



**FIJIAN  
HOLDINGS  
LIMITED**

Annual Report 2011

*Perfecting our move,  
strengthening our  
growth.*



The annual report for Fijian Holdings Limited and its subsidiary and associated companies.

## History of Fijian Holdings Limited

FHL shareholders include Provincial Councils, the iTaukei Land Trust Board, the iTaukei Affairs Board, Tikina and village groups, iTaukei co-operatives, individual iTaukei's and family companies. Its investments give the iTaukei significant shareholding in major companies thus helping to achieve the national objective of bringing the iTaukei's fully into the mainstream of the country's economic life.

Fijian Holdings has also broadened the scope of its training programme wherein young Fijians are prepared and groomed for business utilising the resources of its associates and subsidiary companies.

## Talanoa Ni Kabani

O ira na nai taukei ni sea ena FHL e oka kina na kabani na Matabose ni Qele Maroroi, na vei Yasana, na Matabose ni Veika Vakaitaukei, na i Soqosoqo ni vei Tikina kei na Koro, na Soqosoqo Cokovata ni Veivoli ka nodra na itaukei, Taukei yadudua kei ira na kabani taukeni vakavuvale. Na nona vakacuru ilavo kei na voli sea na Fijian Holdings Limited ena vei Kabani lelevu eso, e a mai rawa kina na inaki raraba ni kena vakayarayarataki na nodra vakai-tavi na itaukei ena bula vakabisinisi kei na bula vakailavo e Viti.

E sa vakarabailevutaka tale ga na nona yavu ni veiqaravi me baleta na nodra vakavulici ka vakarautaki na gone itaukei ena cicivaki ni bisinisi ka sa vakayagataki kina na iyau ni kabani e taukena ka cicivaka tiko na Fijian Holdings Limited.



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## About Fijian Holdings Limited

Fijian Holdings Limited was established in 1984 to fulfill the objective of the Great Council of Chiefs, of creating an entity that meaningfully represent indigenous Fijians in the business sector and ensure their meaningful participation in Fiji's national economy.

### FHL Group Core Values

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

### FHL Group Core Purpose

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

### FHL Group Vision

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

### Mission Statements

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

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

## Na Fijian Holdings Limited

E a tauyavu ena 1984, ena vuku ni nodra gagadre na Turaga Bale kei Viti kei ira na lewenivanua itaukei me vakatototaki na nodra vakaitavi ena bula raraba vakailavo ni vanua ko Viti.

### Na Uto ni Vakabauta ni Kabani

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

### Na Yavutu ni Kabani

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

### Na Rai Ki Liu Ni FHL

"Me dau ni vakatubu i lavo levu taudua ena Pasifika"

### Yalayala Me Vakavutukandaki

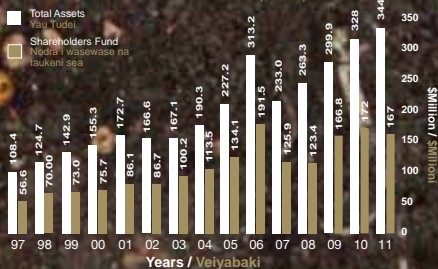
Sa tu vakarau na Kabani Cokovata me tutaka na kena laurai na vatuka ni nona yalayala e ra vola i qo e ra:

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

The budding  
era of continued  
growth.

### Total Group Assets and Shareholders Fund (\$Million)

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



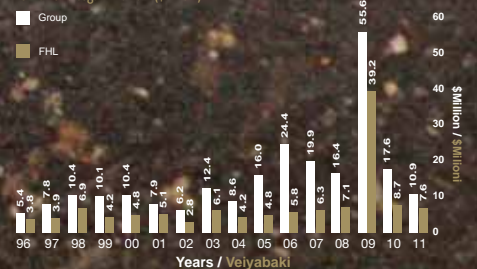
### Operating Revenue (\$Million)

Lavo e rawa ena volivolitaki (\$Million)



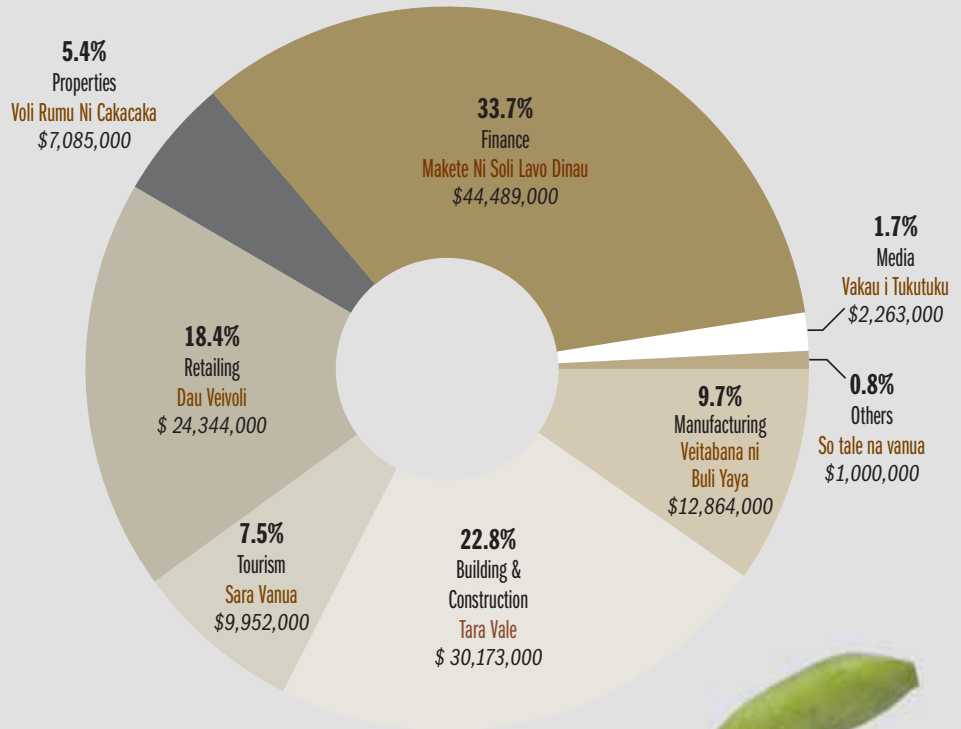
### Profit Before Tax (\$Million)

Tubu ni kabani ni bera ni musuki oti nai vakacavacava kei na veika sega ni namaki (\$Million)



FHL Investment Portfolio by Sector - 2011  
Veitabana ni Vakaturubuilavo nei FHL - 2011

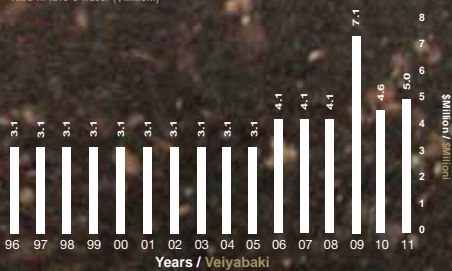
Financial Highlights | Usutu ni Rawa Ka



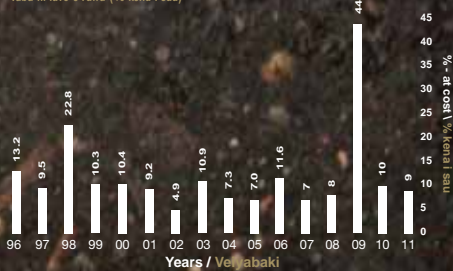
*FHL*  
**growth** for life  
& re-building our future.



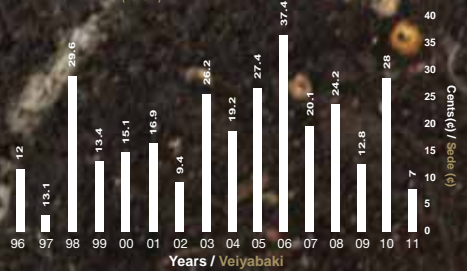
Dividend Payments (\$Million)  
Tubu ni lavo e wasel (\$Millioni)



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



FHL Earnings per Share (cents ¢)  
Tubu Wasel vaka Sea (sede ¢)



## Performance Highlights | Usutu ni Cicivaki Bisinisi

Year Ended 30 June / Yabaki Mai Cava 30 June	Holding Company / Kabani			Group / Kabani Cokovata		
	2011	2010	Change % Veisau %	2011	2010	Change % Veisau %
<b>Operating Results / Na Rawa Ka Ena Cicivaki Bisinisi</b>						
Operating Revenue (\$, '000) / Lavo Ni Veivoli (\$, '000)	11,751	12,359	-5%	176,917	175,338	1%
EBITDA (\$, '000)	6,533	8,412	-22%	18,434	26,191	-30%
EBIT (\$, '000)	6,359	8,234	-23%	12,472	19,417	-36%
NPBT (\$, '000)	7,650	8,799	-13%	10,994	17,631	-38%
NPAT (\$, '000)	7,560	8,574	-12%	5,010	10,592	-53%
<b>Operating Ratios / Dusidusi Ni Cicivaki Bisinisi</b>						
EBIT / Total Revenue [%]	54%	67%	-19%	7%	11%	-36%
EBITDA / Total Revenue [%]	56%	68%	-18%	10%	15%	-30%
NPAT / Total Revenue [%]	64%	69%	-7%	3%	6%	-53%
<b>Financial Position / Tutu Vakailavo</b>						
Total Assets (\$, '000)	186,896	182,525	2%	344,640	328,502	5%
Total Liabilities (\$, '000)	31,819	18,844	69%	177,335	156,484	13%
<b>Financial Position Ratios / Dusidusi Ni Tutu Vakailavo</b>						
Gearing [%]	17%	10%	65%	51%	48%	8%
Net Debt to Equity [%]	21%	12%	78%	106%	91%	17%
EBIT interest cover [times]	-5.3	-24.2	-78%	1.7	2.2	-24%
<b>Cash Flows / Lavo Qaqa</b>						
Net cash from operating (\$, '000)	8,887	5,033	77%	4,029	26,073	-85%
Net Cash from Investments (\$, '000)	2,522	1,110	127%	2,522	510	395%
<b>Shares / Sea Ni Kabani</b>						
Earnings per share (EPS) [Cents]	7	28	-75%	7	28	-75%
Dividends per share [Cents]	17	15	11%	17	15	11%
<b>Key Measures / Dusidusi Namaki</b>						
Return on Net Assets [%]	5%	5%	-7%	3%	6%	-51%

## Fijian Holdings Limited Top 27 Shareholders as at 30 June 2011

Shareholder	No of Shares	%
1. iTaukei Affairs Board	10,508,884	34.50
2. iTaukei Trust Fund Board	10,000,000	32.82
3. iTaukei Land Trust Board	859,666	2.82
4. FNPF Nominees Limited	540,193	1.77
5. Cicia Plantation Co-Op Soc Ltd	400,000	1.31
6. Cakaudrove Provincial Council	400,000	1.31
7. Tailevu Dairy Farmers Co-Op	352,201	1.16
8. Ratu Sir K Mara Education Fund	300,000	0.98
9. Yasana Holdings Limited	228,166	0.75
10. Macuata Provincial Council	203,614	0.67
11. Mavana Investment Limited	200,000	0.66
Mualevu Tikina Holdings Limited	200,000	0.66
13. Vanua Ko Lovoni Investment Ltd	179,805	0.59
14. Duavata Holdings Limited	141,000	0.46
15. Bua Provincial Council	137,102	0.45
16. Tailevu Provincial Holdings Co Ltd	118,031	0.39
17. Malomalo Tikina Holdings Ltd	107,111	0.35
18. Moala Tikina Council	101,005	0.33
19. Sakiusa & Anaseini Raivoce	100,000	0.33
Lady Bale Ganilau	100,000	0.33
Kiri Verewale Richmond	100,000	0.33
Nasoqo Farming Enterprise Ltd	100,000	0.33
Naqarani Holdings Ltd	100,000	0.33
Nabukebuke Holdings Ltd	100,000	0.33
Munia Holdings Ltd	100,000	0.33
Dogotuki Tikina Council	100,000	0.33
27. Vatulele Island Holdings Ltd	97,990	0.32
Others	4,589,882	15.07
<b>TOTAL No. of Shares</b>	<b>30,464,650</b>	<b>100.00</b>

### Fijian Holdings Limited

The total issued share capital of Fijian Holdings Ltd, consist of 30,464,650 shares of \$1 each.

This includes 20,000,000 shares of 'B' class and 10,464,650 shares of 'A' Class. The iTaukei Affairs Board (IAB) and the iTaukei Trust Fund (TTF) each hold 10 million of the company's 'B' Class ordinary shares of \$1 each. The company's ordinary 'A' class shares are listed on the Restricted Board of the South Pacific Stock Exchange.

## Corporate Governance Statement

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

### Principle 1

#### Establish clear Responsibilities for Board Oversight

##### Board of Directors

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

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

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

- Oversight of the Company, including its control and accountability systems.
- Appointment and removal of the Group Chief Executive Officer in line with Company Articles and Memorandum of Association and approving his/her terms of engagement.
- Ratifying the appointment of members of the FHL's Senior Management Team, approving of their terms of engagement.
- Providing input into the final approval of the corporate strategy and performance objectives, and monitoring performance against those plans.
- Reviewing, ratifying and monitoring system of risk management and internal control, codes of conduct and legal compliances.

- Protecting the Company's financial position and its ability to meet debts and other obligations as they fall due.
- Ensuring that the company's accounts comply with the relevant accounting standards and present a true and fair view.

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

### Principle 2

#### Constitute an Effective Board

The FHL's Memorandum and Articles specifies the number of Directors may be not less than the number required by the Corporations Act (currently three), nor more than nine (or such number within the range as the Board may determine from time). The Board currently comprises of six Directors.

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

Carl Ngamoki-Cameron Chairman	Appointed 2011
Iowane Naiveli	Appointed 2008
Padam Lala	Appointed 2008
Saimoni Lutu	Appointed 2008
Ulaiyasi Baya	Appointed 2008
Ilimotama Cawi	Appointed 2011

Details of the respective Directors and their profiles are provided elsewhere in the Annual Report.

#### Director's Independence

As required under the Board Charter, the Board comprises of a majority of independent non-

executive Directors. As per the company's Article 78, six of the nine board directors are appointed by the Minister of Indigenous Affairs in consultation with the Prime Minister.

According to the Charter, a non-executive Director is independent as he or she is not a member of management and is free of any business or other relationship that could materially interfere with the independent exercise of their judgment.

All Directors are independent Directors with no substantial interest in the shares or Group business.

### Board Sub-Committees

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

- Audit and Finance Committee inclusive of Risk and Compliance
- Human Resource Committee
- Investment Committee

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

### Independent Advice

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

### Directors' Training

Director Induction is a formal process whereby the Group CEO and the management team present the comprehensive corporate profile of the organization. It is a must for all incoming directors to attend the induction program. In addition, as and

when required, workshops are organized with external consultants.

#### Principle 3

### Appointment of a Group Chief Executive Officer

Directors are expected to exercise due diligence in appointing the Group Chief Executive Officer or the officer-in-charge. This role is vested on the Board of the Fijian Holdings Ltd.

The qualification and criteria of the Group CEO shall be at the discretion of the HR Committee in consultation with the Board. Total remuneration package for the Group CEO should be the final decision of the Board. The remuneration has been structured so as to link rewards to corporate and individual performance.

#### Principle 4

### Board and Company Secretary

FHL as a public listed company has appointed a suitably qualified and competent board secretary.

The Company Secretary is the administrative link between the Board and the Management and is responsible for ensuring compliance to company activities. In this capacity, he/she monitors that the statutory requirements, board policy and procedures are followed and co-ordinates the timely completion and dispatch of board agenda and briefing material.

The secretary is responsible for ensuring that the board has proper and detailed minutes where record on major decisions of the Board is made.

