity Securities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>(a) Listed/ quoted securities</b>				
- Amalgamated Telecom Holdings Limited	4,129	3,772	-	-
- Fijian Holdings Unit Trust	9,311	8,333	8,154	7,291
- Pacific Green Industries Limited	1,123	1,123	-	-
- Fiji Care Insurance	864	527	-	-
- Kinetic Growth Fund	224	224	-	-
- Vision Investment Limited	248	248	-	-
- Flour Mills of Fiji Limited	2,768	2,901	2,442	2,558
	<u>18,667</u>	<u>17,128</u>	<u>10,596</u>	<u>9,849</u>



## 20. Equity Securities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>(b) Unlisted securities</b>				
<b>Shares in subsidiary companies</b>				
- Basic Industries Pte Limited	-	-	18,288	25,638
- FHL Retailing Pte Limited	-	-	241,360	244,815
RB Patel Group Limited*				
- FHL Stockbrokers Pte Limited	-	-	736	745
- Pacific Cement Pte Limited	-	-	12,066	5,928
- FHL Fund Management Pte Limited	-	-	4,845	3,246
- FHL Properties Pte Limited	-	-	52,899	51,750
- Merchant Finance Pte Limited	-	-	40,806	37,800
- South Sea Cruises Pte Limited	-	-	101,499	55,500
Blue Lagoon Cruises Holding Pte Limited*				
Blue Lagoon Cruises Pte Limited*				
- FHL Media Pte Limited	-	-	39,229	36,088
Fiji Television Limited*				
Life Cinema Pte Limited*				
- Serendib Investment Pte Limited	-	-	-	-
	-	-	511,728	461,510
<b>Shares in other companies</b>				
- Goodman Fielder International (Fiji) Pte	1,838	1,782	1,838	1,782
- South Pacific Stock Exchange	15	15	-	-
- Fiji Gas Company Pte Limited	2,577	2,328	-	-
- Asian Paints (South Pacific) Pte Limited	2,720	2,672	2,720	2,672
- Marsh Pte Limited	-	-	5,580	6,723
- Newworld Pte Limited	-	-	10,930	8,978
- Golden Manufacturers Pte Limited	-	-	11,694	14,602
- Pernix Fiji Pte Limited	-	-	2,520	3,346
- Ritam Investment Pte Limited	-	-	-	1,750
- Motibhai and Company Pte Limited	3	58	-	-
	7,153	6,855	35,282	39,853
Total investments	25,820	23,983	557,606	511,212

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

### Equity securities designated as at FVOCI

The Company and the Group has designated the investments shown above as equity securities as at FVOCI because these equity securities represent investments that the Company and the Group intends to hold for the long-term for strategic purposes.

Dividend income recognised during the year is disclosed in Note 21.

No strategic investments were disposed of during 2023, 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.

## 20. Equity Securities (continued)

## (c) Valuation of financial instruments (continued)

Group	Carrying amount				Fair value				
	Amortised cost \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2023									
Financial assets measured at fair value									
Listed equities	-	-	18,667	-	18,667	18,667	-	-	18,667
Unlisted equities	-	-	7,153	-	7,153	-	2,577	4,576	7,153
	-	-	25,820	-	25,820				
Financial assets not measured at fair value									
Government bonds	800	-	-	-	800	-	946	-	946
	800	-	-	-	800				
30 June 2022									
Financial assets measured at fair value									
Listed equities	-	-	17,128	-	17,128	17,128	-	-	17,128
Unlisted equities	-	-	6,855	-	6,855	-	2,328	4,527	6,855
	-	-	23,983	-	23,983				
Financial assets not measured at fair value									
Government bonds	4,950	-	-	-	4,950	-	5,459	-	5,459
	4,950	-	-	-	4,950				

20. Equity Securities (continued)

(c) Valuation of financial instruments (continued)

Company	Carrying Amount				Fair Value				
	Amortised cost \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2023									
Financial assets measured at fair value									
Listed equities	-	-	10,596	-	10,596	10,596	-	-	10,596
Unlisted equities	-	-	547,010	-	547,010	-	-	547,010	547,010
	-	-	557,606	-	557,606				
30 June 2022									
Financial assets measured at fair value									
Listed equities	-	-	9,849	-	9,849	9,849	-	-	9,849
Unlisted equities	-	-	501,363	-	501,363	-	-	501,363	501,363
	-	-	511,212	-	511,212				

## 20. EQUITY SECURITIES (continued)

### (c) Valuation of financial instruments (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity securities	<p>Dividends capitalisation technique: The valuation model is based on the future maintainable dividends and capitalisation rates.</p> <p>Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected future maintainable earnings of the investee. The estimate is adjusted for the effect of control, size, country risk and the non-marketability of the equity securities.</p> <p>Net tangible assets: The valuation model is based on the recoverable amount of the net tangible assets of the business encompassing the equity security.</p>	<ul style="list-style-type: none"> <li>Capitalisation rates (2023: 8.3-12.4%; 2022: 9.6-13%)</li> <li>Adjusted market multiple (2023: 6.4-7.6%; 2022: 6.6-7.3%)</li> <li>Forecasted earnings</li> <li>Recoverable amount of the net tangible assets</li> </ul>	The estimated fair value would increase/ (decrease) if any of the significant unobservable inputs were changed. Generally, a change in the annual growth rate is accompanied by directionally similar change in future maintainable dividends and earnings.
Government bonds	Market comparison - The fair value of the long term investment securities is based on market prices published by the Reserve Bank of Fiji.	Not applicable	Not applicable

Fair value of assets included in Level 3 are based on Directors' valuations. During the year ended 30 June 2023, there were no transfers in and out of fair value hierarchy levels mentioned above. There was no material movement between the opening and closing balances in Level 3 of the fair value hierarchy. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair value.

	Group \$'000	Company \$'000
Balance at 1 July 2021	5,773	514,390
<b>Gain included in OCI</b>		
- Net change in fair value	(1,246)	(13,027)
<b>Balance at 30 June 2022</b>	<b>4,527</b>	<b>501,363</b>
Balance at 1 July 2022	4,527	501,363
<b>Gain included in OCI</b>		
- Net change in fair value	49	45,647
<b>Balance at 30 June 2023</b>	<b>4,576</b>	<b>547,010</b>