All directors have direct access to the company secretary. The company secretary is accountable to the board, through the chair, on all governance issues. The appointment and removal of the company secretary should be a matter for decision by the board as a whole. At present the company secretary for FHL is Mr. Tevita Gonelevu.

**Principle 5**

**Timely and Balanced Disclosure**

Fijian Holdings complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, and has in place well developed procedures for dealing with compliance.

Fijian Holdings has a Disclosure Policy that sets out the procedures and requirements expected of all employees of the Company, including Directors, executive officers and senior executives relating to the Company compliance with these obligations.

**Principle 6**

**Promote Ethical and Responsible Decision Making**

**Code of Conduct**

Fijian Holdings Ltd recognizes that its reputation is one of its valuable assets, and is founded largely on the ethical behavior of the people who represent the Group.

The Board has approved a Code of Conduct that sets out the principles for ethical behavior by all Group personnel. This ethical framework provides the foundation for maintaining and enhancing FHL's reputation.

FHL's Code of Conduct therefore commits its Directors, employees, contractors and consultants to not only comply with the law, but to conduct business in accordance with the highest ethical conduct so we:

- Conduct business with integrity, honesty, and fairness;
- Value and respect diversity in a workplace in which no one is discriminated against on the basis of gender, age, race, religion, sexual orientation or marital status; and
- Exercise high ethical conduct in observing the spirit and letter of our legal obligations. Any breach of the Code of Conduct is a serious matter that may give rise to disciplinary action, including dismissal and legal action.

In accordance with the FHL's Whistleblower Policy, employees who are aware of any matter or behavior

that may contravene the Code of conduct, FHL's policies or the law are encouraged to:

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

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

**Business Dealings with the Company and conflicts of interest**

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

**Political donations**

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

**External directorships**

Key executives are permitted to hold one non-executive directorship of an external public company, depending on the particular circumstances, but

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

### Corporate sustainability

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

#### Principle 7

### Register of Interest

The Board has ensured that all conflicts of interest are disclosed and formally recorded.

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

In declaring a conflict of interest, the director should abstain from voting or participating in the decision making on that matter. In addition to Directors, members of the Senior management team are required to declare all conflicts of interest.

#### Principle 8

### Respect the rights of the Shareholder

The shareholder communication policy of the company encourages and promotes effective communication with shareholders and effective participation at General Meetings. Fijian Holdings, on an ongoing basis, examines how best to take advantage of technology to enhance shareholders communications

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

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

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

FHL also conducts a half-day training session for all shareholders on the day of the Annual General Meeting.

This training program is conducted by internal and external experts on various business topics; including the performance of all FHL subsidiaries and related investments.

#### Principle 9

### Accountability and Audit

#### Audit Committee

The Audit Committee consists entirely of independent non-executive Directors. The Committee meets as required, normally at least four times per year. The Chairman of FHL is not a member of the Audit Committee.

The Committee's role is to assist the Board to independently verify and safeguard the integrity of the Company's financial reporting and internal control processes in the company. The Committee's primary responsibilities are to:

- Assess whether the Company's external reporting is legally compliant, consistent with Committee members information and knowledge, and suitable for shareholder need;
- Assess the management processes and internal control systems supporting external reporting;

- Liaise with the external auditors and ensure that the annual statutory audit and half year review are conducted in an effective manner;
- Make recommendation for the appointment or removal of the external and the internal auditors;
- On an annual basis, assess the performance and independence of the external and internal auditors; and
- Monitor the coordination of the internal and external audits.

The lead external audit partner is required to rotate off the audit after a maximum of five years. The internal audit function shall not be performed by the external auditors of the company.

The Audit Committee has unlimited access to both internal and external auditors.

#### Principle 10

### Recognize and Manage Risk

#### Risk Management Process

The Board has approved a Risk and Assurance Framework and supporting processes to oversee and manage risk.

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

The Framework is action-oriented and requires people to focus on the right things, prepare active action plans and to be held accountable for their actions.

The Framework acknowledges that all employees have a role in managing risk and in particular they are encouraged to report incidents, hazards and risk without fear. At FHL the management of risk is not treated as an integrated ingredient in the way employees work.

#### Internal control

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

## Corporate Social Responsibility Report

As one of the leading iTaukei investment companies and a major player in Fiji's corporate sector, FHL has taken a pro-active approach in embracing our corporate social responsibility. We manage our business to the highest ethical standards and believe that community involvement is one of the most important catalysts for change. This is in line with our mission statements as well as a guide to what the company stands for and will uphold to our shareholders and the community.

At FHL, our shareholders are of great importance and value to us, as they define the reason for our existence. We continuously aim to respond to their confidence and expectations through proper and timely communications. Since its introduction in 2007, FHL has been holding the Shareholders Workshop on an annual basis, whereby our shareholders undergo half day training on topics relating to their investment. The program has somewhat become popular with them, as many come out satisfied with the in-depth knowledge they gain from it. The workshop not only broadens their knowledge, but allows them to be in a better position to make sound decisions about their wealth and investment.

**As part of its community service, we actively participate in various activities when the opportunity arises.**

- During the year FHL was invited to take part as judges in a local school program advocating *Cleanliness*. Staffs nominated had to judge each category based on the criteria provided. The main objective of the program was to instill the importance of maintaining and working in a clean surrounding, to our younger generation.
- The year also saw, the active participation of the FHL Group employees and their families in the annual Olympic Fun Run day organized by FASANOC. The day was viewed as a great opportunity to expose our company and staff to the Olympic Values of Excellence, Friendship and Respect, as well as encouraging our employees to embrace a healthy lifestyle.
- Other activities included our participation in the week long Fiji Red Cross Society's National Appeal whereby our employees came out in red to support and contributed in cash donation to this worthy cause.

- We continue to take great joy in our involvement with those that are less fortunate and in genuine need. As we approached the festive season last year, employees of FHL assisted the Fiji National Blood Service by responding to requests for blood drive. As always FHL is privileged to be associated with contributing to saving the lives of people in Fiji.

Since 2004, Fijian Holdings Limited has been actively involved in the promotion and recognition of rewarding excellence to the three largest Government school for indigenous Fijians and the highest mark scored by an indigenous student in Form 7 Fiji wide. Through this initiative, we provide laptop computers as Dux prizes which equips them for education at tertiary institutions. The sponsorship is intended to serve as a medium for the promotion of academic excellence among future leaders of our nation.

The FHL Group is very mindful of the environmental aspects and impact of its operations; therefore it continues to hold great emphasis towards positive contribution to the environment. Standard Concrete Industries a division of Basic Industries Limited, a company jointly owned by FHL, is involved in heavy industrial operations. In its line of operation, we ensure that the work is in compliance with the Environment Management Act (2005) and special permits are sought from the Ministry of Environment, which covers; air pollution, solid and liquid waste. These measures ensure that we proactively implement initiatives that are environmentally friendly.

Fiji Industries Limited (FIL) is an ISO14001 certified company by an accreditation body from New Zealand (Telarc SAI Limited) for its Environmental Management System. This simply means that FIL is committed to managing its environmental issues

according to international standards and the system is annually reviewed to ensure continuous improvement and compliance to legislation, standards and best practice.

During the year, FHL Logistics Limited, a subsidiary of FHL launched and introduced their new eco friendly vacuum trucks. These special trucks come equipped with high-pressure water to blast through pipe obstructions, plus vacuum suction to remove debris, grease trap and septic waste for both households and businesses. The initiative comes with an aim of providing customers with efficient, fast, and reliable service and with as much focus on helping the environment as it can.

Lastly, our employees are passionate individuals with unique expertise and perspectives that collectively help define how the FHL Group operates and engages with the community. We recognize with great appreciation, our human capital and we are committed to the inspiration of developing and growing of our people to excel in business and fulfill their purpose of life. The foundation of this mission is the relentless desire by our people to innovate, stand out, be the best and make a difference in everything that they do and most importantly cultivate and enhance a culture of corporate social responsibility.



## People & Leadership Committee Report

The committee is responsible for assessment of succession planning programs for key senior management positions and leadership training programs at all levels within the FHL Group. The Committee also oversees the creation of sustainable organizational culture that embodies the core purpose, value, principles and corporate objectives of the company.

The members of the People & Leadership Committee are appointed by the Board of Directors from amongst the Directors of the Company and consist of 5 board members of which 4 are newly appointed committee members. All members of the People & Leadership Committee are independent, Non-Executive Directors. In addition to these members, the Acting CEO and members of the Senior Management Team attend the committee meetings.

Meetings of the People & Leadership Committee are held at least once a year. In the year under review the committee met once.

Existing Committee Members			
Name	Capacity	No. of Meetings Held	No of Meetings Attended
Mr Saimoni Lutu	Director	1	1

Appointment of Additional Committee Members			
Name	Capacity	No. of Meetings Held	No of Meetings Attended
Mr Padam Lala	Director	1	1
Mr Iowane Naiveli	Director	1	1
Mr Ulaiyasi Baya	Director	1	1
Mr Michael Makasiale	Director	1	1

During the year, the Committee received reports from the management team on strategic human resources issues. The following proposals were also reviewed by the Committee:

- The corporate structure of FHL and Group companies given the changes at executive level during the year
- The corporate succession plans for the Group with the view to develop and retain key personnel
- The replacement of senior personnel to fulfill the manning requirements within the Group given the deployment of key personnel to Pasifika Holdings Ltd in Papua New Guinea.
- The formulation of a comprehensive compensation policy for senior staff with a view to implement the policy throughout the FHL Group.



Saimoni Lutu  
FHL Director  
FHL Darekita

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

The members of the Audit & Risk Committee are appointed by the Board of Directors from amongst the Directors of the Company and consist of 4 board members of which 2 are newly appointed committee members. All members of the Audit & Risk Committee are independent, Non-Executive Directors. In addition to these members, the Acting CEO and the members of Senior Management Team attend the committee meetings.

Meetings of the Audit & Risk Committee are held at least once a year. In the year under review the committee met twice.

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

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

Existing Committee Members			
Name	Capacity	No. of Meetings Held	No of Meetings Attended
Mr Iowane Naiveli	Chairman	2	2
Ulaiyasi Baya	Director	2	1
Mr Michael Makasiale	Director	2	1

Appointment of Additional Committee Members			
Name	Capacity	No. of Meetings Held	No of Meetings Attended
Mr Padam Lala	Director	2	1
Mr Saimoni Lutu	Director	2	1



Iowane Naiveli  
Chairman  
Liuliu Ni Matabose



Perfecting our moves  
*growing*  
our future

Taking advantage of the  
*opportunities*  
of the future

The  
*frontlines*  
of our business change.

## The Story of \$20 million Loan

The objective of this report is to enhance shareholders knowledge on the subject of the \$20.0 million Government loan. In fact, it was not a loan given to Fijian Holdings Limited but given to iTaukei Affairs Board (IAB) to buy shares in FHL.

We have provided a timeline that will answer any queries from shareholders with regards to the Government loan of \$20.0 million.

- *September 1987* - The Government of the day announced its “9 Point Plan” where one of the points was the “desire to accelerate the participation of Fijians in businesses in Fiji”.
- *August 1989* - The Government of the day provided the \$20.0 million interest free loan to IAB as part of its “9 Point Plan”. The loan repayment was to start in 1999 and finish in 2008. Concurrently IAB used the proceeds from the loan to buy 20 million B class shares with a par value of \$1 per share.
- *December 2002* - An act of parliament was passed to convert the loan to a Grant to IAB. Consequently IAB approved the transfer of 10 million ‘B’ Class shares to iTaukei Trust Fund Board (TTFB) and 10 million shares to the 14 provinces to be held in trust by IAB
- *June 2010* - The Government decided that the \$20.0 million issued to IAB in 1989, should remain as a loan from Government and is to be repaid as soon as possible.

- *July 2010* - The FHL Board approved a \$20.0 million loan to IAB to facilitate the repayment of the loan from IAB to Government. This was a commercial loan at a market based interest rate. IAB subsequently used the loan proceeds to pay off in full its loan with Government.
- *August 2010* - The relevant loan agreement was signed between FHL and IAB and there was also a tripartite agreement between FHL, IAB and TTFB. Accordingly, the semi-annual dividend payable by FHL to IAB and TTFB will be used to make the loan repayment to FHL. As such, both IAB and TTFB will not receive cash dividends from FHL until the \$20.0 million is fully paid together with interest.

From 1997 till 2004, FHL paid \$1.0 million annually in dividends for its ‘B’ class shares. From 2005 till 2009 it paid \$2.0 million per annum. In 2010 FHL paid out \$2.5m and in FY11 it will pay out \$3.0 million to its ‘B’ Class shareholders. As of 30th June 2011, FHL has paid out a total of \$22.0 million in dividends to its ‘B’ class shareholders.

\* IAB was formerly known as Fijian Affairs Board (FAB)

\* TTFB was formerly known as Fijian Trust Fund (FTF)

## Na i Talanoa ni \$20 na milioni a dinautaki.

**Nai naki ni tukutuku qo me vakavinakataka na nodra kilaka na i taukeni sea me baleta na \$20 na milioni nai lavo ni matanitu ka a dinautaki. E dodonu me kilai, ni dinau qo a sega ni soli vua na Fijian Holdings Limited (FHL) ia ka soli vua na iTaukei Affairs Board (IAB) me voli sea ena FHL.**

**K** eitou sa solia koto e ra, nai tuvatuva mai na veiyabaki me baleta na \$20 na milioni ka a dinautaki mai vua na matanitu me rawa ni saumi vinaka kina na vakatataro eso.

- *Seviteba 1987* - Na matanitu ena gauna koya, a kacivaka e dua na nonai tuvatuva "9 Point Plan" ka dua vei ira nai tuvatuva oqo na kena "vakaiyara rayara taki na nodra vakaitavi na kawai iTaukei ena buturara ni bisinisi e Viti".
- *Okosita 1989* - Na matanitu ena gauna koya a solia kina vakadinou e \$20 na milioni kina IAB ka sega ni dua nai sau ni dinau me vaka na nonai tuvatuva ena "9 Point Plan". Na saumi ni dinau oqo e dodonu me tekivu mai ena 1999 ka mai oti na saumi dinau ena 2008. Ena ka e rawa ena dinau oqo, a vakayagataka na IAB me volia e 20 na milioni na sea kalasi "B" ni FHL, ka tiko na kenai sau vakai lavo ena \$1 dua na sea.
- *Tiseba 2002* - a vakadonuya na Bose Lawa e dua na lawa ena kena vakadonui me veisau na dinau ni matanitu oqo kina dua ga nai lavo ka soli me dau cicivaki kina na IAB. Ena vuku ni lawa ka pasitaki ena Bose Lawa oqo sa mai vakadonuya kina na IAB me tokitaki e 10 na milioni na sea kalasi "B" ka 10 na milioni na sea ena maroroya tiko ena vukudra na tinikava na yasana
- *Jiune 2010* - E sa lewa na matanitu me baleta na \$20 na milioni ka mai soli vua na IAB e 1989, me vakadeitaki tikoga ni lavo dinautaki ka me na saga na IAB me sauma lesu ena kena gauna totolo duadua.

- *Jiulai 2010* - Na matabose ni FHL sa mai vakadonuya me dinautaka e \$20 na milioni na IAB me rawa ni sauma kina na nona dinau vua na matanitu. E soli vakabisinisi na dinau oqo, ka ai saumi ni dinau e vakatau mai na makete ni soli dinau. E mani vakayagataka na IAB nai lavo e rawa mai ena dinau me saumi kina vakadua na nona i dinau vua na matanitu.
- *Okosita 2010* - E rau mai sainitaka e dua na veidinadinataki me baleta na dinau oqo na FHL kei na IAB. Ka tiko talega e dua na veidinadinati ena loma ni kedratou maliwa na FHL, IAB kei na TTFB. Ena ruku ni veidinadinati oqori, na tubu me dau wasei ka dau saumi vakarua ena dua na yabaki esa na vakayagataka me saumi kina na dinau kina FHL. Oqori sa na vakavuna me rau na sega ni ciqoma na IAB kei na TTFB na lavo qaqa ni tubu me wasei maina FHL me yacova sara ni sa saumi oti na \$20 milioni ka dinautaki vata kei na kena I sau ni dinau.

Na FHL a sauma oti e \$1.0 na milioni tubu wasei kivei ira nai taukeni sea ena veiyabaki me tekivu mai na 1997 kina 2004. E a sauma na FHL kivei ira nai taukeni sea e \$2.0 na milioni ena loma ni yabaki 2005 kina 2009. E na 2010 a sauma oti na FHL e \$2.5 na milioni ena tubu wasei kivei ira nai taukeni sea, e oka eke na kena saumi e \$3.0 na milioni ki vei ira na kalasi "B". Ni mai cava na yabaki vakailavo ena I ka 30 ni Jiune 2011, e sa mai sauma oti na FHL ni rauta e \$22.0 na milioni na tubu wasei kivei ira nai taukei ni sea kalasi "B"

\* IAB - a dau kilai taumada ena yaca na Fijian Affairs Board (FAB)

\* TTFB - a dau kilai taumada ena yaca na Fijian Trust Fund (FTF)

## Board of Directors | Lewe ni Matabose



**Iowane Naiveli**  
Chairman (Acting)

is a Chartered Accountant and a business consultant. He is the sole partner of I.Naiveli & Company. Mr Naiveli is the Chairman for Basic Industries Ltd, and a Board member for the Reserve Bank of Fiji, Pasifika Holdings Ltd, Pasifika Finance Ltd, Blue Lagoon Cruises Holdings Ltd and FHL Retailing Ltd. He holds a Bachelor of Arts degree in Accounting and was previously the president of Fiji Institute of Accountants.



**Padam Lala**  
Director

is an Accountant by profession and presently the Managing Director of Lotus Garments Limited and is the Chairman of Sun Insurance Co. Limited, FHL Retailing Ltd and Fijian Holdings Trust Management Ltd. He was previously the Deputy Lord Mayor of Suva City, Chairman of the Land Transport Authority and Chairman of Textile, Clothing and Footwear Council of Fiji and Deputy Chairman of Fiji Development Bank.



**Saimoni Lutu**  
Director

is a businessman who has vast experience in the oil industry where he has worked for a number of years. He is a Board Member for: Fijian Holdings Trust Management Ltd and Fijian Property Trust Co Ltd, He has held senior management positions within Shell Fiji Limited where he was also CEO from 1983 -1985. Mr Lutu spent some considerable number of his working life in the petroleum industry with experience in operations, project management, marketing & finance in Australia, NZ & the Pacific Islands. He is a member of the institute of Engineers, Australia.



**Ulaiyasi Baya**  
Director

is a consultant primarily on customary tenure and associated resources development. His major interest is in the nature and extent of customary tenure and equitable compensation. He is lawyer by profession. Mr Baya is a Board member for; Merchant Finance & Investment Co Ltd, and Blue Lagoon Cruises Holdings Ltd. He holds a Bachelor of Arts degree in Land Management from the University of the South Pacific, a Bachelor of Law from James Cook University, Australia and a Master of International Law degree, from the University of Hull, England.



**Ilimotama Cawi**  
Director

is a Chartered Accountant and a lecturer at the University of the South Pacific. He is also the Chairman for FHL Securities Limited and a Board member for; Merchant Finance & Investment Co Ltd, FHL Logistics, and Basic Industries Ltd, Fiji Industries Ltd. Mr Cawi is a member of the Fiji Institute of Accountants and the Institute of Internal Auditors. He holds a Bachelor of Arts degree in Accounting & Banking, including a Bachelor of Arts degree in Economics and Management from the University of the South Pacific. He also holds a Master of Forensic Accounting from the University of Wollongong, Australia.

## FHL Management Team | Manidia Veiliutaki e FHL



1 **Nouzab Fareed**  
Group Chief Executive  
Officer (Acting)

is the Group Chief Executive Officer (Acting) of Fijian Holdings Group. He joined FHL in 2004 and is a Chartered Accountant, Chartered Management Accountant (UK), Chartered Marketer (UK) and a Fellow of CPA (Aus). He has a MBA in Banking & Marketing and a MA in International Economics. He is also a Licensed Investment Advisor and Certified Fraud Examiner of USA. He is a Board Member for all group companies. Prior to joining FHL in 2004, he was the Director Business Development with Mercantile Merchant Bank Ltd in Sri Lanka and was also a Board Director for Fed-Ex, Western Union and NIIT in Sri Lanka. He has more than 22 years of corporate finance and investment banking experience including as a Director of MMBL Philip Securities Ltd. He has received Executive Training from Harvard Business School, Australian Graduate School of Management, Graduate Business School of Auckland and AOTS (Japan). He is the only Distinguished Toastmaster (DTM) in Fiji.

2 **Tevita Gonelevu**

is the Manager Financial Planning and Company Secretary for Fijian Holdings Limited. He joined FHL in 2004 and holds a Bachelor of Arts Degree in Accounting and Information Systems, and a Post Graduate Diploma in Professional Accounting from the University of the South Pacific. He is currently pursuing his Masters in Commerce and is also a licensed Investment advisor of FHL Securities Limited.

3 **Rowena Fong**

is the Manager Investment Securities & Company Secretary of Fijian Holdings Trust Management Limited. She joined FHL in 2005 and holds a Bachelor of Arts Degree in Management, Public Administration and Information Systems from the University of the South Pacific and a Graduate Certificate in Applied Finance & Investment from FINSIA and has also successfully completed the Fijian Securities Licensing Examination. She is also a licensed unit trust representative for the Trust for FHUT and FHPT and a broker representative of FHL Securities Limited.

4 **Aisake Cabemaiwai**

is the Manager Properties for Fijian Properties Trust Company Limited. He joined FPT in 2008 and holds a Bachelor of Arts Degree in Land Management & Property Development and Tourism Studies. He has also completed his Post Graduate Diploma in General Manager Studies; he also did a Commonwealth Youth Affairs Diploma and is currently pursuing his MBA studies at the University of the South Pacific.

5 **Joel Mastapha**

is the Group Accountant for Fijian Holdings Limited. He joined FHL in 2006 and holds a Bachelor of Arts Degree in Accounting and Financial Management from the University of the South Pacific. He is a Chartered Accountant and is a member of the Fiji Institute of Accountants (FIA) and also an Associate member of CPA Australia.

6 **Sowani Tuidrola**

is the Manager Sales & Marketing for Fijian Holdings Trust Management Limited. He joined FHL in 2003 and is currently pursuing his MBA studies at the University of the South Pacific. He has also successfully completed the Fijian Securities Licensing Examination and is a licensed unit trust representative for the Trust of FHUT & FHPT and a broker representative of FHL Securities Limited.

7 **Tomasi Radakua**

is the Manager Human Resources for Fijian Holdings Limited Group. He holds a Bachelor of Management Studies in Human Resources and Strategic Management from the University of Waikato. He has successfully completed his MBA qualification from USP. He is also a member of the Fiji Human Resources Institute. Prior to joining the FHL Group he had worked with the national carrier Air Pacific Ltd for close to 10 years on various Human Resources roles.



FHL Group Management Team | Manidia Liu ni Kabani Cokovata e FHL



Nouzab Fareed

FHL Group CEO (Acting)  
CEO Basic Industries (Acting)  
CEO Fiji Industries Ltd (Acting)



Napolioni Batimala

Merchant Finance &  
Investment Company  
Limited



Peni Puamau

Fiji Industries  
Limited



Mosese Volavola

Standard Concrete  
Industries



Mosese Natuilagilagi

HUME Industries



Tomasi Radakua

FHL Logistics  
Limited



Leba Pareti

Blue Lagoon Cruise  
Limited

## Chairman's Report | Tukutuku Ni Liuliu Ni Matabose

The 2011 financial year was a challenge for the company and Group especially the changes in leadership during the year. I would like to acknowledge the effort and management provided by Mr. Nouzab Fareed, the Group Acting Chief Executive Officer together with the management team for FHL and the Group during the last six month of the 2011 financial year.

**Na yabaki vakailavo ni 2011 na yabaki e bolel kina na veisau ni veiliutaki ena kabani kei na kabani cokovata. Au marautaka na sasaga kei na veiliutaki nei Nouzab Fareed na Chief Executive Officer ni FHL kei na kabani cokovata kei na timi vakaillesilesi ena loma ni ono na vula sa oti ni yabaki vakailavo ni 2011.**



Iowane Naiveli  
Chairman (Acting)  
Liuliu Ni Matabose Vakatawa

### Operational Highlights

In this regard, the FHL Board during the current financial year will focus on strengthening the current businesses within the Group to deliver the results acceptable to our shareholders. Key issues faced for the 2011 financial year included;

1. The opening of two new subsidiaries which included FHL's first overseas subsidiary in PNG. The financial and operating results achieved from the two new companies were not within FHL's expectations. FHL is taking corrective action during the year to assist in achievement of FHL's expectations for the two companies.
2. The continued financial struggle of Blue Lagoon Cruises which has significant impact on Group results and also impacted the holding company investment strategy moving forward.
3. The downturn in the construction industry which impacted on the performance of our two key subsidiaries.
4. The imposition of price control regulation on two key subsidiaries products and services affected revenue growth of the Group and we hope that at the Group as a whole have a better handle on the impact of any new regulation moving forward.
5. The termination of the management agreement with Fiji Pine Limited as a result of the changes in personnel during the year.

### Financial Results

FHL Group's consolidated Net Profit after Tax decreased by 49% during the year to \$6.64 million. Even though there was a slight growth in operating revenue, three Group companies had operating losses which had major impact on Group results. The performance of Merchant Finance & Investment Company Limi-

Ena raica na matabose ni FHL ena loma ni yabaki vakailavo oqo na vakaukauwataki ni veibisinisi ena loma ni kabani cokovata me ra rawata na tubu era taleitaka nai taukeni ni sea. Era okati ena yabaki vailavo ni 2011 na veidredre ka sotavi tiko:

1. Na dolavi ni rua na tabana vou ka okati kina na i matai ni tabana ni FHL mai PNG. Na veika a rawata mai kina na kabani, a sega ni vaka na veika a namaka na FHL. Sa sasaga tikoga na FHL ena loma ni yabaki me vukea me rawa na tubu ena kabani e rua.
2. Na leqa vakailavo e yacova tiko na Blue Lagoon Cruises ka tara na kena revurevu na kabani cokovata ena rawa tubu kei na toso ni vakatubui lavo ni kabani ena nona sasaga.
3. Na lutu ni cakacaka ni tara vale ka tara na nodrau sasaga e rua na kabani
4. E vakaleqa na tubu vakailavo ni kabani cokovata na lavaki mai ni lewai ni sau ni yaya ena rua na neitou kabani nuitaki ka keitou nuitaka nit u ena kabani cokovata na faiwa me sotava kina na lawa ena nona toso tiko ki liu.
5. Na muduki ni veidinadinati ni veiliutaki kei na Fiji Pine Limited ena vuku ni veisau ni tamata veiliutaki ena loma ni yabaki.

### Macala ni rawa ka vakailavo

A vakadinadinataka na kabani cokovata ni FHL na tubu ni musuki oti nai vakacavacava e lutu ena 49% ena loma ni yabaki kina \$6.6 na milioni. Dina ni a dua na tubu lailai enai lavo curu mai ena veiqaravi, e tolu na kabani ena kabani cokovata e lusi na nodratou veiqaravi ka vakaleqa na veika e rawata na kabani cokovata. E lutu vakalailai na veika e rawata na Merchant Finance Investment Company Limited, Basic Industries Limited kei FHL Retailing, ni raici vata kei na yabaki sa oti. Na veikabani ni kabani cokovata e dei tiko na veika era rawata vakailavo.

Group assets  
increased by  
5% to  
\$344m.

ted, Basic Industries Limited and FHL Retailing were also slightly lower compared to last year. The other Group companies maintained their level of financial results

Fijian Holdings Limited holding company recorded a Net Profit after Tax of \$7.5 million in 2011 compared to \$8.5 million in 2010. The lower results were due to lower dividends from its investment whilst expenses had also increased by \$1.3 million for the period due to capital losses for investments and provision for diminution in value of investments.

### Dividends

Based on this year's result, the Directors have resolved to maintain the second interim dividend for the year at 10 cents per share for A-Class shares and 7.5 cents per share for B-Class shares totalling \$2.546 million and representing a total dividend payout ratio of 67% for the year.

The B class dividend has been increased by 1.25 cents per share for the financial year in line with Board commitment to ensure same level dividends for both classes of shares in the near future. The decision to increase dividend to B-class shareholders will be reviewed annually to ensure that FHL is financially capable of sustaining any dividend commitment.

FHL would have paid out close to \$60 million to its shareholders since inception with the inclusion of the proposed second interim dividend. I also need to note that we are maintaining enough reserves to cater for any future investment opportunities.

### Share Price

The price of FHL share declined from 3.22 per share in July 2010 to \$2.90 per share as of June 2011. The share price movement does not reflect on the underlying value of FHL but is a reflection of the economic reality facing most of our small shareholders who have caused the reduction in price due to their sell down of their shareholdings.

### Governance

I was appointed by the Minister for Indigenous Affairs to be the Acting Board Chairman in February 2011 and re-appointed on the same role in September 2011. The Honourable Minister also appointed Mr. Ilimotama Cawi as a Board Director in July 2011. In line with the recent substantive appointment, the FHL Board had also finalised the appointment of FHL representative on FHL investee companies Board which we hope will stabilise and drive the growth of FHL Group into the future.

A rawata na Fijian Holdings Limited e dua na tubu ni musuki oti nai vakacavacava e \$7.5 na milioni ena 2011 ni raici vata kei na \$8.5 na milioni ena 2010. Na lutu ni veika a rawa e vakavu ena lailai ni tubu me wasei mai na vakatubuilavo, ka tubu talega nai lavo e vakayagataki ena \$1.3 na milioni baleta na yabaki, na lusi ni tina ni lavo ni vakatubuilavo kei na lutu ni kaukauwa ni vakatubuilavo.

### Na tubu me wasei

Mai na veika a rawa ena yabaki oqo, e ratou a vakadonua na Daireketa me vakadeitaki nai karua ni tubu me wasei baleta na yabaki ena 10 na sede dua na sea me baleta na Kalasi A ka 7.5 sede dua na sea baleta na Kalasi B ka kena levu e \$2.546 na milioni ka levu ni tubu me wasei ena yabaki qo e 67%.

Na tubu me wasei baleta na Kalasi B sa tosoi cake ena 1.25% dua na sea me baleta na yabaki vakailavo me sala vata kei na sasaga ni Matabose me vakadeitaka me dua vata nai vakarau ni tubu me saumi ena kalasi ruarua ni sea ena gauna mai muri. Na lewa me tosoi cake na tubu ni lavo me wasei ena Kalasi B ni taukei ni sea ena dau raici e veiyabaki me rawa kina vua na FHL me sotava tiko na kena saumi na tubu me wasei.

Esa sauma oti na FHL e volekata ni \$60 na milioni vei ira nai taukei ni sea me tekivu mai na kena tauyavutaki ka okati kina na saumi vakarua ni tubu me wasei me vaka e vakaturi tiko. Au via vakaraitaka talega ni keitou sa maroroya tiko nai lavo tu vakawawa ka veira-uti me sotava eso na vakatubuilavo.

### Sau ni sea

A lutu nai sau ni sea ena FHL mai na \$3.22 dua na sea ena Jiulai 2010 kina \$2.90 dua na sea ena Jiune 2011. Nai veitosoyaki ni sau ni sea e sega ni vakaraitaki ni tutu ni FHL, ia e vakaraitaka nai tutu ni veika era sotava tiko o ira ka lailai na nodrai i wiliwili ni sea ena nodra volita na nodra taukeni sea.