## 20. EQUITY SECURITIES (continued)

### (c) Valuation of financial instruments (continued)

#### 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	(2,978)	2,978
Adjusted market multiple	18,075	(18,075)

## 21. Details of Investments

Name of company	Place of incorporation / principal country of operation	Ownership interest		Dividend income for the Company	
		2023	2022	2023	2022
		%	%	\$'000	\$'000
<b>(a) Listed/ quoted securities</b>					
Fijian Holdings Unit Trust	Fiji	5.31	5.31	216	132
Flour Mills of Fiji Limited	Fiji	4.30	4.30	52	39
				268	171
<b>(b) Unlisted securities</b>					
<b>Subsidiary companies:</b>					
Basic Industries Pte Limited	Fiji	51.10	51.10	-	-
Serendib Investments Pte	Fiji	75.00	75.00	-	-
South Sea Cruises Pte Limited	Fiji	100.00	100.00	-	-
- Blue Lagoon Cruises	Fiji	100.00	100.00	-	-
Holdings Pte Limited					
- Blue Lagoon Cruises Pte	Fiji	96.10	96.10	-	-
Limited					
Awesome Tourism Investment	Fiji	100.00	100.00	-	-
Pte Limited					
Pacific Property Holding Pte	Fiji	100.00	100.00	-	-
Limited					
Basic Holdings Pte Limited	Fiji	51.00	51.00	-	-
FHL Logistics Pte Limited	Fiji	100.00	100.00	-	-
FHL Retailing Pte Limited	Fiji	100.00	100.00	5,000	4,100
- RB Patel Group Limited	Fiji	54.30	54.30	-	-
FHL Stockbrokers Pte Limited	Fiji	100.00	100.00	-	-
Pacific Cement Pte Limited	Fiji	50.30	50.30	-	-
FHL Fund Management Limited	Fiji	100.00	100.00	1,200	-
FHL Properties Pte Limited	Fiji	100.00	100.00	-	-
FHL Media Pte Limited	Fiji	100.00	100.00	400	4,286
- Fiji Television Limited	Fiji	59.40	59.40	-	-
- Life Cinema Pte Limited	Fiji	71.60	71.60	-	-
Merchant Finance Pte Limited**		70.00	70.00	4,480	3,360
				11,080	11,746
<b>Other companies</b>					
Asian Paints (South Pacific)	Fiji	8.90	8.90	173	640
Pte Limited					
Goodman Fielder International	Fiji	10.00	10.00	176	176
(Fiji) Pte Limited					
Golden Manufacturers Pte	Fiji	30.00	30.00	1,800	1,800
Limited					
Pernix (Fiji) Pte Limited	Fiji	21.00	21.00	-	-
Marsh Pte Limited	Fiji	25.00	25.00	425	125
New World Pte Limited	Fiji	20.30	20.30	1,076	1,163
Ritam Investments Pte Limited	Fiji	30.00	30.00	-	-
				3,650	3,904
				14,998	15,821



## 21. Details of Investments (continued)

\* In May 2022, the Group committed to a plan to downsize the business operations of Serendib Investments Pte Limited (SIL), an entity involved in the printing & publishing and sale of stationaries. This decision was made on the basis of continued losses and a weak financial position sustained largely due to impacts of COVID19. SIL had more than 18 months without enough capacity to generate adequate returns. The shareholders of SIL had agreed to discontinue the operations of SIL. SIL is now actively selling its assets and as such non-current assets have been measured at the lower of their carrying amount and fair value less costs to sell in the financial statements of SIL. Impairment loss of \$1.405 million was recognised on measuring non-current assets at the lower of the carrying amount and fair value less costs to sell.

The presentation of an operation as a discontinued operation is limited to a component of an entity that either has been disposed of, or is classified as held-for-sale, and represents a separate major line of business or geographic area of operation. In the case of an existing subsidiary, its sale or disposal is not automatically a discontinued operation if that subsidiary is not, on its own, a separate major line of business or geographic area of operation.

Management had assessed SIL not to be a major line of business as its total revenue was less than 1% of group revenue and as such the operations of SIL had not been presented as a discontinued operation.

The shareholders will continue to provide sufficient financial support and assistance over the next twelve months to enable SIL to settle its obligations and commitments including operating expenses, loan repayment commitments and other obligations until SIL fully completes its current process of discontinuing its business operations, realization of assets and settlement of its obligations and commitments.

\*\* In 2022, the Company sold its 10% shareholding in Merchant Finance Pte Limited. The cumulative gain on disposal of the 10% shareholding was \$2,256,000.

## 22. Non-Controlling Interests

The Group has a number of subsidiaries which it controls but which also have significant non-controlling interests.

The table set out below shows the interest that non-controlling interests have in each subsidiary that is material to the reporting entity.

22. Non-controlling interests (continued)

30 June 2023	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	Basic Holdings Pte Limited	Blue Lagoon Cruises Pte Limited	Intra-group eliminations	Total
<b>NCI percentage</b>	48.99%	49.75%	25.00%	30.00%	45.67%	40.62%	28.37%	49.00%	3.90%		
Non-current assets	26,542	6,937	4	126,728	89,887	2,712	2,726	-	16,698		
Current assets	26,195	12,488	248	41,856	22,640	8,181	295	269	8,710		
Non-current liabilities	(12,762)	(835)	-	(55,559)	(29,046)	(970)	(9,806)	-	(2,206)		
Current liabilities	(23,712)	(6,598)	(506)	(70,242)	(21,238)	(3,186)	(1,452)	(12)	(468)		
<b>Net assets</b>	16,263	11,992	(254)	42,783	62,243	6,737	(8,237)	257	22,734		
<b>Net assets attributable to NCI</b>	7,967	5,966	(64)	12,835	28,426	2,737	(2,337)	126	887	(2,255)	54,288
Revenue	47,382	42,055	1,798	20,924	169,949	6,887	4,288	-	3,339		
Profit/(loss)	4,502	7,317	1,282	10,209	7,608	422	114	(211)	2,031		
Other comprehensive income	-	-	-	-	-	-	-	-	-		
<b>Total comprehensive income/(loss)</b>	4,502	7,317	1,282	10,209	7,608	422	114	(211)	2,031		
Profit/(loss) allocated to NCI	2,206	3,640	321	3,063	3,475	171	32	(103)	79		12,884
Other comprehensive income allocated to NCI	-	-	-	-	-	-	-	-	-		-
Cash flows from/(used in) operating activities	4,264	3,452	(860)	(1,066)	15,680	632	292	44	(12)		
Cash flows (used in)/from investing activities	(8,689)	(782)	7,457	(573)	(3,631)	135	(77)	-	-		
Cash flows (used in)/from financing activities (dividends to NCI: \$4.957 million)	5,490	(1,799)	(4,352)	(3,774)	(12,259)	(192)	(175)	-	-		
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,065	871	2,245	(5,413)	(210)	575	40	44	(12)		

22. Non-controlling interests (continued)

30 June 2022	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	Basic Holdings Pte Limited	Blue Lagoon Cruises Pte Limited	Intra-group eliminations	Total
<b>NCI percentage</b>	48.99%	49.75%	25.00%	30.00%	45.67%	40.62%	28.37%	49.00%	3.90%		
Non-current assets	20,690	5,568	6,948	134,605	86,678	3,937	3,064	-	16,977		
Current assets	22,319	16,024	353	33,933	22,337	8,011	254	291	5,775		
Non-current liabilities	(8,547)	(680)	-	(74,284)	(27,231)	(752)	(10,380)	-	(2,033)		
Current liabilities	(22,700)	(16,236)	(8,838)	(55,281)	(20,191)	(4,861)	(1,289)	177	(15)		
<b>Net assets</b>	11,762	4,676	(1,537)	38,973	61,593	6,335	(8,351)	468	20,704	(2,223)	46,544
<b>Net assets attributable to NCI</b>	5,762	2,326	(384)	11,692	28,130	2,573	(2,369)	229	807		
Revenue	37,402	34,988	2,436	18,765	143,548	4,951	2,319	750	-		
Profit/(loss)	1,976	2,718	(3,538)	6,127	10,964	(481)	(48)	(1,770)	(558)		
Other comprehensive income	-	-	-	-	-	-	-	-	-		
<b>Total comprehensive income/(loss)</b>	1,976	2,718	(3,538)	6,127	10,964	(481)	(48)	(1,770)	(558)		
Profit/(loss) allocated to NCI	968	1,352	(885)	1,839	5,007	(195)	(14)	(867)	(22)		
Other comprehensive income allocated to NCI	-	-	-	-	-	(40)	-	-	-		
											7,184 (40)
Cash flows from/(used in) operating activities	2,275	7,486	(264)	(4,647)	10,087	1,058	279	(53)	(1)		
Cash flows (used in)/from investing activities	(998)	(49)	(21)	(487)	(4,377)	(452)	(66)	-	-		
Cash flows (used in)/from financing activities (dividends to NCI: \$3.651 million)	6,534	(3,700)	77	(7,729)	(4,443)	(184)	94	15	22		
<b>Net increase/(decrease) in cash and cash equivalents</b>	7,811	3,737	(208)	(12,863)	1,267	422	307	(38)	21		

## 23. Investments in Associates

The Group's share of profit after tax in its equity accounted investees for the year was \$5.615 million (2022: \$9.309 million). Other comprehensive income in the equity accounted investees is \$nil (2022: \$nil). As a result, the Group's share of total comprehensive income is equal to its share of profit. The Group has interests in the following associates which are considered individually immaterial:

Marsh Pte Limited  
Golden Manufacturers Pte Limited  
Pernix (Fiji) Pte Limited  
New World Pte Limited  
Ritam Investments Pte Limited

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Profit/ (loss) \$'000
2023	363,875	180,769	388,121	363,876	24,245
2022	331,546	155,471	363,891	326,809	37,082

Reconciliation of the carrying value of investments in associates:

	Group	
	2023 \$'000	2022 \$'000
Opening balance	43,099	36,878
Equity accounted earnings of associates (net of tax) from continuing operations	5,615	9,309
Dividends from associates	(3,301)	(3,088)
Impairment loss recognised	(1,750)	-
Closing balance	43,663	43,099

## 24. Payables and Provisions

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Trade creditors	26,642	35,537	-	-
Provisions*	2,300	3,218	-	-
Accruals and other creditors	16,054	17,039	570	616
	44,996	55,794	570	616
<b>Non-current</b>				
Trade creditors	758	516	-	-
<b>TOTAL</b>	45,754	56,310	570	616

\* The Group is defending certain product claims and has estimated a provision of \$2.300 million (2022: \$3.218 million) based on the terms and conditions of the underlying agreements, the type of supply, the period of claims and the supporting documents in relation to the supply. The expected outflows, if any, relating to the above provisions is expected to be within the next financial year.

## 25. Employee Entitlements

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Annual leave	1,421	1,387	77	64
Bonus and gratuity	729	663	207	184
	<u>2,150</u>	<u>2,050</u>	<u>284</u>	<u>248</u>
<b>Non-current</b>				
Bonus and gratuity	2	8	-	-
	<u>2</u>	<u>8</u>	<u>-</u>	<u>-</u>
	<u>2,152</u>	<u>2,058</u>	<u>284</u>	<u>248</u>

## 26. Dividends Payable

Dividends	<u>4,905</u>	<u>4,723</u>	<u>-</u>	<u>-</u>
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This amount represents provision for dividends by group entities to their minority shareholders.

## 27. Borrowings

<b>Current</b>				
Bank overdrafts secured (Note 11)	5,409	5,490	-	270
Term loans secured	14,351	18,644	3,774	5,912
Fixed term deposits and term borrowings* (unsecured) – third parties	54,986	50,640	-	-
– related parties	152	482	-	6,150
	<u>74,898</u>	<u>75,256</u>	<u>3,774</u>	<u>12,332</u>
<b>Non-current</b>				
Term loans secured	100,316	101,528	42,391	33,456
Fixed term deposits and term borrowings* (unsecured) – third parties	53,418	72,732	-	-
	<u>153,734</u>	<u>174,260</u>	<u>42,391</u>	<u>33,456</u>
<b>TOTAL</b>	<u>228,632</u>	<u>249,516</u>	<u>46,165</u>	<u>45,788</u>

\* Fixed term deposits and term borrowings relate to customer deposits with Merchant Finance Pte Limited and Fijian Holdings Unit Trust.

The bank overdraft stand by facilities, and term loans of the group entities are secured as follows:

- i. Fijian Holdings Limited (FHL) – the term loan of \$16,166,000 (2022: \$39,368,000) and bank overdraft of \$nil (2022: \$270,000) with Bank of South Pacific ("BSP Bank", "BSP") are secured by scrip lien over shares in FHL Media Pte Limited, FHL Retailing Pte Limited, FHL Logistics Pte Limited, FHL Stockbrokers Pte Limited, FHL Fund Management Pte Limited, FHL Properties Pte Limited, South Sea Cruises Pte Limited, Blue Lagoon Cruises Holdings Pte Limited, Awesome Tourism Investment Pte Limited, Pacific Property Holding Pte Limited, Basic Industries Pte Limited, Basic Holdings Pte Limited, Merchant Finance Pte Limited, Golden Manufacturers Pte Limited, Pernix (Fiji) Pte Limited, Pacific Cement Pte Limited, Serendib Investment Pte Limited, Asian Paints Pte Limited, Goodman Fielder (Fiji) Pte Limited, Marsh Pte Limited, Newworld Pte Limited, Ritam Investments Pte Limited, scrip lien given by FHL Media Pte Limited over shares in Fiji Television Limited, Life Cinema Pte Limited, RB Patel Group Limited, scrip lien given by FHL Retailing Pte Limited over shares in RB Patel Group Limited, scrip lien given by Blue Lagoon Cruises Holdings Pte Limited over shares in Blue Lagoon Cruises Pte Limited and cross guarantee between FHL and South Sea Cruises Pte Limited.

Overdraft facilities of \$20,000,000 were available to the Company as at 30 June 2023 (2022: \$20,000,000) of which \$nil (2022: \$270,000) was utilised. The overdraft facilities attract interest at a rate of 3.50% (2022: 3.75%) per annum.

The Company issued corporate bonds of \$30,000,000 during the financial year on SPX which are secured against second Registered Fixed Mortgages over Lot 1, Ratu Sukuna House, Lot 1, Vanua House and Lot 51, Ra Marama House and Deed of Priority between BRED Bank (Fiji) Pte Ltd, FHL Properties Pte Limited and SPX Trustees Limited over BRED Bank's first registered mortgages with first priority ranking limited to \$30,000,000 to be accorded to SPX Trustees Limited in the event of default.



## 27. Borrowings (continued)

The following table provides repayment details for the term loan:

30 June 2023		
Term loan	\$'000	Repayment details
Loan 1	3,667	Monthly principal and interest repayments of \$85,000. Interest to be charged at the rate of 3.50% per annum.
Loan 2	1,098	Monthly principal and interest repayments of \$168,000. Interest to be charged at the rate of 3.50% per annum.
Loan 3	11,400	Monthly principal and interest repayments of \$178,000. Interest to be charged at the rate of 3.50% per annum.
Corporate bond 1	15,200	Quarterly interest repayments of \$152,000 and principal payment upon maturity in November, 2025. Interest to be charged at the rate of 3.00% per annum.
Corporate bond 2	10,800	Quarterly interest repayments of \$126,000 and principal payment upon maturity in November, 2027. Interest to be charged at the rate of 3.50% per annum.
Corporate bond 3	4,000	Quarterly interest repayments of \$50,000 and principal payment upon maturity in November, 2029. Interest to be charged at the rate of 3.75% per annum.