### Veiliutaki

Au a digitaki mai vua na Minisita ni Tabacakaka ni iTaukei meu taura vakawawa nai tutu ni Liuliu ni Matabose ena Veveueri 2011 ka oka kina na Seviteba 2011. E a mai digitaki talega ko Ilimotama Cawi me dua vei ira tou na Daireketa ni Lewe ni Matabose. Ena vuku ni veisau vou oqo sa digitaki ko ira na lewe ni matabose ni FHL me ra cicivaka na vei matabose ni vakatubuilavo me vakadinadinataka na tubu ni kabani ena gauna mai muri.

Directors have resolved to maintain the second interim dividend for the year at

**10 cents**

per share for 'A' Class shares and

**7.5 cents**

per share for 'B' Class shares.

The FHL Board together with the subsidiary company Boards will in the next few months make substantive appointments to key management positions in the Group which also include the Group Chief Executive Officer position. A robust process will be followed for all the appointments which is hoped to drive the Group to sustained financial success.

### Future

Our future lies in improving our current performance against an outlook of a difficult local operating environment. As the Chairman of the FHL Group, it is my role to notify the shareholders that we need to be acutely aware of key external and internal risks in our immediate future. The key challenge moving forward is to ensure that our two new companies deliver the financial results according to FHL investment benchmark and FHL Board and management will be working closely to ensure a proper and sustainable framework is in place to deliver sustained financial success into the future. In addition, the Board will work closely with Blue Lagoon Cruises Board and management to put in place a mode of operations that will enable the company to deliver financial results in line with our original investment plans for the company.

The forecasted soft growth of the economy in the next three years will present challenges. FHL will review the operations of the Group as whole to ensure that we can continue to deliver good results whilst improving the overall financial capability of the Group to ensure any good investment opportunity is captured.

The FHL Board will also monitor closely the operations of our PNG subsidiary to ensure that results are being achieved and also to allow FHL to learn from its inception shortcoming as we aggressively explore opportunities for growth in PNG.

### Acknowledgement

I take this opportunity to thank the existing Board members for their continued support and counsel during the year, and I join them in extending our thanks to the Acting Group Chief Executive Officer and FHL Group management team and everyone in the Fijian Holdings Group for their effort in ensuring the achievement of good results despite the difficult operating environment.

I look forward to a year of achievement in the 2012 financial year.

E rau sa na cakacaka vata na matabose ni FHL kei na veimatabose ni kabani ena nodra digitaki na veiliutaki ena Kabani cokovata ka okati kina nai tutu ni Group Chief Executive Officer. Ena vakamuri e dua nai vakarau baleta na digitaki ni veiliutaki ka nanumi ni na vukea na kabani cokovata kei na rawaka vakailavo.

### Gauna mai muri

Na vinaka ni veigauna mai muri ena vakatau ena veika ena rawa ena gauna dredre oqo. Sa noqui tavi vakai liuliu ni FHL Group meu tukuna vei ira nai taukei ni sea ni keitou vinakta me keitou kila na ririko e loma kei na taudaku ni kabani ena gauna totolo. Na neitou gadreva na toso ki liu me rawa vei rau na neitou kabani vou me rau rawata na veika e vinakati vakailavo me sota kei na ka e vakarautaka na Matabose ni FHL kei na veiliutaki me baleta nai tuvatuva ni bula vakailavo ena veigauna mai muri. Ena cakacaka vakavoleka na matabose kei na matabose ni Blue Lagoon Cruises me virikotori e dua nai vakarau, me rawa kina vua na kabani, me rawa i lavo vakavinaka me vaka na lalawa ni vakatubuilavo.

Na tubu malumalumu ni bula vakailavo ena tolu na yabaki mai oqo ena kauta mai na bolebole. Ena raica tale na FHL na veiqaravi ni kabani cokovata me rawa ni keitou tomana tiko na rawa tubu kei na veivakavinakataki na gagagaca ni vakatubuilavo ena kabani cokovata.

Na Matabose ni FHL ena dikeva vakavoleka na cicivaki ni neitou kabani mai PNG me rawa ni rawa tubu ka solia na galala kina FHL me vulica ena gauna totolo na malumalumu ena vuku ni sasaga ni rawa tubu mai PNG.

### Vakavinavinaka

Au vakavinavinakataka na lewe ni Matabose ena gauna oqo ena nodra veitokoni tiko kei na veivakasalataki ena loma ni yabaki, kau tomani ira me keimami vakavinavinakataka na Acting Group Chief Executive Officer kei na veiliutaki ena FHL kei ira taucoko era veiliutaki ena loma ni Fijian Holdings Limited Group ena vuku ni nodra cakacaka vinaka me rawa kina na tubu, dina ga ni drakidrakita na draki ni cicivaki bisi-nisi ena yabaki 2011.

E sa tu na vakanuinui ni na dua na yabaki vinaka ni rawa ka vakailavo na yabaki 2012.



Iowane Naiveli  
Chairman (Acting)  
Liuliu Vakatawa Ni Matabose

## Group CEO's Report | Tukutuku Ni Liuliu ni Kabani Cokovata



Nouzab Fareed  
Group Chief Executive Officer (Acting)  
Liuliu Vakatawa ni Kabani Cokovata

It is with great pleasure that I present the annual CEO's Report of Fijian Holdings Ltd for the financial year ended 30 June 2011. Financial year 2011 was a painful and a challenging year highlighting some weakness in the group structure and governance model reflecting in lower consolidated profits. After seven months into the financial year, the Chairman, Deputy Chairman, Managing Director and Chief Finance Officer resigned from the company. The next 3 months witnessed resignations of four, General Managers of subsidiary companies.

E ka dokai vei au meu solia na I Tukutuku vakayabaki ni Liuliu ni Fijian Holdings Ltd me baleta na yabaki vakailavo e cava ena 30 Jiune 2011. Na yabaki vakailavo ni 2011 a dua na yabaki dredre ka laurai kina eso na malumalumu ena gacagaca, ni kabani cokovata kei na I vakarau ni veiliutaki ka lutu kina na tubu a rawa. Ni oti e vitu na vula ena loma ni yabaki vakailavo, eratou a kerea na nodratou vakacegu mai na kabani na I liuliu ni Matabose, na nona I vukevuke, na Manidia Daireketa kei na Chief Finance Officer. Era a vakacegu tale ena 3 na vula ka tarava e 4 na Manidia liuliu ni kabani Cokovata.

However these events though unprecedented in the history of the company, have made us determined to live up to our commitments and deliver on shareholder expectations. We will rebuild the team, realign towards overall corporate goal. We have learned the lessons, have made the changes and fully prepared to face the challenges in the coming year.

### Operating Environment

Accordingly to the Reserve Bank of Fiji's economic review for July 2011 which was prior to the US Debt Crisis and downgrading of US Credit rating, it was reported that world economy would grow by 4.3% for 2011. The slowdown in major trading partners may pose threats to Fiji economy, in terms of exports and tourism.

Early signs are visible for a rebounding of agriculture sector in the country while high liquidity in the market coupled with prevailing high foreign reserve scenario has set the pace for recoup corporate sector in the coming 12 months. Inflation for the month of June stood at 10.3% but on a downward focus.

High liquidity in the market place offers an opportunity for investment and credit activities. The expectations are that the investment may improve in the coming months.

### Group Financial Performance

Overall it was a challenging year for the group in terms of financial performance. Against the backdrop of an uneven but weak economic landscape both globally and locally, our results were achieved by delivering the best under the circumstances operationally and financially. Showing strength and agility in the core activities, all business segments contributed to the bottom line except for two newly initiated business ventures and the cruise operation.

Na veika a yaco a sega ni se bau yaco e liu ena I tukutuku ni kabani, ia e vakavuna ni keitou yalo vakatagane me keitou qarava na I tavi ka solia vei ira na I taukei ni sea na ka era namaka. Keitou sa bulia tale e dua na timi me cakacaka ka vakamuraia nai naki. Keitou sa vuli mai kina, vakayacori na veiveisau ka vakarau kina bolebole ni yabaki ka tarava.

### Draki ni cicivaki ni Bisinisi

E vakaraitaka na Reserve Bank of Fiji ena nona raica lesu na I tutu ni lavo e Viti me baleta na Jiulai 2011 ni bera na leqa vakailavo ni dinau ni matanitu o Amerika kei na lutu ni tutu ni dinau nei Amerika, e kaya ni bula vakailavo e vuravura ena tubu ena 4.3% ena 2011. Na toso malua ni nodra veivoli e vakaleqa na bula vakailavo e Viti ena volivolitaki ki vanua tani kei na saravanua. A laurai ni na bula cake na yasana ni teitei ka levu tu na I lavo maroroi nei Viti mai na I lavo maroroi, ka sa toso kina me vakavinakataki na kabani ena 12 na vula. Na tubu ni sau ni yaya ena vula o Jiune e tu ena 10.3% ka mua sobu tiko.

Na levu ni, lavo ka sega tu ni vakayagataki ena makete e dola tu me vakayagataki ena makete e dola tu me vakayagataki ena vakatubuilavo kei na dinau. A nanumi ni na uasivi na vakatubuilavo ena vica na vula ka tarava.

### Na veika Vakailavo ena loma ni Kabani Cokovata

Oqo e dua na yabaki dredre kina kabani cokovata ena veiqaravi vakailavo. Ena gauna ni bula gogo vakailavo e vuravura kei Viti talega, e uasivi na veika keitou rawata ni vaka tu oya na draki ni bula vakailavo. Ena sasaga vakaukauwa kei na faiwa ena bisinisi, era vakaitavi taucoko sara na veitabana kina na i lavo a rawa qai vakavo e rua na bisinisi qai tauyavu vou kei na kabani ni waqa.

Na I lavo taucoko ni kabani cokovata e vinaka cake vakalailai mai na \$182 na milioni ka a rawa ena yabaki

Consolidated  
Group revenue  
increased in  
2011 to FJD:  
184.12m.

Consolidated group revenue improved marginally from FJD 182.0m recorded in financial year ending June 2010 to FJD 184.12m in financial year ending June 2011. Net consolidated earnings before tax declined by 37% from FJD 17.63m in the previous year to FJD 10.99m in 2011. FHL together with Basic Industries Ltd, Fiji Industries Ltd (FIL) and Blue Lagoon Cruises Ltd recorded lower revenue compared to the previous year. In terms of pre-tax profit, all group companies except for FIL and Fijian Holdings Trust Management Ltd experienced declining profits. In fact, the total losses made by FHL Logistics Ltd (FLL), Blue Lagoon Cruises Ltd (BLC) and PNG based Pasifika Holdings Ltd (PHL) amounted to FJD 9.54m.

All three operations are undergoing strategic and operational review at present in order to restructure and reach optimum level of efficiency. This would enable FHL investment benchmarks to be achieved in the coming years. Both FLL and PHL are in their first year of operations and will focus on consolidation of their operations in the current year.

The write down of investments, namely Clariti South Pacific Ltd (FJD 0.9m), Fiji Sugar Corporations (FJD 0.9m) and impairment of assets of FHL Logistics amounting to FJD 1.6m, negatively impacted Group performance. Total group assets reached FJD 334m in June 2011, driven by positive growth in Merchant Finance's loan portfolio.

## Operations

Fijian Holdings Ltd as a company recorded a revenue of FJD 11.77m in 2011 compared to FJD 12.35m recorded in previous year. The marginal decline was due to a timing of issue, whereby expected dividend from FHL Retailing fell into the month of July. In addition increase in expenses was due to the investment write down, which were highlighted above.

Merchant Finance and Investment Co Ltd experienced a difficult year in terms of demand for credit and higher interest cost spill over from previous year. There were no change in type of operations at Basic Industries Ltd, Fiji Industries Ltd and RB Patel Group.

Given the sustained operating losses for last few years, plans are underway to restructure Blue Lagoon Cruise operations.

Poor planning at initial stages at FHL Logistics coupled with nature of equipments acquired by the company were the key contributor towards the losses. It was therefore a prudent decision by Directors to make a decision to write off all repairs and maintenance as expenses.

vakailavo mai cava ena Jiune 2010 kina \$184.12 na milioni ena yabaki vakailavo mai cava ena Jiune 2011. Levu taucoko ni lavo a rawa ni bera ni musuki na I vakacavacava e lutu ena 37% mai na \$17.63 na milioni ena 2011. E lutu na I lavo era rawata na FHL kei na Basic Industries Ltd, Fiji Industries Ltd (FIL) kei na Blue Lagoon Cruises Ltd ni raici vata kei na yabaki yani e liu. Ena vuku ni tubu sa dau musuki e liu na kena I vakacavacava, era vakila taucoko na lutu sobu ni tubu qai vakavo na FIL kei na Fijian Holdings Trust Management Ltd. Na levu ni lusi taucoko ka cakava na FHL Logistics Ltd (FHL) Blue Lagoon Cruises (BLC) kei na Pasifika Holdings Limited (PHL) mai PNG ka kena levu e \$9.54 na milioni.

Na bisinisi tolutolu qori e vakadikevi tiko na kedratou i tuvaki kei na nodratou cicivaki me rawa ni ratou rawa tubu. Se qai matai ni nodrau cici oqo na FHL kei na PHL ka rau na vakadeitaka na nodrau veiqaravi ena yabaki qo.

Na lutu sobu ni tutu ni vakatubuilavo ena Clariti South Pacific Limited ( \$0.9 na milioni ), Fiji Sugar Corporation (\$0.9 milioni) kei na sega ni vinaka ni yaubula taukeni ni FHL Logistics ka kena levu \$1.6 na milioni e vakaleqa na veika e rawata na Kabani Cokovata. Na levu taucoko ni yaubula taukeni e yacova na \$334 milioni ena Jiune 2011 ka vukea na tubu levu ena Merchant Finance Loan Portfolio.

## Veiqaravi

A rawata na Fijian Holdings Limited ena i lavo curu mai e \$11.77 milioni ena 2011 ni raici vata kei na \$12.35 milioni ena yabaki yani e liu. Na lutu lailai e vakavu mai veisau ni gauna, na tubu me wasei e namaki mai na FHL Retailing e lutu ena loma ni vula o Jiulai. Kenai kuri, na tubu ni lavo e vakayagataki e vakavu mai na lutu ni levu ni lavo e rawa mai na vakatubuilavo.

E vakila na Merchant Finance a Investment Company Limited e dua na yabaki dredre, ena vuku ni levu ni vinakati ni dinau kei na sau levu ni vakacavacava ka a tasova mai ena yabaki yani e liu. E sega ni dua na veisau ni veiqaravi ena Basic Industries Limited, Fiji Industries Limited kei na RB Patel Group.

Ni raici na toso ni lusi ena vica na yabaki sa oti, sa tu na i tuvatuva me cokonaki tale na veiqaravi ni Blue Lagoon Cruises.

Na ca ni tuvatuva mai na kena i tekivu ni FHL Logistics bau kina na i tuvaki ni yaya e volia mai na kabani eraa vakavuna na lusi. O ya e dua na lewa dina mai vei ira na Daireketa me na sa bokoci na vakaimakataki ni yaya ka okati me i lavo e vakayayataki.

The first overseas based Operations, PHL experienced difficulties in terms of equipments and initial set up costs. FHL management team have worked hard during the last few months to clear outstanding problems at Port Moresby operations and has planned to relocate to a more spacious site to accommodate integrated operations including batching, blocks and pre-casting. This plan will be commissioned at the end of current financial year subject to Board's and regulatory approval.

During the year, FHL divested its shareholding in Clariti South Pacific Ltd together with other shareholders namely, Vinod Patel Ltd and Fijian Holding Unit Trust. In addition, FHL corporate management business venture was ended with the mutually agreed termination of management agreement for Tropik Wood Ltd.