- ii. South Sea Cruises Pte Limited – the term loan of \$15,585,000 (2022: \$29,278,000) and bank overdraft of \$Nil (2022: \$95,000) with BSP Bank are secured as follows:

- First registered general security interest agreement given by South Sea Cruises Pte Limited over all its rights property and undertakings of whatever kind and wherever situated whether present or after acquired and it includes called or uncalled and paid or unpaid capital.
- First Charge Ships Mortgage over MV Dau Saru Cakau, MV Yasawa Flyer II, MV Ocean Dreaming, MV Cougar II, MV Panther, MV Tiger V and MV Sabre.
- 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 registered general security interest agreement given by Blue Lagoon Cruises Pte Limited over all its rights property and undertakings of whatever kind and wherever situated whether present or after acquired and it includes called or uncalled and paid or unpaid capital.
- First Charge Ships Mortgage given by Blue Lagoon Cruises Pte Limited over MV Fiji Princess.
- First Charge Registered Mortgage given by Blue Lagoon Cruises Pte Limited over the property situated at Nanuya Lailai Island being the land described in Crown Grant Folio Number 1248.

Overdraft facilities of \$3,500,000 were available to the subsidiary company as at 30 June 2023 (2022: \$3,500,000) of which \$Nil (2022: \$Nil) was utilised. The overdraft facilities attract interest at a rate of 3.50% (2022: 3.75%) per annum.

The following table provides repayment details for the term loan:

30 June 2023		
Term loan	\$'000	Repayment details
Loan 1	2,448	Monthly principal and interest repayments of \$65,043. Interest to be charged at the rate of 3.50% per annum.
Loan 2	3,590	Monthly principal and interest repayments of \$95,419. Interest to be charged at the rate of 3.50% per annum.
Loan 3	3,385	Monthly principal and interest repayments of \$89,982. Interest to be charged at the rate of 3.50% per annum.
Loan 4	2,770	Monthly principal and interest repayments of \$64,694. Interest to be charged at the rate of 3.50% per annum.
Loan 5	3,392	Monthly principal and interest repayments of \$55,401. Interest to be charged at the rate of 3.50% per annum.

## 27. Borrowings (continued)

- iii. RB Patel Group Limited – the term loan of \$16,135,000 (2022: \$20,640,000) and bank overdraft of \$2,729,000 (2022: \$2,472,000) (together with letter of credit and guarantee facilities) from BSP is secured by:

- First Registered General Security Interest Agreement given by RB Patel Group Limited over all its rights, property and undertakings; of whatsoever kind and wherever situated. Whether present or after acquired. It includes its capital (called or uncalled and paid or unpaid capital).
- Registered first mortgage over property (CT No. 7082) situated at Queens Road, Martintar, Nadi.

The bank loan (together with letter of credit and guarantee facilities) from ANZ Banking Group Ltd is secured by:

- Registered first mortgage over the property (CT No. 39150) situated at Queens Road, Suvavou, Lami.

Overdraft facilities from ANZ Bank and Westpac Bank of \$12,100,000 were available to the subsidiary company as at 30 June 2023 (2022: \$12,100,000) of which \$2,729,000 (2022: \$2,472,000) was utilised. The overdraft facilities attract interest at a rate of 3.50% (2022: 3.75%) per annum.

The following table provides repayment details for the term loan:

30 June 2023		
Term loan	\$'000	Repayment details
Loan 1	2,664	Monthly principal and interest repayments of \$65,000. Interest to be charged at the rate of 3.50% per annum.
Loan 2	8,976	Monthly principal and interest repayments of \$80,000. Interest to be charged at the rate of 3.50% per annum.
Loan 3	4,495	Monthly principal and interest repayments of \$60,000. Interest to be charged at the rate of 3.90% per annum.

- iv. Basic Industries Pte Limited – the finance lease of \$137,000 (2022: \$296,000), term loan of \$13,506,000 (2022: \$7,757,000) and bank overdraft of \$1,357,000 (2022: \$1,491,000) with BSP Bank is secured by a registered first mortgage debenture over all assets and undertakings of Basic Industries Pte Limited including its uncalled and unpaid capital and letter of comfort given by Fijian Holdings Limited in support of facilities amounting in aggregate to \$8.481m held on account of Basic Industries Pte Limited.

Overdraft facilities of \$2,000,000 were available to the subsidiary company as at 30 June 2023 (2022: \$2,000,000) of which \$1,357,000 (2022: \$1,491,000) was utilised. The overdraft facilities attract interest at a rate of 3.50% (2022: 3.75%) per annum.

Basic Industries Pte Limited leases vehicles and equipment with lease terms of 3 to 5 years. At the end of the lease, the respective vehicle and/or equipment is owned by Basic Industries Pte Limited. Loans of the subsidiary company are secured as follows:

- Unlimited debt and interest guarantee given by Standard Concrete Industries Pte Limited;
- Unlimited debt and interest guarantee given by Humes Industries (Souths Seas) Pte Limited;
- First registered mortgage given by Basic Industries Pte Limited over industrial property comprised in certificate of title number 36564, being Lot 1 on DP 9313; and
- First registered mortgage given by Basic Industries Pte Limited over industrial property comprised in certificate of title number 37075, being Lot 1 on DP 9416.

Monthly principal and interest repayments on the term loan is \$146,000 at a rate of 3.50% per annum.

- v. Life Cinema Pte Limited – the term loan of \$4,928,000 (2022: \$5,256,000) and bank overdraft of \$89,000 (2022: \$161,000) with BSP Bank is subject to interest at 3.50%, is repayable by monthly instalments of \$54,666 (inclusive of interest) and is secured by:

- First Registered General Security Interest Agreement given by Life Cinema Pte Limited over all its rights, property and undertakings; of whatever kind and wherever situated whether present or after acquired and it includes called or uncalled and paid or unpaid capital.
- Unlimited Debt and Interest Guarantee given by Fijian Holdings Limited.

Overdraft facilities of \$250,000 were available to the subsidiary company as at 30 June 2023 (2022: \$250,000) of which \$89,000 (2022: \$161,000) was utilised. The overdraft facilities attract interest at a rate of 3.50% per annum.

## 27. Borrowings (continued)

vi. FHL Properties Pte Limited – the term loan of \$22,763,000 (2022: \$13,225,000) and bank overdraft of \$1,234,000 (2022: \$354,000) with BRED Bank are secured as follows:

- First registered mortgage debenture over the assets and undertakings of the subsidiary company including its called and unpaid capital;
- Second registered mortgage over commercial property known as "Vanua House"; situated at Lot 1 DP 2763, 77 Victoria Parade, Suva City;
- Second registered mortgage over commercial property known as "Ratu Sukuna House" situated at Lot 1 DP 3929, 229-249 Victoria Parade, Suva City;
- Second registered mortgage over commercial property known as "Ra Marama House" situated at Gordon Street, Suva City;
- Deed of Pari Passu Agreement between BRED (Fiji) Pte Ltd, FHL Properties Pte Limited and South Pacific Stock Exchange over security items B,C and D with first priority ranking limited to \$30,000,000 to be accorded to South Pacific Stock Exchange in the event of default;
- First registered mortgage over commercial property known as "FHL Tower" (under construction) situated at the corner of Gordon and Gorrie Streets, Suva City;
- First registered mortgage over commercial property situated at 19 Gorrie Street, Suva City;
- First registered mortgage over commercial property situated at Lots 1 & 2 DP 1465, on 41 Gladstone Road, Suva;
- Deed of Assignment over rental income from above properties;
- Corporate guarantee from Fijian Holdings Limited; and
- First registered mortgage over vacant agricultural zoned property situated at Lot 2 DP 5334, off Momi Road, Nalovo, Nadi.

Overdraft facilities of \$2,000,000 were available to the subsidiary company as at 30 June 2023 (2022: \$2,000,000) of which \$1,234,000 (2022: \$354,000) was utilised. The overdraft facilities attract interest at a rate of 3.90% per annum.

The following table provides repayment details for the term loan:

30 June 2023		
Term loan	\$'000	Repayment details
Loan 1	22,123	Interest on the bank loan is being capitalised into the borrowing balance. Interest only payments of \$131,000 will commence from April 2023 at an interest rate of 3.90% per annum.
Loan 2	640	Monthly principal and interest repayments of \$65,000. Interest to be charged at the rate of 3.90% per annum.

vii. Pacific Cement Pte Limited - Overdraft facilities of \$4,500,000 were available to the subsidiary company as at 30 June 2023 (2022: \$4,500,000) of which \$nil (2023: \$nil) was utilised. The overdraft facilities attract interest at a rate of 3.50% (2022: 3.75%) per annum. The overdraft facility is secured by a first registered security interest agreement given by the subsidiary company over all its rights, property and undertaking, of whatever kind and wherever situated, whether present or after acquired and it includes called or uncalled and paid or unpaid capital.

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 2023 and 2022.

## 27. Borrowings (continued)

### Reconciliation of movement of liabilities to cash flows from financing activities

Group	Term loan (secured) \$'000	Lease liabilities \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	94,693	15,001	109,694
<b>Changes from financing cash flows</b>			
Proceeds from loans and borrowings	39,568	-	39,568
Repayment of borrowings	(14,202)	-	(14,202)
Payment of lease liabilities	-	(2,400)	(2,400)
Total changes from financing cash flows	25,366	(2,400)	22,966
<b>Other changes</b>			
<b>Liability-related</b>			
New lease liabilities	-	3,305	3,305
Remeasurements	-	(182)	(182)
Disposals	-	(69)	(69)
Rent concessions due to COVID19	-	(580)	(580)
Interest expense	4,426	1,162	5,588
Interest paid	(4,313)	(981)	(5,294)
Total liability-related other changes	113	2,655	2,768
<b>Balance at 30 June 2022</b>	120,172	15,256	135,428
<b>Changes from financing cash flows</b>			
Proceeds from loans and borrowings	57,908	-	57,908
Repayment of borrowings	(64,201)	-	(64,201)
Payment of lease liabilities	-	(2,746)	(2,746)
Total changes from financing cash flows	(6,293)	(2,746)	(9,039)
<b>Other changes</b>			
<b>Liability-related</b>			
New lease liabilities	-	2,782	2,782
Remeasurements	-	31	31
Disposals	-	(396)	(396)
Interest expense	3,811	912	4,723
Interest paid	(3,023)	(810)	(3,833)
Total liability-related other changes	788	2,519	3,307
<b>Balance at 30 June 2023</b>	114,667	15,029	129,696

## 27. Borrowings (continued)

### Reconciliation of movement of liabilities to cash flows from financing activities

Company	Term loan (secured) \$'000	Lease liabilities \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	41,124	853	41,977
<b>Changes from financing cash flows</b>			
Proceeds from loans and borrowings	3,517	-	3,517
Repayment of borrowings	(5,273)	-	(5,273)
Payment of lease liabilities	-	(114)	(114)
Total changes from financing cash flows	(1,756)	(114)	(1,870)
<b>Other changes</b>			
<b>Liability-related</b>			
Interest expense	1,180	52	1,232
Interest paid	(1,180)	(52)	(1,232)
Total liability-related other changes	-	-	-
<b>Balance at 30 June 2022</b>	39,368	739	40,107
<b>Changes from financing cash flows</b>			
Proceeds from loans and borrowings	30,000	-	30,000
Repayment of borrowings	(23,203)	-	(23,203)
Payment of lease liabilities	-	(122)	(122)
Total changes from financing cash flows	6,797	(122)	6,675
<b>Other changes</b>			
<b>Liability-related</b>			
Interest expense	1,651	44	1,695
Interest paid	(1,651)	(44)	(1,695)
Total liability-related other changes	-	-	-
<b>Balance at 30 June 2023</b>	46,165	617	46,782

## 28. Share Capital

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Issued and fully paid				
Issued and paid up capital	30,465	30,465	30,465	30,465
	<u>30,465</u>	<u>30,465</u>	<u>30,465</u>	<u>30,465</u>

Shares have no par value.

All ordinary shares rank equally with regard to the Company's residual assets.

## 29. Reserves

### Fair value reserve

Fair value reserve consists of subsequent changes in the fair value of investments in equity instruments that are not held for trading.

### 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 and disposal of shares in Merchant Finance Pte Limited to minority interests without loss of control.

### 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.



29. Reserves (continued)

Group	Asset Revaluation Reserve \$'000	Common Control Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Equity Reserve \$'000	Total \$'000
<b>Balance at 1 July 2021</b>	9,117	9,926	15,372	(237)	(5,317)	28,861
Decrease in non-controlling interest	-	-	-	-	144	144
Gain on disposal of shares	-	-	2,256	-	-	2,256
Fair value movements	-	-	(1,221)	-	-	(1,221)
<b>Balance at 30 June 2022</b>	<b>9,117</b>	<b>9,926</b>	<b>16,407</b>	<b>(237)</b>	<b>(5,173)</b>	<b>30,040</b>
Fair value movements	-	-	1,733	-	-	1,733
<b>Balance at 30 June 2023</b>	<b>9,117</b>	<b>9,926</b>	<b>18,140</b>	<b>(237)</b>	<b>(5,173)</b>	<b>31,773</b>
<b>Company</b>						
<b>Balance at 1 July 2021</b>	-	-	322,815	-	-	322,815
Gain on disposal of shares	-	-	1,150	-	-	1,150
Fair value movements	-	-	(13,792)	-	-	(13,792)
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>310,173</b>	<b>-</b>	<b>-</b>	<b>310,173</b>
Fair value movements	-	-	46,391	-	-	46,391
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>356,564</b>	<b>-</b>	<b>-</b>	<b>356,564</b>

### 30. Lease Commitments

#### Short term lease commitments

The Group has a number of leases with less than 12 months of lease term for which no right of use assets and lease liabilities have been recognised. The future aggregated minimum lease payments under these leases are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	4	96	-	-
	4	96	-	-

#### Operating lease commitments – where a group company is the lessor

The group leases certain properties at varying terms and conditions. The future minimum lease payments receivable under these leases are as follows:

Not later than 1 year	5,514	4,036	-	-
Later than 1 year but not later than 5 years	10,166	6,454	-	-
Later than 5 years	5,000	2,259	-	-
	20,680	12,749	-	-