### People Capital

It's the quality of people that make the difference between profit and loss. Mature age and experienced staff bring valuable knowledge and experience to our team. Arguably, this was the key factor in FHL's survival during difficult times.

Fijian Holdings Group is a employer for more than 1100 permanent employees, of which 28% are females. FHL has a young team with average age of 29 years. More than 6% of group staff are graduates while 14 employees hold post-graduate qualifications including MBA. Another 8 of our senior staff are in the process of completing their Masters Degree.

FHL has put in place plans to increase and institutionalize the capacity building process for the staff and also planning for the future. We believe that the key to a robust and innovative workforce lies in keeping right blend of experience and skills. In the current global economic environment, the value of skilled management is clearer than ever. As such, it is extremely important for FHL to build in-house core competencies with a focus on driving innovation and managing strategic business units.

### Stakeholder Focus

Maintaining a meaningful and trusted relationship with our stakeholders lays a solid foundation for our future. We strongly believe that close relationships are the key to FHL's current success. During the last six months, we have reinvigorated our relationships with our stakeholders. We have been in discussion with our major shareholders and strategic partners. The dialogues have brought in new avenues of development of the ongoing relationship with an aim to benefit mutually.

Na i matai ni veiqaravi i vanua tani e sotava na PHL na dredre ni sau ni yaya me tauyavutaki kina. Na timi ni veiliutaki ni FHL e ratou a cakacaka vakaukauwa ena loma ni vica na vula sa oti ka me vakasavasavataki na veileqa ena sa tu makawa e Port Moresby kei na kena veiqaravi sa nanumi me sa tokitaki kina dua na vanua levu me vakayacori taucoko kina na cakacaka e vinakati. Era na dolavi na cakacaka qo ena mua ni yabaki vakailavo ke vakadonia na Matabose.

Ena loma ni yabaki a sa tokitaka laivi mai na FHL na nona sea ki na Clariti South Pacific Limited vata kei na so na taukei ni sea vaka na Vinod Patel Limited, kei na Fijian Holdings Unit Trust. Sa mai tinia talega na nona veiliutaki na FHL ena Tropic Wood Ltd ena dua na nodrau duavata.

### Tamata Cakacaka

Na duidui ni tubu kei na lusi e vakatau mai na uasivi ni tamata ena veiliutaki. Na matua ni sa qase e dua kei na kila vakacakacaka e kauta mai na vinaka ena cakacaka. Qo ga na ka bibi ka bula kina na FHL ena veigauna dredre.

Na kabani cokovata ni FHL e taukei ni cakacaka ka 1100 na tamata cakacaka era cakacaka vua, era lewe 28% na marama. E tiko ena FHL e dua na timi gone ka tiko nodra yabaki ena 29. Sivia e 6% ni vakaillesilei era vakoro ni vuku ka, 14 era vakoro ena Masters degree, dua e rawata na MBA. E lewe 8 tale na vakaitutu e cake era sa voleka ni vakaotia na Masters degree.

Sa vakarautaka na FHL nai tuvatuva me baleta na gauna mai muri. Keitou vakabauta ni yavu ni dau cakacaka e koto ena veiwaki vinaka ni kila vakacakacaka. Ena i tuvaki ni bula vakailavo e vuravura, na uasivi ni tamata era kila na veiliutaki e matata vinaka. E bibi kina na FHL me bulia cake e nona vanua ni cakacaka na cakacaka vinaka ka vakanaulu ena veisau kei na liutaki vakavinaka ni bisinisi.

### Na Cakacaka Ni Duavata

Na maroroi ni veiwakani kei ira na wekai keitou ena bisinisi e vakadeitaka na neitou veigauna mai muri. Keitou vakabauta ni veivolekati ni veiwakani e yavu ni cici vinaka ni FHL. Ena loma ni 6 na vula sa oti keitou vakabulabulataki na neitou veiwakani kei ira keitou qaravi ira. Keitou dau veitalanoa kei ira na neitou dauvolivoli kei ira keitou cakacaka vata vakavoleka. Dau kauta mai eso na sala vou ni veivakatorocaketaki na veitalanoa me rawa ni yaga ruarua vei keitou. Ena gagadre ni vakavinakataki na neitou yavu ni taukeni sea, sa vakayacora na Matabose ni FHL e dua na lewa me vakalailaitaka nai wiliwili ni sea e vinakati me tekivu kina na volivoli kina 100 na sea. Keitou

Fijian Holdings Group is an employer for more than 1100 permanent employees.

With an aspiration to improve our shareholder base, FHL Board made a strategic decision to reduce the number of shares required for initial purchase to 100. We expect this initiative to attract young and old investors including group employees.

In another first for Fiji, FHL has appointed an Investor Relations Officer to deal directly with all investor related queries. It would provide an opportunity for an increased interaction between the shareholders and the company.

In keeping with growing enthusiasm on the social media, FHL has introduced a *Facebook* page for all those who wish to keep in touch and make comments. The Group, have also introduced the use of *skype* services with the objective of reducing communication costs and increasing interaction. In addition, most of the important Group events are being uploaded to *YouTube* site to ensure wider audience.

We are planning a series of activities to facilitate participation of iTaukei in commercial activities with renewed strategies for iTaukei participation in commercial activities. FHL will also look at the non-financial expectation of our shareholders in the coming months. These activities will be done in conjunction and without impacting FHL Group companies' plans to expand its operational activities and capture all revenue growth opportunities.

During the financial year, the Group has paid more than \$12 million to the Government in the form of income tax, VAT, Duties etc.

## New Initiatives

While our current focus is to consolidate the overall Group operation, the FHL team will manoeuvre the future with extreme caution. Our prime objective at present would be to ensure all our investments achieve benchmark returns while the investments that are under-performing would at least return to breakeven level.

## Appreciation

Our performance to date would not be possible without the skilled and committed management and staff. Their passion in the pursuit of delivering outstanding service is fundamental to the report profitability and remains intact. We also wish to thank the Current and past Chairman, Board of Directors for their continued advice, wise counsel, and unwavering support.

We will do everything necessary to ensure FHL is a

namaka ena sasaga oqo me dreti ira mai na via vakatubuilavo, gone kei na qase bau kina o ira era cakacaka vei keitou.

Dua talega nai matai e Viti ena nona sa digitaka na FHL e dua na vakalesilesi me qarava na vakatubuilavo kei na vakatataro. Ena solia na galal me ra veitaratara vakavoleka nai taukei ni sea kei na kabani.

Sa vakatekivutaka na FHL e dua na tabana ni *Facebook* baleti ira era via veitaratara ka solia na nodra nanuma. Sa tekivutaka talega na vakayagataki ni veivosaki ena *skype* ka kenai naki me vakalailaitaka nai sau ni veivosaki kei taratara. Me kenai kuri, e vuqa na cakacaka ni kabani cokovata ka gadrevi me raica na lewe vuqa, sa dau vakayagataki na *YouTube*.

Keitou sa tuvana tiko e vuqa na cakacaka me vakarawarawataka na veitaratara me vakarawarawataka na veitaratara ni i Taukei ena tabana ni bisinisi. Ena raica talega na FHL eso na veika ena namaka nai taukei ni sea ena vuli mai oqo ka sega ni ka vakailavo. Na veika e vakaraitaki oqori ena caka vata ke ka kakua ni veicoqacoqa kei nai tuvatuva ni FHL Group me vakairabail-evutaka na cakacaka ni nona veiqaravi ka rawata na sala taucoko ni tubu vakailavo

Ena loma ni yabaki vakailavo sa sauma oti na kabani cokovata e sivia ni \$12 na milioni kina matanitu ena sala ni vakacavacava ni income tax, VAT kei na so tale nai lavo lavaki.

## Sasaga Vou

Mevaka ni neitou sasaga me keitou vakadeitaka na veiqaravi raraba ni kabani cokovata, e ratou yavala na timi ni FHL ki liu ena qaqarauni. Na neitou i naki ena gauna oqo me keitou vakadeitaka na neitou vakatubuilavo taucoko me rawa na veika e vinakati ka ra vukei na kena era bula gogo.

## Vakavinavinaka

Ena sega ni rawa na neitou sasaga ni kua kevaka era yali na veiliutaki ena dina ka kila na cakacaka. Na nodra gagadre me ra solia na nodra cakacaka dina taucoko sa vakavatukana ena rawa tiko ni tubu. Ketiou vakavinavinakataka na i liuliu ni Matabose ena gauna oqo kei na kena sa oti, matabose ni Daireketa ena dau veivakasalataki kei na veitokoni dina.

Keitou na vakayacora na veika tacoko sa dodonu me vakadeitaka ni FHL e dua nai lawalwa ka rawa me vakabauti na vei ira nai taukei ni sea kei na lewe ni vanua. Keitou vakavinavinaka vei ira nai i taukei ni sea ena noda veitokoni ka dei vinaka tu ena dua na gauna dredre ena i tukutuku ni bula ni FHL. Eda sa

group that can be trusted by shareholders and communities. We want to thank shareholders for their support. You have been steadfast through one of the most testing periods of FHL's history. We have learned many lessons about ourselves over the past 12 months. We will emerge a stronger, wiser company with a very important role to play for many years to come.

### Future Outlook

Whatever had happened, has happened. A new era for FHL has arrived, as we move without looking for opportunities, but to create the same. Embracing transparency and establishing proper governance with a new focus is crucial for our future. We need to embed the transparency and governance in our lives.

What lies ahead requires a prudential approach to investment and to ensure, shareholder value is protected. FHL team is ready for the same and will do what is right.

At FHL, we have built into our foundation the pursuit of sustained growth. Our record over the years is one of consistently outperforming the expectation. We live, breathe and imbibe growth. It is a way of life.

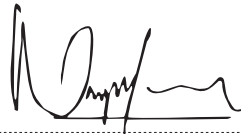
vulica e vuqa na lesoni me baleti keda ena loma ni 12 na vula. Eda na lamata cake ena qaqa, vuku vata kei nai tavi levu me da tutaka ena veiyabaki mai oqo.

### Rai ki liu

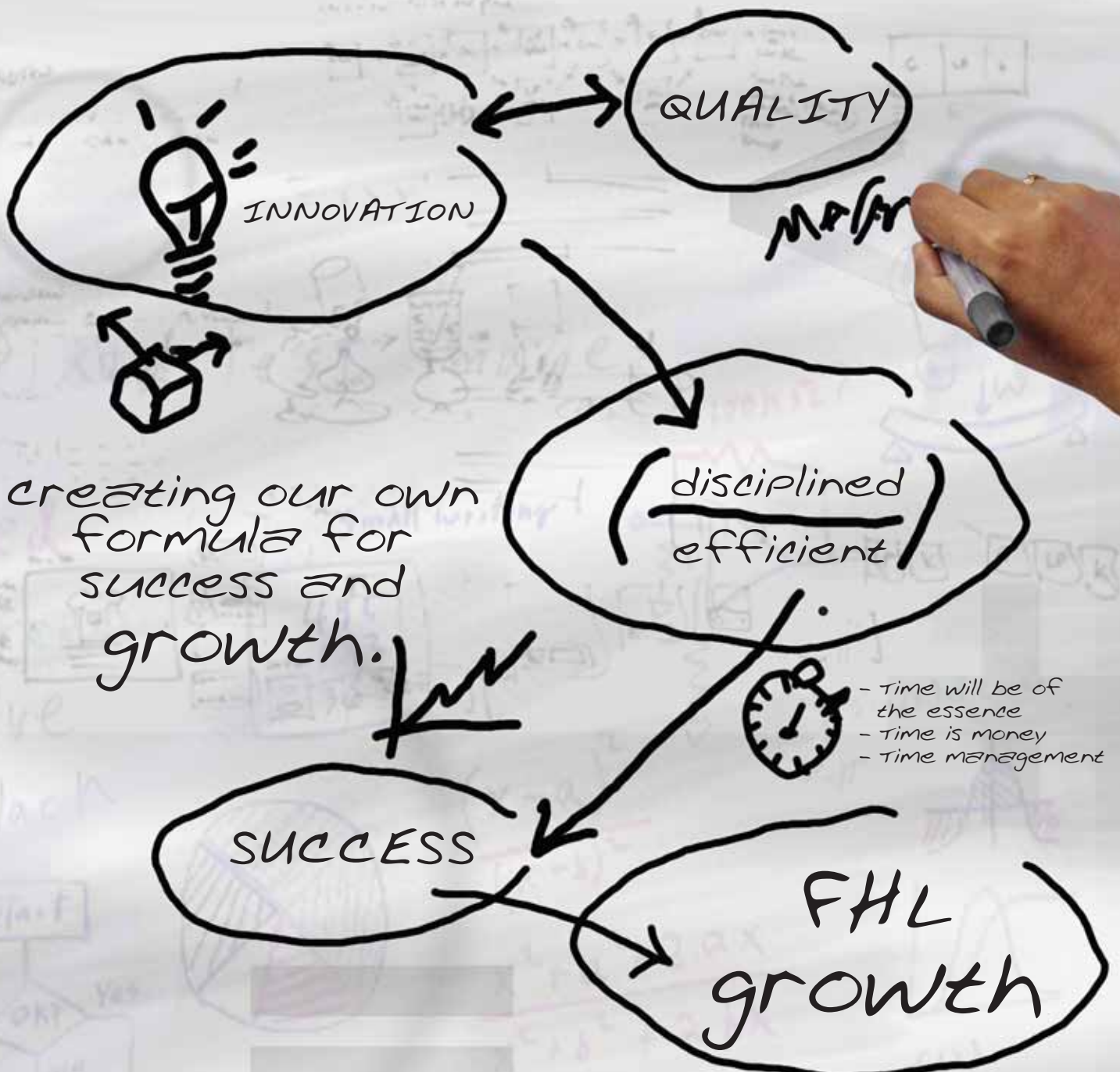
Na veika a yaco, sa yaco. Sa yaco mai na veigauna vou kina FHL ena noda rai tiko ki liu kina veika eda rawa ni cakava. Tutaki na cakacaka dodonu ka vakaduri na veiliutaki savasava ka matata ena noda bula.

Na veika e tu mai liu e gadreva me tarai vakavinaka na vakatubuilavo ka me rawa kvie ira nai tauke ni sea me taqomaki na nodra veika vakamareqeti. Sa vakarau na timi ni FHL me vakayacora na veika e dodonu

Ketiou sa tara ena yavu ni FHL na sasaga me baleta na tubu tiko ni kabani. Nai sausau ena veiyabaki sa oti yani na cakacaka dina e veigauna. Keitou bula, ceguva ka vakamareqeta na tubu. Oqo sai vakau ni bula.



Nouzab Fareed  
Group Chief Executive Officer (Acting)  
Liuliu Vakatawa ni Kabani Cokovata





01 ▾ Subsidiary Company

**Merchant Finance & Investment Company Ltd**  
Fijian Holding's Shareholding: 80.00 %

**2** 011 was a competitive year for Merchant Finance with changes in the management team and business environment, and also considering the fact that there was an aggressive competitive behavior which led to a reduced market share for Merchant Finance. Despite these hurdles, Merchant Finance recorded a Pre-tax Profit of \$7.171m for the year ended 30th June 2011. Whilst this was less than last year, it is still considered a respectable result in the current market conditions. The reduced performance was also attributed to high liquidity gap costs on surplus funds maintained by the company to maintain prudence and to comply with RBF requirements. Also a factor was a change in accounting policy to ensure income recognition was now in keeping with current practice and principles. A dividend of \$4.0m was declared, with \$2.4m partly-paid at the year end balance date. The total dividend for the previous year was \$4.3m.

Merchant Finance has also recognized that a performance culture is required for any successful business and this environment is being developed now and will be implemented in the coming year, this will also include succession planning as a risk mitigant. People are and will always be Merchant Finance's greatest asset, so the board and senior management is keen to optimize this philosophy with action to implement a structure that delivers negotiated Key Performance Indicators and Incentives that drive productivity. This will deliver improving profitability and scale with service and an improving value proposition to our customers.