#### Amounts recognised in profit or loss

During 2023, investment property rentals of \$7.037 million (2022: \$6.188 million) were included in 'Operating revenue'. Direct operating expenses (including repairs and maintenance), were as follows:

Income-generating property	1,118	1,122	-	-
	1,118	1,122	-	-

### 31. Earnings Per Share

The calculation of earnings per share at 30 June 2023 was based on the profit attributable to ordinary shareholders of \$37.567 million (2022: \$7.719 million) and a weighted average number of ordinary shares outstanding of 304.647 million (2022: 304.647 million), calculated as follows:

	Group	
	2023	2022
	\$'000	\$'000
Profit/ (loss) after income tax attributable to members of the Company	37,567	7,719
Weighted average number of shares outstanding ('000)	304,647	304,647
Basic and diluted earnings per share	0.12	0.03

### 32. Contingent Liabilities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-performance guarantees given by the bank on behalf of group entities	1,062	1,374	-	-
Non-performance guarantees given by the bank on behalf of the Company	50	270	50	270

In the opinion of the directors, no loss is anticipated in respect of the above contingent liabilities.

The Company has provided a letter of support to certain subsidiary companies, Life Cinema 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 companies to continue operations and meet their financial obligations.

The Company has provided a corporate guarantee limited to 30% of the borrowings for Ritam Investments Pte Limited which amounted to \$25,079,000 at 30 June 2023 (2022: \$25,679,000).

### 32. Contingent Liabilities (continued)

One of the Group's subsidiaries, FHL Properties Pte Limited, has a potential obligation in respect of variations claimed by the main contractor relating to construction of the FHL Tower. However, these claims have not been agreed as at year end and the subsidiary company has engaged external experts to assess the validity and quantify the variation. If successful, the potential obligation could impact the fair value of the FHL Tower in 2024.

### 33. Capital Commitments

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Commitments for capital expenditure not provided for in the financial statements are as follows:				
Approved and contracted*	25,008	44,531	-	-

\* \$19,878,000 relates to construction of the FHL Tower and \$4,980,000 relates to purchase of land for RB Patel Group Limited.

Commitments in respect of loans and approved credit commitments offered but not yet advanced as at balance date amounted to approximately \$nil (2022: \$nil million).

### 34. Related Party Information

#### Directors

The following were directors of the Company at any time during the financial year:

Sakiusa Raivoce – Appointed as Chairman on 23/02/2023  
Yogesh Karan – Acting Chairman till 23/02/2023  
Anthony Whitton  
Litiana Loabuka  
Mereia Volavola  
Savendra Dayal  
Eseta Nadakuitavuki  
Ilimotama Cawi  
Alifereti Kikau

Amounts paid to the directors during the year are disclosed in Note 6(b).

#### Identity of related parties

All material ownership interests in related parties are disclosed in Note 21. The Group also has related party transactions within the Group which are eliminated upon consolidation.

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Group:

Name	Title
<b>Fijian Holdings Limited</b>	
Jaoji Koro	Group Chief Executive Officer
Abilash Ram	Group Chief Finance Officer
Pretty Pritika	Manager Audit, Risk and Compliance
Tanya Nacagilevu	Group Manager Human Resources
Elenoa Kaloumaira	Group Manager Investments (transferred to subsidiary on 22/12/2022)
Mereoni Matavou	Group Manager Legal & Company Secretary
Josua Satavu	Group Manager Investments (appointed 23/06/2023)

### 34. Related Party Information (continued)

#### Key management personnel (continued)

##### Fiji Television Limited

Sitiveni Halofaki General Manager

##### South Sea Cruises Pte Limited

Brad Rutherford Chief Executive Officer

##### Basic Industries Pte Limited

Ritesh Dass Chief Executive Officer

##### Pacific Cement Pte Limited

Bobby Maharaj Chief Executive Officer (appointed - December 2022)

##### Merchant Finance Pte Limited

Naibuka Saune Chief Executive Officer

##### RB Patel Group Limited

Deepak Rathod Chief Operating Officer

The aggregate compensation of key management personnel of the Group comprising only short-term benefits amounted to \$2.449 million (2022: \$1.983 million).

#### Transactions with related parties

During the year, the Group entered into various transactions with related parties. The aggregate value of major transactions with related parties during the year is as follows:

#### Management fees

The Company has management agreements in place with its subsidiary companies for the provision of management services during the year. Management fees received during the year were as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Merchant Finance Pte Limited	-	-	807	730
FHL Retailing Pte Limited	-	-	720	720
FHL Fund Management Pte Limited	-	-	168	168
FHL Properties Pte Limited	-	-	264	264
Pacific Cement Pte Limited	-	-	102	102
FHL Media Pte Limited	-	-	48	48
	-	-	2,109	2,032

#### Dividend income

Dividends received during the year have been disclosed in Note 21.

#### Interest income

The Company provided loans and advances to its subsidiary companies during the year. Interest income received by the Company during the year is as follows:

Blue Lagoon Cruises Holding Pte Limited	-	-	10	14
South Sea Cruises Pte Limited	-	-	191	236
FHL Properties Pte Limited	-	-	903	231
	-	-	1,104	481

### 34. Related Party Information (continued)

#### Transactions with related parties (continued)

##### Interest expense

The Company also obtained loans and advances from its subsidiary companies during the year. Interest expense paid by the Company during the year is as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
FHL Media Pte Limited	-	-	-	183
Merchant Finance Pte Limited	-	-	99	-
	-	-	99	183

##### Amounts receivable from/payable to related parties

During the year, the Company advanced loans to its subsidiary companies. The subsidiary companies also advanced loans to the Company. The loans are unsecured. Amounts receivable from / payable to related parties as at reporting date is as follows:

##### Loans and advances receivable

FHL Properties Pte Limited	-	-	37,953	22,140
South Sea Cruises Pte Limited	-	-	5,895	5,703
Cloud Investment Pte Limited	-	-	397	794
Pacific Property Pte Limited	-	-	100	100
Ritam Investment Pte Limited	-	-	2,223	2,223
Serendib Investment Pte Limited	-	-	203	107
Blue Lagoon Cruises Holding Pte Limited	-	-	397	387
	-	-	47,168	31,454

##### Other receivables

Basic Industries Pte Limited	-	-	4,697	4,701
Pacific Cement Pte Limited	-	-	10	761
FHL Fund Management Pte Limited	-	-	-	6
FHL Properties Pte Limited	-	-	971	1,080
Golden Manufacturers Pte Limited	-	-	1,200	-
South Sea Cruises Pte Limited	-	-	2,450	9,250
Merchant Finance Pte Limited	-	-	3,214	352
Pernix PNG	-	-	5,304	5,304
Marsh Pte Limited	-	-	30	30
New World Pte Limited	-	-	-	517
Fiji Television Limited	-	-	4	-
	-	-	17,880	22,001

##### Loans payable

Fijian Holdings Unit Trust	-	-	-	6,150
Merchant Finance Pte Limited	-	-	4,881	-
	-	-	4,881	6,150

### 35. Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Construction	Sales of cement, concrete and concrete products
Property	Owners and administrators of properties, and rental of property
Finance	Asset and loan financing, and acceptance of term deposits
Tourism	Provision of sea transportation services and boat charters
Media	Television and communications
Retail	Retailing and wholesaling of general merchandise
Investment	Equity investments
Other	Securities and management services