Merchant Finance intends in the coming year to modernize its brand, increase its range of products and offerings in the Fiji market and to open a new branches.



01 ▾ Kabani Cokovata

**Merchant Finance & Investment Company Ltd**

Wase ni sea ena kabani ogo ka taukena na FHL: 80%

**E**a dua na yabaki veivakatovolei kina Merchant Finance na 2011, ena kena mai veiveisau na timi ni veiliutaki kei na draki ni bisinisi, ka malumu talega na gagadre ni kere dinau ka vakamalumutaka na volivolitaki. Dina ga ni tu na vaka tatao ogo, na Merchant Finance a rawata na tubu ni bera ni musuki na I vakacavacava e \$7.2 na milioni ena yabaki ka mai cava ena 30 Jiune 2011. Dina ga ni lailai sobu mai na kena ka e rawa ena yabaki sa oti, e nanumi ni rawaka vinaka ena loma ni drake ni bisinisi e sotava tiko. Na rawa ka ogo e vu talega mai na kena toso cake nai sau ni lavo maroroi ni kabani me vaka ni vakamuri tiko na larvatu ni Reserve Bank of Fiji (RBF). E dua talega na ka na kena veisautaki na larva ni kabani na kena dau ciqomi nai lavo ni veivoli ka vakamuraia nai tuvatuva kei na larva ena gauna ogo. Na tubu wasei kacivaki a rauta ni \$4.0 na milioni ka wasei kina vei ira nai taukei ni sea ni kabani e \$2.4 na milioni. Na tubu wasei ka kacivaki ena yabaki sa oti e \$4.3 na milioni.

Sa vakabauta talega na Merchant Finance ni na vinakati nai tovo ni veiqaravi matau ena kena cicivaki vinaka na bisinisi, ka sa tekivu tauyavu taki yani ena gauna ogo kei na kena vakarautaki na tamata me veisosomitaki ka sa gaunisala talega ni vakailailaitaki ni ririko. Sa I yau uasivi taudua ni Merchant Finance ko ira na nona tamata cakacaka. Sa nanuma na matabose kei ira na veiliutaki e dua nai tuvatuva ka na vakaqacacotaka na vakabauta ogo, ka na solia kina eso na ka ni veivakauqeti ka na tosoya cake na rawa ka ni kabani. Ka sa nanumi me na toso cake na tubu ni kabani ena toso cake ni veiqaravi kei na vinaka ni veivoli kei ira na dau volivoli.

**Merchant Finance recorded a Pre-tax Profit for the year ended 30th June 2011: \$7.171m**



**02** ↘ Subsidiary Company  
**RB Patel Group Ltd**  
 Fijian Holdings Shareholding: 50.75%

**R**BG operating profit after tax for the year ended 30 June 2011 was \$4.8 million compared to the profit for the previous year of \$5.0 million. Sales for the twelve months to 30 June 2011 were \$93.0 million compared to \$88 million last year. The company opened up The MarketPoint store in Rodwell Road, Suva in August last year and construction is underway on our Lami HarbourPoint Complex which is expected to be completed early next year.

Moving forward, despite competition RBG is expecting to maintain their market share. The company will also implement strategies to minimize the impact of Commerce Commission price determination and the higher cost of doing business.



**03** ↘ Subsidiary Company  
**Fiji Industries Ltd**  
 Fijian Holdings Shareholding: 50.10%

**F**iji Industries Limited FY11 total revenue dropped by 9.0% compared to FY10 as a direct consequence of export volumes decreasing by 22% for the year. However NPBT increased by 26% compared to FY10, due to cost control initiatives implemented. The positive result was achieved despite the subdued local building and construction industry, increasing competition in the export markets and a regulated price reduction for cement in the local market.

Moving forward, FIL continues to grow the market share of its main product, Pacific cement in the Pacific markets. The company is also looking at increased exports to minimize the impact of the flat local market.

E sa tu na vakanananu ni kabani ena yabaki mai oqo me vakatoroicake taki na kena I rogorogo, vakaraibalevu taki na nona volivolitaki ena noda makete ka vakatalega kina ena rai ni dola e dua na neitou tabana ena veivanua vovou.

**02** ↘ Kabani Cokovata

**RB Patel Groups Ltd**  
 Wase ni sea ena kabani qo ka taukena na FHL: 50.75%



**A**rawata na RBG na tubu ni musuki oti na i vakacavacava e \$4.8 na milion ni mai cava na yabaki ena 30 ni Jiune 2011 ka vakataravatani kei \$5.0 na milionini ka rawa ena yabaki sa oti. Na i lavo ni veivoli ka rawa ena loma ni 12 na vula e \$93.0 na milioni ni mai cava na yabaki ena 30 ni Jiune 2011 ni rai-ci vata kei na \$88.0 na milioni ka rawa ena yabaki sa oti. Na neitou sitoa na MarketPoint ka tiko ena Rodwell Road, Suva ka a dola ena Okosita ni yabaki sa oti sa vesuka rawa e dua nai wase ni makete ni veivoli ka sa rawaka vinaka tiko. Sa tekivu talega na tara vale ena neitou qele e Lami me na tiko kina na Harbour Point Complex ka wili e loma e dua na RB Supermarket ka nanumi me na vakacavari na tara vale ena tekivu ni yabaki mai qo.

Na timi mai na RB Patel eratou na soli sele tiko ena veiqaravi oqo ena kena sau vinaka ni yaya, vinaka ni yaya kei na vinaka ni vakarau ni veivoli. Na veika e saumi oqo e dau dredre na kena veisosomi taki mai, ena draki dredre ni bisinisi eda sotava tiko oqo, ka sa mai vakavuna na lutu sobu ni tubu e rawata na kabani. Kenai kuri oya na nona lewa na Commerce Commission nai sau ni yaya ka vakaleqa vakalevu na tubu e rawa ena yaya volitaki vakalevu.

Merchant Finance a rawata na tubu ni bera ni musuki na I vaka cavacava ena yabaki ka mai cava ena 30 Jiune 2011:  
**\$7.171m**



04 ▾ Subsidiary Company

**Basic Industries Ltd**  
Fijian Holdings Shareholdings: 51.10 %

**T**otal Revenue for BIL in FY11 was \$31.2 million, down 11.5% from \$35.3 million recorded in FY10. Total EBIT also dropped by 8.0% from \$3.46 million in FY10 to \$3.19 million in FY11. Annual Sales Revenue from our core products i.e. quarry aggregates, ready-mix concrete, concrete blocks and concrete pipes dropped 19.1%, from \$22.2 million in FY10 down to \$17.9 million in FY11. Continued strengthening of the NZ and Australian Dollar against the Fiji Dollar and increasing fuel prices resulted in continual rise in operating costs throughout the year.

Towards the end of FY11, the company secured a number of remotely located Government infrastructure projects in Fiji, such as the Buca Bay Road project. The company will also be involved in new projects both locally and overseas where it can fully utilize its surplus plant and resources. These new initiatives will be expected to deliver a growth of at least 20% in both Revenue and EBIT in the new financial year.



05 ▾ Subsidiary Company

**Fijian Property Trust Company Ltd**  
Fijian Holdings Shareholding: 100.00%

**F**PT recorded a Net Profit after tax of \$0.4m in FY11 which is 2.3% below FY10 results though FY11 revenue of \$2.4m was 5% above FY10 results. FPT owns Ratu Sukuna House, Vanua House located in Suva and added



03 ▾ Kabani Cokovata

**Fiji Industries Ltd**  
Wase ni sea ena kabani qo ka taukena na FHL: 50.10%

**N**i vakatauvatani kei na 2010, na lavo ni veivoli e rawa e lutu ena 9% ka vu mai na lutu sobu ena 22% na volivolitaki ki vanuatani ena loma ni yabaki. Dina ni tu na veidredre qori na tubu ni bera ni musu na i vakacacava ea toso cake ena 26%. E mai rawa na tubu vinaka oqo ena kena vakadavori e so nai tuvatuva matau ni vakayagataki i lavo ena loma ni yabaki vakailavo.

Ena sasaga ni toso ki liu, sa sagai tikoga me toso cake na kena kilai vakalevu nai voli ni kabani na Pacific Cement ena loma ni pasifika. O ira na tamata caka-caka ena Fiji Industries Limited era sa vakavinavinakataki ena nodra soli sele me rawati na rawaka vinaka oqo ena yabaki oqo dina ga ni sotavi tiko na dredre ena draki ni bisinisi kei na makete ni volitaki simeede.



04 ▾ Kabani Cokovata

**Basic Industries Ltd**  
Wase ni sea ena kabani qo ka taukena na FHL: 51.10%

**E**\$31.2 na milioni nai lavo ni veivoli a rawata na BIL ena yabaki vakailavo 2011, ka lutu sobu mai na 11.5% mai na \$35.3 na milioni ka a rawa mai na yabaki vakailavo 2010. Na tubu ni bera ni musu nai vakacacava kei nai sau ni dinau e lutu ena 8% mai na \$3.46 na milioni kina \$3.19 na milioni ena yabaki vakailavo 2011. Nai lavo ni veivoli e rawa mai ena



*the Blue Lagoon Cruises Marine Building in Lautoka to its portfolio. During the year, FPT continued to maintain the quality of its assets which saw the replacement of Ratu Sukuna House lifts at a total cost of \$0.3m and improvements of Vanua House arcade.*

Moving forward the company will grow from new property acquisitions and diversify its services to include project and real estate management. It will also continue to provide property management services to iTaukei Trust Fund owned properties.



**06** ↘ **Subsidiary Company**

**Fijian Holdings Trust Management Limited**  
Fijian Holding's Shareholding: 100%

**F**HTML profit before tax in FY11 increased by 37% compared to FY10. The significant increase was achieved due to a positive net sales and a steady decline in the redemption trend. In addition FHUT, one of the company managed funds, recorded its highest dividend return in terms of cents per unit and total amount since its inception.

The challenge moving forward is to maintain the level of performance and results achieved. The company will be working closely with other subsidiaries to ensure momentum is maintained.



**07** ↘ **Subsidiary Company**

**FHL Securities Limited**  
Fijian Holdings Shareholding: 100%

**F**HL Securities Limited recorded a positive result for the 2011 financial year as a result of the 500 trades it made during the year.

*i voli oya na vatu qaqi, simede uliote, buloko, paipo simede e lutu ena 19.1% mai na \$22.2 na milioni ena yabaki vakailavo 2010 kina \$17.9 na milioni ena yabaki vakailavo 2011. Na kena toso cake tiko na kaukauwa ni lavo ni Ositerilia kei na i lavo ni Niusiladi me vakatautaurvata taki kei na kaukauwa ni lavo e Viti, kei na toso cake tikoga ni sau wairwai sa vakavuna me toso cake tiko nai sau ni cicivaki ni bisinisi ena loma ni yabaki.*

Ni mai vakarau cava na yabaki vakailavo 2011, a mai rawata na kabani e vica na cakacaka ni veivakatorocake taki ni matanitu e Viti ena taudaku ni veitaoni lelevu me vaka taka na vakavinakataki na gaunisala e Buca Bay. E vakaitavi talega na kabani ena vei tuvatuva e so e Viti kei na veivanua tani me rawa ni vakayagataki kina nai yau kei na yaya ni kabani. Na veitukutuku oqo sa namaki me na tosoya cake nai lavo ni veivoli e rawa, kei na tubu ni sebera ni musu nai vakacavacava kei nai sau ni dinau e na yabaki vakailavo vou.

**05** ↘ **Kabani Cokovata**

**Fijian Property Trust Company Limited**  
Wase ni sea ena kabani qo ka taukena na FHL: 100.00%

**N**a FPT a rawata na tubu ni musuki oti na i vakacavacava e \$0.4 milioni ena 2011 ka lutu sobu ena 2.3% mai na ka a rawa ena 2010 dina ga nai lavo ni veivoli e rawata ena 2011 e \$2.4 milioni ka toso cake ena 5% mai na veika a rawa ena 2010. Na FPT e taukena na Ratu Sukuna House, Vanua House ka tiko e Suva, ka se qai volia vou talega na Blue Lagoon Cruises Marine Building mai Lautoka. loma ni yabaki, na FPT e tosoya tikoga na kena vakavinakataki na nona vale ka me ra vakalomavinakataki tiko kina ko ira era tarwana tiko, ka mai qaravi kina ena loma ni yabaki oqo, na veisau ni liva ena Ratu Sukuna House ka



HUMAN CAPITAL REMAINS OUR GREATEST ASSET, AND IT IS THE DEDICATED EFFORTS OF OUR MANAGEMENT AND STAFF THAT CULTIVATE OUR GROWING SUCCESS. MOVING FORWARD, WE WILL SEEK TO NURTURE NEW TALENT AND GUIDE THEM TOWARDS REALISING THEIR POTENTIAL, WHICH WILL IN TURN PROPEL US TO GREATER HEIGHTS.





*The most active stock traded by FHLS, included ATH, RBG and FHL. Moving forward, the company expects static stock market activity and most of the company share prices to fall.*

The company will be coordinating its resources with FHTML to ensure that the positive results are maintained in the new financial year.



08 Subsidiary Company

**Pasifika Holdings Limited**  
Fijian Holdings' Shareholding: 100%

**P**asifika Holdings Limited recorded a loss of \$1.5m in its first year of operation. PHL is based in Papua New Guinea and is Fijian Holdings Limited's first overseas based subsidiary. Despite being new to the PNG market the company has been able to make its presence felt and is building up steadily its customer base.

PHL sells concrete products, ready mix products, blocks and aggregates. It sources its cement and concrete products from FHL subsidiary companies in Fiji.



09 Subsidiary Company

**Fijian Holdings Logistics Limited**  
Fijian Holdings Shareholding: 100%

**F**HL Logistics recorded a loss of \$2.9m, due to its set up and operational costs, and write down of its assets in its first year of opera-

*tiko na kena i sau e \$0.3milioni kei na vakavina-kataki na vanua ni volivolitaki e Vanua House.*

Ena dela ni rawaka vinaka ena 2011 sa vakanuinui na oira na dau veiqaravi ena FPT na tubu ni kabani ena rawa mai ena kena voli tale eso na vale, na kena vakarabailevutaki ni veiqaravi me wili kina na wili kina na cicivaki ni veivakatoroicaketaki lelevu eso kei na kena vakaitavi ena veivoli ni vale. E nona i tavi talega me qarava ka cicivaka na vale ka taukena na Fijian Trust Fund me vaka na Great Council of Chiefs Complex kei na Union Plaza ena ruku ni dua na veidinadinati.

06 Kabani Cokovata

**Fijian Holdings Trust Management Limited**

Wase ni sea ena kabani qo ka taukena na FHL: 100.00%



**N**a tubu ni FHTML ni se bera ni musuki na i vakaicavacava e toso cake ena 37% me vaka taurvatani kei na veika e rarua ena yabaki sa oti, ka vu mai na kena toso vinaka na volitaki uniti. Na toso vinaka ni volivolitaki ka vukea na i lavo ni veivoli ka rawata na kabani kei na kena lutu sobu tikoga na dau vakatubui lavo ka ra volitaka lesu na nodra uniti, e vukea sara vakalevu na rawaka ogo.

E sa tu na vakanuinui ni na tomana tikoga na kabani na nona rawa ka vinaka. E sa sema dei tu ena kena sagai me vinaka cake tiko nai sausau ni kabani ka oka kina o ira na veikabani eso ka taukena na FHL



tion. However, the company has successfully established its presence in the Fiji market and is steadily building up its market share.

FHL Logistics Limited is based in Vatuwaqa, and has three other branches, in Nadi Airport, Lautoka and Labasa. FHL Logistic services includes international freight forwarding, dealing in ocean, air freight, heavy haulage operations, mobile equipment hire, international/local household and office removal, customs house agents and bonded warehouse facilities.