35. Segment Information (continued)  
Primary Reporting - Business Segments

2023	Construction \$'000	Property \$'000	Finance \$'000	Tourism \$'000	Media \$'000	Retail \$'000	Investment \$'000	Other \$'000	Inter Segment \$'000	Total Group \$'000
<b>External Operating Revenue</b>										
Sale of goods	89,015	-	-	-	-	165,351	-	-	(11,970)	242,396
Rendering of services	-	-	-	62,672	10,281	-	2,109	255	(2,185)	73,132
<b>Revenue from contracts with customers</b>	<b>89,015</b>	<b>-</b>	<b>-</b>	<b>62,672</b>	<b>10,281</b>	<b>165,351</b>	<b>2,109</b>	<b>255</b>	<b>(14,155)</b>	<b>315,528</b>
Rental income	-	3,376	-	-	-	4,468	-	-	(807)	7,037
Interest income	-	-	23,084	-	-	-	-	-	-	23,084
Fee income	-	-	1,084	-	-	-	-	-	-	1,084
Interest expense	-	-	(3,865)	-	-	-	-	-	-	(3,865)
Other	-	-	-	-	-	-	14,998	12,949	(27,278)	669
<b>Total operating revenue/ net interest income</b>	<b>11,174</b>	<b>1,382</b>	<b>11,901</b>	<b>18,461</b>	<b>1,033</b>	<b>14,337</b>	<b>13,017</b>	<b>6,877</b>	<b>(14,967)</b>	<b>343,537</b>
Profit/(loss) before tax	646	(1,657)	(1,692)	(4,370)	53	(6,728)	1,470	(486)	-	(12,764)
Income tax (expense)/benefit	(107)	(3)	(519)	(180)	(713)	-	-	(1,815)	-	(2,815)
Other material non-cash items:	210	(105)	(932)	(30)	443	204	(846)	(7)	219	(329)
- Impairment losses on non-financial assets	(3,363)	(105)	(932)	(3,901)	(1,229)	(1,760)	(313)	(730)	(357)	(12,690)
Depreciation and amortisation	-	-	-	-	-	2,461	-	3,154	-	5,615
Share of profit of equity-accounted investees	72,164	128,031	167,653	80,174	42,062	111,996	620,263	268,958	(839,190)	652,111
<b>Total assets</b>	<b>9,401</b>	<b>24,641</b>	<b>673</b>	<b>2,092</b>	<b>286</b>	<b>11,584</b>	<b>38</b>	<b>353</b>	<b>2,203</b>	<b>43,663</b>
Equity-accounted investees	43,906	76,506	124,870	53,305	14,191	49,754	47,515	6,747	(87,980)	328,814
Capital expenditure	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

35. Segment Information (continued)  
Primary Reporting - Business Segments (continued)

2022	Construction \$'000	Property \$'000	Finance \$'000	Tourism \$'000	Media \$'000	Retail \$'000	Investment \$'000	Other \$'000	Inter Segment \$'000	Total Group \$'000
<b>External Operating Revenue</b>										
Sale of goods	70,626	-	-	-	-	140,153	-	-	(7,634)	203,145
Rendering of services	-	-	-	11,081	7,076	-	2,032	3,179	(2,048)	21,320
<b>Revenue from contracts with customers</b>	<b>70,626</b>	<b>-</b>	<b>-</b>	<b>11,081</b>	<b>7,076</b>	<b>140,153</b>	<b>2,032</b>	<b>3,179</b>	<b>(9,682)</b>	<b>224,465</b>
Rental income	-	3,654	-	-	-	3,236	-	-	(702)	6,188
Interest income	-	-	22,537	-	-	-	-	-	-	22,537
Fee income	-	-	997	-	-	-	-	-	-	997
Interest expense	-	-	(5,139)	-	-	-	-	-	-	(5,139)
Other	-	-	-	-	-	-	15,821	9,883	(23,900)	1,804
<b>Total operating revenue/ net interest income</b>	<b>5,284</b>	<b>5,584</b>	<b>7,539</b>	<b>(6,581)</b>	<b>(214)</b>	<b>12,115</b>	<b>8,350</b>	<b>(1,389)</b>	<b>(12,062)</b>	<b>18,626</b>
Profit/(loss) before tax	(591)	(1,080)	(1,412)	820	103	(1,151)	(100)	(312)	-	(3,723)
Income tax (expense)/benefit	-	-	-	-	-	-	-	-	-	-
Other material non-cash items:										
- Impairment losses on non-financial assets	-	-	-	-	-	-	-	(1,405)	-	(1,405)
- Impairment losses on loans, advances and receivables	1,570	-	(3,777)	(41)	(12)	(17)	(5,720)	(2,337)	2,696	(7,638)
Depreciation and amortisation	(3,584)	(109)	(829)	(3,920)	(1,460)	(1,936)	(300)	(1,224)	(832)	(14,194)
Share of profit of equity-accounted investees	-	-	-	(1,405)	-	2,806	-	7,908	-	9,309
<b>Total assets</b>	<b>64,824</b>	<b>98,551</b>	<b>168,623</b>	<b>80,510</b>	<b>42,584</b>	<b>108,743</b>	<b>563,626</b>	<b>280,214</b>	<b>(781,205)</b>	<b>626,470</b>
Equity-accounted investees	-	-	-	1,750	-	11,842	-	29,507	-	43,099
Capital expenditure	760	11,346	599	1,641	1,270	1,421	93	697	3,106	20,933
<b>Total liabilities</b>	<b>48,385</b>	<b>46,752</b>	<b>129,650</b>	<b>67,751</b>	<b>16,039</b>	<b>47,149</b>	<b>47,733</b>	<b>14,453</b>	<b>(71,718)</b>	<b>346,194</b>

The results of the Company are reported under the investment segment. Operating revenue for the Company includes revenue from rendering of services of \$2,109,000 (2022: \$2,032,000) and other revenue of \$14,998,000 (2022: \$15,821,000).

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.

### 36. Events Subsequent to balance date

In accordance with Income Tax (Rates of Tax and Levies) (Amendment) Regulations 2023, commencing from financial year ending 30 June 2024 (tax year 2023), all companies in the group including the Company will be subject to corporate income tax at the rate of 25%. Accordingly, the current corporate income tax rate of 10% for listed companies and 20% for unlisted companies will increase to 25% from financial year ending 30 June 2024.

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

### South Pacific Stock Exchange Listing Requirements

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in these financial statements)

a) Statement of interest of each Director in the share capital of the Company or in a related corporation as at 30 June 2023 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	-	-

b) Distribution of Shareholding

<u>No. of Shareholders</u>	<u>Shareholding</u>	<u>Total Percentage Holding</u>
225	0 - 500 shares	0.02
615	501 - 5,000 shares	0.49
296	5,001 - 10,000 shares	0.71
216	10,001 - 20,000 shares	0.98
83	20,001 - 30,000 shares	0.67
45	30,001 - 40,000 shares	0.50
39	40,001 - 50,000 shares	0.57
72	50,001 - 100,000 shares	1.64
131	100,001 - 1,000,000 shares	14.44
19	Over 1,000,000 shares	79.98
		100.00

c) shareholders

<u>Name</u>	<u>No. of shares</u>
1 iTaukei Affairs Board	107,800,400.00
2 iTaukei Trust Fund Board	100,000,000.00
3 iTaukei Land Trust Board	8,846,660.00
4 Cakaudrove Provincial Holdings Company Limited	3,001,521.00
5 Ratu Sir K Mara Education Trust Fund	3,000,000.00
Cicia Plantation Co-Operative Society Ltd	3,000,000.00
6 Tailevu Dairy Farmers Co-Operative Society Ltd	2,200,000.00
7 Macuata Provincial Council	2,109,940.00
8 Vanua Ko Lovoni Investment Ltd	1,798,050.00
9 Bua Provincial Council	1,623,570.00
10 Duavata Holdings Ltd	1,410,000.00
11 Sakiusa & Anaseini Raivoce	1,313,739.00
12 iTaukei Land Trust Board ATF Mataqali Serau, Nabiti, Dreketi, Macuata	1,198,293.00
13 Serua Provincial Council	1,166,860.00
14 Mualevu Koro Investment Ltd	1,087,540.00
15 Kadavu Provincial Council	1,061,363.00
16 Lomati Village Investment Limited	1,023,019.00
17 Moala Tikina Council	1,010,050.00
18 Inoke Luveni	1,008,393.00
19 Dogotuki Tikina Council	1,000,000.00
Mavana Investment Ltd	1,000,000.00
Nabukebuke Holdings Ltd	1,000,000.00
Naqarani Holdings Ltd	1,000,000.00
20 Kiri Verewale Richmond	992,403.00

**South Pacific Stock Exchange Listing Requirements (continued)**

d) Share price details:

Highest share price during the year was \$1.01

Lowest share price during the year was \$0.60

Share price at year end was \$0.94

e) Attendance at Board Meetings:

<u>Name</u>	<u>No of meeting</u>	<u>No attended</u>
Sakiusa Raivoce	5	4
Yogesh Karan	5	5
Anthony Whitton	5	5
Savendra Dayal	5	5
Eseta Nadakuitavuki	5	4
Mereia Volavola	5	5
Litiana Loabuka	5	4
Ilimotama Cawi	5	4
Alifereti Kikau	5	4

f) Share register

Central Share Registry Pte Limited

Shop 1 and 11, Sabrina Building

Victoria Parade

Suva

Company Secretary – Mereoni Matavou

**South Pacific Stock Exchange Listing Requirements (continued)**

g) Disclosure under Section 51.2

	FHL Fund Management Pte Limited	South Sea Cruises Pte Limited	FHL Properties Pte Limited	FHL Stock-brokers Pte Limited	FHL Retailing Pte Limited	Basic Industries Pte Limited	Pacific Cement Pte Limited	Serendib Investment Pte Limited	FHL Logistics Pte Limited	Merchant Finance Pte Limited	FHL Media Pte Limited	Basic Holdings Pte Limited	Awesome Tourism Pte Limited	Pacific Property Holding Pte Limited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	2,406	59,387	3,376	59	180,303	46,960	42,055	255	-	20,303	10,281	-	-	-
Other income	72	103	253	11	130	423	-	1,543	-	622	1,455	-	-	-
	2,478	59,490	3,629	70	180,433	47,383	42,055	1,798	-	20,925	11,736	-	-	-
Depreciation	(226)	(3,387)	(105)	(114)	(2,260)	(2,818)	(545)	(4)	-	(932)	(1,229)	-	-	-
Interest income/ (expense)	9	(1,229)	(51)	(14)	(854)	(530)	362	(148)	-	(169)	(386)	-	-	-
Other expenses	(1,492)	(39,022)	(2,090)	-	(157,884)	(39,208)	(35,525)	(363)	-	(7,922)	(9,087)	(211)	(42)	-
Income tax expense/ (benefit)	(148)	(3,774)	(1,657)	(35)	(7,052)	(325)	971	-	-	(1,692)	53	-	-	-
<b>Profit/(loss) after tax</b>	<b>621</b>	<b>12,078</b>	<b>(274)</b>	<b>(93)</b>	<b>12,383</b>	<b>4,502</b>	<b>7,318</b>	<b>1,283</b>	<b>-</b>	<b>10,210</b>	<b>1,087</b>	<b>(211)</b>	<b>(42)</b>	<b>-</b>
Assets	2,553	56,067	127,920	732	362,398	52,738	19,426	252	1	168,584	41,760	269	1,902	200
Liabilities	293	51,933	76,396	-	52,285	36,473	7,433	506	918	125,801	13,889	12	2,032	200
Shareholders' equity	2,260	4,134	51,524	732	310,113	16,265	11,993	(254)	(917)	42,783	27,871	257	(130)	-



**South Pacific Stock Exchange Listing Requirements (continued)**

h) 5 Year Comparative

Year	2019	2020	2021	2022	2023
Dividend payment (\$m)	7.46	7.53	1.25	1.52	4.02
Earnings per share (¢)	9	2	(4)	3	12
Group total assets (\$m)	638.33	651.29	624.74	631.48	652.11
Group shareholders fund (\$m)	303.85	287.91	266.14	280.28	323.30
Group operating revenue (\$m)	325.58	289.76	222.25	250.85	343.54
Company operating revenue (\$m)	30.66	20.35	12.18	17.85	17.11
Group profit/(loss) before tax (\$m)	45.44	7.69	(15.96)	18.63	63.22
Company profit before tax (\$m)	25.46	15.00	8.40	8.35	13.02

## PROXY FORM

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

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 **Friday 27<sup>th</sup> October 2023 at 12:00noon** at the **Harbour Point Convention Centre, 1 Marine Drive, Lami, 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 Interim Dividend Declaration			
3a)	Election of Sakiusa Raivoce as an Independent Director			
b)	Appointment of Rokoseru Nabalarua as a Director representing the majority shareholders			
c)	Appointment of Semi Lotawa as a Director representing the majority shareholders			
d)	Appointment of Anare Jale as a Director representing the majority shareholders			
e)	Appointment of Kamal Haer as a Director representing the majority shareholders			
4.	Appointment of Auditors			
5.	Special Business: To approve and adopt the Articles of Association			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signature of Member(s) \_\_\_\_\_

Notes:

1. \*It is optional to put an '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 [companysecretary@fijianholdings.com.fj](mailto:companysecretary@fijianholdings.com.fj) on Wednesday, 25<sup>th</sup> October 2023 before 12:00 noon 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.

## **Appointment of Corporate Representative**

### APPOINTMENT OF CORPORATE REPRESENTATIVE

[Pursuant to Section 160 of Companies Act 2015]

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

*Insert the name of the body corporate making the appointment*

Hereby appoints

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

to act as its representative at ☐ all meetings **OR** ☐ the meeting to be held on  
\_\_\_\_\_ (Date)

Of

Fijian Holdings Limited

SIGNATURES- THIS MUST BE COMPLETED

*Director*

*Sole director & Sole Secretary*

Common Seal  
(if applicable)

*Director /Company Secretary*

*Date*

## **Information**

In order to be effective, the form must be received by the Company Secretary of Fijian Holdings Limited within the time limit (if any) specified in the relevant company's Articles of Association for receipt of Corporate Representative Appointments. The original of the form will be retained by the company.

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

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

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









**Registered Office:**

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