FHL Logistics will work towards achieving its maiden profitable result in the coming financial year (its second year of operation). It aims to do this by achieving sustainable market share and delivering world standards of customer services.



10 Subsidiary Company

**Blue Lagoon Cruises Ltd**  
Fijian Holdings Shareholding: 70.00%

**B**LC suffered a continuing loss of \$4.8m for FY11 compared to the previous year's loss of \$3.8m. This was due to inventory loss, deferred tax asset write back and cancellation of sales campaign due to an anticipated sale. The revenue levels declined as cruise passenger levels reduced. BLC also faced continued competition from other South Pacific tourism destinations and other local tourism products. The company's weak cash position also impacted on the company's sales and marketing activities and also delayed the planned refurbishment of its vessels.

07 Kabani Cokovata

**FHL Securities Limited**  
Wase ni sea ena kabani qo ka taukena na FHL: 100.00%



**E**na lomani ni yabaki, a qarava na FHLS e 500 na veivoli ni sea ka tiko na kena i sau ena \$2.3 na milioni, ka sea volitaki levu duadua na sea ni kabani na ATH, RBG kei na FHL. sa nanamaki tiko na kabani ni na malumalumu na veivoli ena makete, ka nanumi talega ni na lutu sobu tiko nai sau ni sea ni levu na kabani ka ra volitaka tiko na nodra sea.

Na FHLS e namaka tiko ni dua na yabaki dredre na yabaki vakailavo 2012 ia sa na saga tikoga me rawa ka vakavinaka enai tuvatuva vakamatau ni veiqaravi.

08 Kabani Cokovata

**Pasifika Holdings Limited**  
Wase ni sea ena kabani qo ka taukena na FHL: 100.00%



**N**a PHL a mai rawata na lusi levu e \$1.5 na milioni ena matai ni yabaki ni nona veiqaravi. Na PHL e tiko mai Papua new guinea, ka sa i sevu talega ni kabani ni FHL e tiko mai vanua tani.

Dina ga ni kabani vou ena makete e PNG, sa tekivu vakilai na nona veiqaravi ka sa tekivu me tosoi cake talega na levu ni dau veivoli e qarava. Na PHL e volitaka na simede uli rawa, yaya buli main a simede, buloko kei na vatu qaqi. E dau volia na nonai voli ni simede kei nai yaya ni simede mai vei ira na kabani eso ni FHL ka tiko e Viti.



The Board is currently undertaking a review of the whole operation of the company and in the next few months will implement a major restructure of its

operation based on this review. BLC has retired and put up for sale the two ships; Nanuya Princess and the Fiji Princess to reduce debt and operating cost.



09  Kabani Cokovata

### Fijian Holdings Logistics Limited

Wase ni sea ena kabani qo ka taukena na FHL: 100.00%

**E**na I matai ni yabaki ni nona veiqaravi na FHL Logistics a mai rawata e dua na lusi levu e \$2.9% na milioni, ka vu mai na I sau ni cicivaki bisinisi ka na kena musuki sobu vakai vola nai sau ni nonai yau. Na rawaka ogo ena sega ni vakaleqa na vakanananu ni kabani ena kena rawai na wasewase ni makete ni vanua e volivolitaki kina na kabani e Viti, dina ga ni sotavi tu na malumalumu ni veivoli e Viti, ka sai revurevu ni malumalumu ni bula vakailavo e vuravura. usa I yaya e waqa kei na kena vakau I Vanua Levu.

E vakaitikotiko na FHL Logistics Limited e Vatuwaqa; ka tiko e rua na tabana mai Nadi Airport kei Lautoka. Na FHL Logistics e veiqaravi ena tabana ni vakau I yaya ki valagi, vakau yaya ena waqa kei na waqavuka, usa yaya bibi, tokitaki ni yaya e Viti kei vuravura, veiqaravi va kasitaba kei na kena volitaki na vale ni maroro yaya.

Na rai ni kabani na kena sotavi vinaka na gagadre ni dau veivoli ka sa usutu ni kena vunautaki tiko na kabani vei ira na dau veivoli. Na kabani esa tauyavutaka e dua na tabana me qaravi ira vakatabaki dua na dau veivoli me sotava na nodra taro kei na kerekere. Sa namaki tiko na FHL Logistics me rawa na tubu vinaka enai karua ni nona yabaki ni veiqaravi.

Daireketa- Logistics: Carl Ngamoki Cameron (Chairman), Ilimotama Cawi kei Nouzab Fareed.

10  Kabani Cokovata

### Blue Lagoon Cruises Ltd

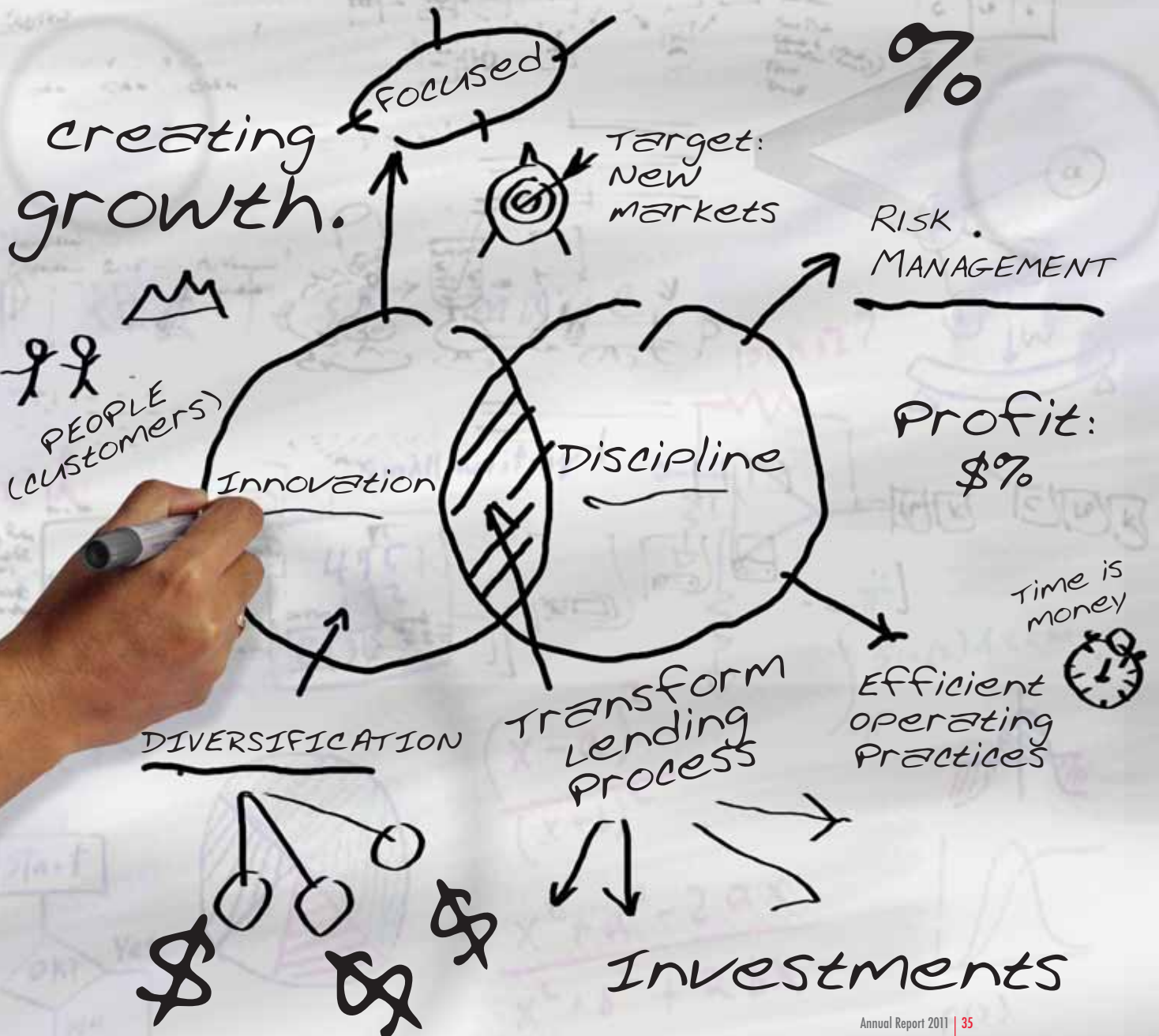
Wase ni sea ena kabani qo ka taukena na FHL: 70.00%

**E**sotava na BLC na lusi e \$4.8 na milioni ena cicivaki ni bisinisi me vakatauvatani ena \$3.8 na milioni na lusi ena yabaki sa oti. Na lavo ni veivoli a rawata na kabani e lutu sobu sara vakalevu ena kena sagai me sau vinaka tikoga nai voli ni kabani ka me rawa ni levu kina na saravanua ena waqa. Sa manini taki sara na kena vakayagataki nai lavo ni kabani ka sega ni dua nai yau levu e voli ka sa vakayagataki ga nai lavo ena kena sagai me cici tikoga na waqa.

Sa vakanuinui tu na kabani ni na rawata na tubu levu ena kena mai tavori e dua nai tuvatuva ni veisau levu ni cicivaki ni kabani. Na kena sa mai vakacegui na veiqaravi ni waqa na Nanuya Princess kei na Fiji Princess ena vukea sara vakalevu na kena vakalailaitaki sobu na vakayagataki i lavo ni kabani ena yabaki vou vakailavo. Na waqa ruarua ogo esa biu me na volitaki, ka sa na vakavinakataka nai tutu ni lavo qaqa ni kabani ena gauna e sa volitaki kina.



FHL WAS FOUNDED ON THE PRINCIPLES OF QUALITY AND EXCELLENCE, KEY VALUES THAT WE SEEK TO UPHOLD ACROSS OUR BUSINESS OPERATIONS EACH DAY. EVEN AS WE ADAPT TO CHANGING MARKET DEVELOPMENTS AND BURGEONING TRENDS, WE REMAIN GROUNDED ON THESE CORE VALUES THAT WILL SURELY INSPIRE AND SHAPE OUR FUTURE.





01 Associate Company

**APCO Coatings (South Pacific) Ltd**  
Fijian Holdings' Shareholding : 8.90%

**T**he last year was a fairly quiet year for the construction segment. Retail growth was observed in spurts during the year. APCO recorded growth of 6% in its consolidated revenue for the year ended 31st March 2011. Over the last 2 years, the company is moving in the direction of empowering the customer to make choices with respect to color selections which until now is supposed to be the domain of selected few.

The improved statistics for tourist arrivals last year will boost the building sector in the economy and we can expect the hotel segment to vigorously engage into the maintenance phase over the next 12 months. The company is confident that this will help in maintaining the upward direction in its consolidated revenues.



02 Associate Company

**Fiji Television Ltd**  
Fijian Holdings' Share holding : 5.30%

**T**he current year has been challenging for Fiji TV. Our ratings continue to show that we remain Fiji's preferred and leading television service provider. Our Sky Pacific services continue to grow in the Pacific region with particular interest in the major event of the year, "Rugby World Cup" that will be held in our time zone and in our region in September 2011.

Other sporting events broadcast rights that we have also secured are the Cricket Ashes, Tennis, and Rugby League. Our Social Responsibility with our community is important to us. We work in partnership with Crime Stoppers, Save the Children Fund, Hibiscus



01 Kabani Veiwekani

**APCO Coatings (South Pacific) Limited**  
Wase ni sea ena kabani qo ka taukena na FHL: 8.90%

**N**a yabaki sa oti e dua na yabaki mahumahu-mu ni tabana ni tara vale. Na tubu ni veivoli e laurai vakatikina ga ena loma ni yabaki. E tubu ena 6% nai lavo taucoko ni veivoli ni kabani ni cava na yabaki ena 31 Maji, 2011. Ena loma ni 2 na yabaki sa oti, sa tekivu muria yani na kabani na gaunisaula me ra vaka-ukawataki na digidigi nodra na dauvolivoli ena digitaki ni veikala ni boro eso ka dau nanumi tu me dau nodra i yalava ga eso na kena dau.

Na kena sa laurai tikoga ni toso cake tiko na saravanua ena yabaki sa oti, ka na vakavuna me na toso cake na tabana ni tara vale e Viti vabibi ena vei otela eso ena nodra vakavinakataka tiko na nodra vei otela ena loma ni 12 na vula mai oqo. Sa vakanuinui na kabani ni na ka oqo ena vukea na kena toso cake tiko na nona lava ni veivoli.



02 Kabani Veiwekani

**Fiji Television Ltd**  
Wase ni sea ena kabani qo ka taukena na FHL: 5.30%

**N**a yabaki sa bau dua na yabaki dredre ki vua na Fiji TV. Na i tukutuku mai vei ira na dau sara ratio yaloyalo e vakaraitaka ni keitou naba dua tu ga ena tabana ni sara ratio yaloyalo e Viti. Na neitou tabana na Fiji One e tomana tikoga na nona veiqaravi ena siteseini sega ni saumi. Na neitou tabana ena sky pacific e toso cake tiko ga ena nona veiqaravi ena Pasifika ka ra sa vakanamata na dau sarasara ena qito levu ni valataki ni bilo ni rakavi e vura-vura (Rugby World Cup), ka na qaravi tiko ena gauna veidonui kei viti ena noda yasa ni vuvuvura



Committee, The Kidney Foundation and many other nongovernmental organizations to bring their community message to your homes.



**03** Associate Company

**Golden Manufacturing Ltd**  
Fijian Holdings' Share holding : 30.00%

**G**olden Manufacturing continues to maintain its position as market leader in corrugated packaging in the South Pacific and have also made significant investments in equipments and new factory buildings during the year. Their position remains strong due to continued emphasis being placed on internal and external customer relations, backed by excellent products, sales in all areas of the market, especially exports have shown positive improvements.

Golden is on track to achieve their projected forecasts for the new financial year.



**04** Associate Company

**Goodman Fielder Fiji Ltd**  
Fijian Holdings' Share holding :  
10% Ordinary, 50% Preference

**G**oodman Fielder (Fiji) Limited sells well known consumer food brand names in Fiji and other Pacific Islands. Sales for the year were slightly stronger than the previous year; there was increased demand for chicken as a result of rising lamb prices. There is continued strong competition in ice cream, snacks and food-line categories. The company continues to focus on production efficiencies by regularly upgrading and maintaining existing assets.

While economic conditions remain tight, and commodity prices are variable, there will remain a strong focus on reducing cost within the business.

*ena Sepiteba 2011. Keitou sa mai rarvata talega na veivakadonui me keitou kaburaka na veigito eso me vaka na valataki vanua ena qito Kirikiti (ashes), na qito na tenisi, kei na rakavi saumi (Rugby league).*

Na neitou vakaitavi me baleta na bula raraba ni lewe-nivanua sa ka bibi sara vei keitou. Keitou dau cakaca-kava vata vakalevu kei na tabana ni ovisa na "Crime Stoppers", na soqosoqo ni taqomaki ni gone "Save the Children's Fund", komiti ni Adi Senitoa, soqosoqo ni vakavinakataka ni yate vuso "Kidney Foundation", kei na levu na tale na soqosoqo ka tiko ena taudaku ni matanitu me dau kaburaki yani na nodrai tukutuku ena vale yadudua era vakayagataka tiko na neitou veiqaravi.

**03** Kabani Veiwekani

**Golden Manufacturing Limited**  
Wase ni sea ena kabani qo ka taukena na FHL: 30.00%



**N**a Golden Manufacturing e tara dei tiko-ga na nona liutaka tiko na makete ni kateni buli ena Pasifika ka sa volia talega eso na misini vou kei na nona vale ni buli yaya ena loma ni yabaki. Na nona i tutu ni veiliutaki oqo e vua mai ena kena vakabibitaki tiko na nona veiqaravi vei ira na dau veivoli ka kenai kuri ni bulia tiko nai yaya vinaka kei na soli sele ena veiqaravi e sivia na veika era namaka na dau veivoli ka sa vakatautauvatataka ki nai vakatagede-gede ni veiqaravi e Vuravura.

Ena kena sa laurai ni sa via vinaka tiko mai na i tuvaki ni bula vakailavo e viti kei vuravura, na veivoli ena veimakete kece vabibi ena volivolitaki e vanua tani sa tekivu me vakaraitaka na rawa ka vinaka. Na kabani na Golden e sa nanamaki tiko ni na rawata na ka a lavaki taumada ena yabaki vakailavo vou.



Food safety, quality and OHS standards continue to be a consistent focus for the business, with an increased drive for operational efficiencies and manufacturing best practice.



**05** Associate Company

**Marsh Ltd**  
Fijian Holdings' Share holding : 25%

**T**he company was still able to generate revenue growth in the current year despite the soft insurance and increase completion. Marsh market share was approximately 65% based on the Reserve Bank of Fiji Insurance Report. Marsh, apart from structuring and placing insurance programs, also provides risk management advice to many of its clients. Control of expenses and maintaining its client base was the focus during the year.

Moving forward Marsh will continue to invest in its people to ensure that the company maintains its position as the leading risk consulting and insurance broking firm in Fiji.



**06** Associate Company

**Newworld Limited**  
Fijian Holdings' Share holding : 15.00%

**D**uring the last 12 months, Newworld consolidated its business presence and achieved the targeted turnover with a moderate growth in net earnings. Performance to date in the current year indicates the company's ability to stand up to the challenges due to changes in the business environment. In the wake of global

**04** Kabani Veiwekani



**Goodman Fielder (Fiji) Limited**  
Wase ni sea ena kabani qo ka taukena na Fijian Holdings:  
10% kei na 50 % sea digitaki.

**N**a Goodman Fielder (Fiji) Ltd e volitaka na veimataqali kakana kilai levu vei ira na dau volivoli e Viti kei na Pasifika. Na veivoli ena loma ni yabaki e toso cake mai vakailailai mai na yabaki sa oti, keitou a raica na kena toso cake vakalevu na kena vinakati na toa, ka vu mai ena kena toso cake sara vaka levu na i sau ni lewe ni sipi. E levu tu na veiqati kaukauwa ena tabana ni volitaki Ice Cream, kakana ena pakete lalai, kei na veimataqali kakana tale eso. Na kabani sa tekivu raica tale tikoga na kena vakavinakataki na buli yaya ena kena vaka-vinakataki ka dikevi vakawasoma na kena misini. Nai sau ni yaya e vuravura toso cake sara vakatotolo ena loma ni yabaki dina ga ni dredre tiko na drake ni bula vakailavo ka veiveisau tiko nai sau ni yaya, sa na vakanamata tiko ga na kabani ena kena raica me lutu sobu na vakayagataki i lavo ena loma ni bisinisi.

Na kena maroroi vinaka, kei na kena vakavinakataki nai tuvaki ni kakana ka bulia na kabani, kei na kena vakamuri na lawa ni vanua ni cakacaka (OHS) sa usutu ni veiqaravi ni kabani, ka qai kenai kuri na kena tomani tikoga na vakavinakataki ni cicivaki ni bisinisi ka salavata kei na kena vakamuri vakavinaka na tuvatuva ni buli yaya vinaka.



*economic meltdown, rise in costs, and the stiff competition locally, the Company considers the results achieved to be satisfactory.*

During the year, the company added a super specialty store called "Newworld Super" at Votualevu, Nadi, to service guests vacationing in Fiji and Expat customers residing in Fiji. The Company also opened a supermarket at Nina Street, to make its presence stronger in the hub of retail trade at Suva.



**07** Associate Company

**Fijian Holdings Unit Trust**  
Fijian Holdings' Share holding : 13.30%

**I**n its tenth year of operation, FHUT has proudly continued positive growth with a total return of 7.78% for the financial year ending 30 June 2011. FHUT recorded a dividend return of 7.51% and capital growth return of 0.27%. Despite a weak capital growth return compared to 4.83% the previous year, FHUT has distributed its highest ever dividend payout for a financial year since its inception at 5.17 cents per unit with a total payout of over \$2.50 million.

FHUT funds under management as at 30 June 2011 was \$33.92 million, a 10% increase from 2010. The growth in the portfolio value has been attributed to the positive net unit sales. The positive results indicate the consistent performance of the Fund despite the challenging market conditions during the year. The total number of unit holders now stands at 3901, an increase of 6.23% from the previous year.

The Fund manager FHTML continues to look for opportunities to utilize its growing portfolio to venture into the region in line with the FHL Group's initiative to move to the Pacific. Moving forward, FHTML will focus on developing innovative strategies for FHUT to maintain long term portfolio growth

**05** Kabani Veiwekani

**Marsh Limited**  
Wase ni sea ena kabana qo e taukena na FHL: 25.00%



**N**a rawata o Marsh Fiji me vakavurea eso na tubu vakailavo lalai, dina ga ni levu na dredre ea sotava ena yabaki eda donua tiko. E rawa tikoga vei Marsh me taura tiko na sea levu ni makete rauta e 65% me vaka e vakaraitaki ena Reserve Bank of Fiji Insurance Report. E sega ni qarava taudua o Marsh Fiji na volitaki inisua me vuqa tale na ka e qarava. Me i kuri ni kena tuvai kei na navuci ni tuvatuva ni inisua, e solia talega o Marsh nai vakasala ena qaravi vakamatau ni ririko vei ira ena inisua

Dina ni kaukauwa tiko nona sea ena makete, tuvatuva baleta na tubu e vakadeitaka ni bula tiko na yavu ni makete nei Marsh ena nona dikeva tiko na vakayagataki lavo - oya na vanua e vakanamata kina na rai ni veiliutaki. Na uasivi ni tamata kei na nodra veivakabauti sa vatu dei ni tubu ni Marsh e Viti. Na vinaka ni vakatubui lavo kei na nona dau laki cakacaka eso ki vanua tani, sa tomana tiko o Marsh na nonai tutu cecere ni taba ni inisua e Viti.

**06** Kabani Veiwekani

**Newworld Limited**  
Wase ni sea ena kabana qo e taukena na FHL: 15%



**E**na loma ni 12 na vula sa oti a vakadeitaka o Newworld nai tuvaki ni nona bisinisi kei na nona rawata e dua na tubu mai na i lavo ni nona volivolitaki. Na veivoli me yacova mai na gauna qo e vakaraitaka na sasaga ni kabani me tucake me vorata na bolebole ka sotava tiko na veisau ni dau bisinisi. Ena gauna e lutu kina na bula vakailavo, tubu na i sau ni yaya kei na kaukauwa ni veiqati vaka-



and continue to provide unit holders with a competitive return.



**08** Associate Company

**Fijian Holdings Property Trust Fund**  
Fijian Holdings' Share holding : 79.72%

**F**ijian Holdings Property Trust Fund in its fifth year of operation recorded a total return of 0.67% with a dividend return of 2.92% and a negative growth return of 2.25%. The Fund paid a total of 2.95 cents per unit totaling \$330,137 for the financial year. The total number of active unit holders is 77 compared to 81 for the previous year.

During the financial year the Fund was faced with some key challenges with the continued over supply of vacant office spaces in the market which has led to the downward pressure on rental rates and increased cost of maintenance of the Ra Marama House with electricity being the highest.

Ra Marama has achieved 94% tenancy to date which is an improvement from the previous year and has successfully secured lease agreements for a further 3 years for the current tenants. The Fund manager is continuously exploring options to draw potential tenants to fill the vacancy in order to fulfill its objective of 100% tenancy in the new financial year while maintaining the portfolio value and providing competitive returns to unit holders.

*bisinisi eke, e raica na kabani ni vinaka tu na veika e rawa tiko.*

A tara na kabani e dua tale na sitoa ena loma ni yabaki ka tiko mai Votualevu, Nadi ena yaca "Newworld Super" me qaravi ira na vulagi era gade mai Viti kei ira mai vavalagi era sa cakacaka ka vakaitikotiko e Viti. Sa dolava tale ga na kabani e dua na sitoa levu ena Nina Street me vakaraitaki koya vakavinaka ena vanua levu ni volivolitaki e Suva.

**07** Kabani Veiwekani

**Fijian Holdings Unit Trust**  
Wase ni sea ena kabana qo e taukena na FHL: 13.30%



**E**na i ka tini ni yabaki ni nona veiqaravi sa tomata tiko na FHUT na nona rawa tubu ka rawata kina e 7.78% me baleta na yabaki mai cava ena 30 ni Jiune 2011. A rawata na FHUT na tubu me wasei e 7.51% kei na tubu taucoko a rawa e 0.27%. Dina ni malumalumu na tubu ni lavo taucoko e rawaka e rawa mai ni raici vata kei 4.83% ena yabaki yani e liu, a sa veisoliyaki oti na FHUT na tubu levu me wasei baleta na yabaki vakailavo me tekivu mai na kena i tekivu e 5.17% sede dua na unit ka saumi oti kina e sivia e \$2.50 milioni.

Na levu ni lavo e tiko na FHUT ena i ka 30 ni Jiune 2011 e \$33.90 milione e levu ena 10% main a 2010. Na levu ni tubu ni kabani e vakau mai na uasivi ni volitaki uniti. Na uasivi ni ka e rawa e kunei ena cici vinaka tiko na i lavo dina ni veibalei tiko na makete ena loma ni yabaki. Na levu taucoko ni tamata era taukeni uniti e 390, e tubu cake ena 6.23% main a yabaki e liu.

Na manidia ni lavo, FHTML e tomata tiko me cakacaka taka na kena sa tubu tiko na tabana qo me curu yani kina na Pasifika me salavata kei na sasaga ni kaba-



na cokovata ni FHTML na kena vakadavori nai tuvatuva kina FHUT me tomana na nona tubu vakailavo me rawa ni ra taura na i taukei ni uniti e dua na tubu vinaka.

08

Kabani Veiwekani



**Fijian Holdings Property Trust Fund**  
Wase ni sea ena kabana qo e taukena na FHL: 79.72%

**E** na loma ni yabaki lima ni nona cici tiko a rawata kina na *Fijian Holding Property Trust Fund* e dua na tubu taucoko oya e 67% kei na dua na tubu me wasei e 2.92% kei na sega na tubu e 2.25%. A sauma na kabani na i lavo e 2.95 na sede e na dua na uniti ka kena levu e \$330,137 me baleta na yabaki vakailavo.

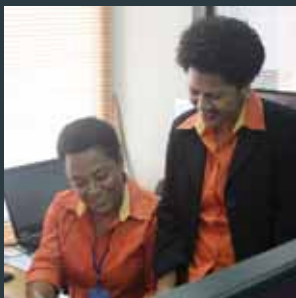
*Na levu taucoko ni tamata e ra taukei ni uniti e 77 ni raici vata kei na 81 ena yabaki e liu.*

Ena loma ni yabaki vakailavo a sotava na kabana e so na bolebole ena vuku ni sivia na vale ni volavola era lala tu ena makete ka vakavuna na lutu ni sau ni sede ka levu na i sau ni vakavinakataki ni Ra Marama ka levu taudua kina na i sau ni livaliva.

Sa rauta e 94% na tawani ni vale ni volavola e uasivi mai na yabaki yani e liu ka sa vakadeitaka na lisi me tolu tale na yabaki vei ira era sede taki ni kua. Sa tomana tikoga na manidia ni kabani me vaqara eso na i faiwa me dreti ira mai eso me ra mai tawana me yacova kina na 100% na kena tawani ena yabaki vou me rawa ni vinaka kina na i lavo ena taura na i taukei ni uniti.

**DEVELOPING STRATEGIES SEIZING OPPORTUNITIES**

WE WORK TOWARDS FULFILLING OUR MISSION TO BE THE FIRST AND PREFERRED PARTNER ACROSS VARIOUS INDUSTRIES. IN DOING SO, WE WILL CONTINUE TO BUILD UPON OUR STRENGTHS AND CAPITALISE ON LEVERAGING GROWTH OPPORTUNITIES BOTH LOCAL AND ABROAD, TO CREATE GREATER VALUE FOR OUR CUSTOMERS AND DELIVER HIGHER RETURNS TO OUR SHAREHOLDERS.



*Accelerating success,  
results resilience  
growth.*

## Audited Financial Reports

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## Directors' Report

Fijian Holdings Limited and Subsidiary Companies | Financial Statements 30 June 2011

In accordance with a resolution of the Board of Directors, the directors herewith submit the balance sheets of the group and of the company as at 30 June 2011, and the related statements of comprehensive income, changes in equity and cash flows for the year ended on that date and report as follows:

### 1. DIRECTORS

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

C Cameron	Chairman from 14 July 2011
I Naiveli	(acting Chairman from 1 February to 14 July 2011)
I Cawi	from 14 July 2011
P Lala	
U Baya	
S Lutu	
I Kaloumaira	Chairman up to 1 February 2011
A Mohammed	up to 1 February 2011
S Qoro	up to 1 February 2011
M Makasiale	up to 14 July 2011

### 2. PRINCIPAL ACTIVITIES

The principal activity of the company is investment. The principal activities of the subsidiary companies are the production and sale of cement, concrete and concrete products, investment and rental of property, fund management, stock brokering, assets and loan financing and acceptance of term deposits, cruise ship operations and retailing and wholesaling of general merchandise, owners and administrators of properties, equity instruments and provision of shipping, customs, transportation and commercial waste disposal services.

Two new subsidiaries commenced trading in this financial year. Pasifika Holdings Limited which is based in Papua New Guinea (PNG) is involved in the production and sale of ready-mix concrete, concrete blocks, cement and concrete products. FHL Logistics Limited is involved in providing shipping, customs, transportation and commercial waste disposal services.

### 3. TRADING RESULTS

The profit after income tax of the group attributable to the members of the holding company for the year ended 30 June 2011 was \$2.225 million (2010: \$8.426 million) and for the holding company was \$7.560 million (2010: \$8.574 million).

### 4. RESERVES

The directors recommend that no amounts be transferred to reserves.

### 5. DIVIDENDS

The company paid an interim dividend of \$1.047 million (2010: \$1.047 million) for "A" class shareholders and \$1.500 million (2010: \$1.250 million) for "B" class shareholders during the year. The directors recommended the payment of a final dividend of \$1.046 million (2010: \$1.046 million) for "A" class shareholders and \$1.500 million (2010: \$1.250 million) for "B" class shareholders from the profits for the year ended 30 June 2011.

Total dividends paid and proposed for the year ended 30 June 2011 amounted to \$5.093 million (2010: \$4.593 million).

## 6. BAD AND DOUBTFUL DEBTS

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

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

## 7. CURRENT ASSETS

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

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

## 8. SIGNIFICANT EVENTS

- a) On 1 May 2010, the holding company entered into an agreement with Fiji Pine Ltd to provide management services. The company received management fees to conduct, direct and have full control of all affairs pertaining to the management of Tropik Woods Industries Ltd, a subsidiary of Fiji Pine Ltd.

The above agreement was terminated in February 2011.

- b) On 2 July 2010, the board announced that a \$20 million loan will be provided to the i Taukei Affairs Board (formerly known as Fijian Affairs Board) on commercial terms to repay the \$20 million loan from Government that was invested by the i Taukei Affairs Board in the company in 1991. The loan agreement was finalised on 16 August 2010.

Included in the loans and advances above is the loan outstanding from i Taukei Affairs Board. This loan will be repaid through dividend payment from the company to i Taukei Affairs Board and i Taukei Trust Fund; who have assigned its dividend to i Taukei Affairs Board. During the year, this loan and its interest have been partially paid and its balance as at 30 June 2011 was \$18.509 million.

This loan attracts fixed interest rate of 8% per annum for the first year and thereafter the interest will be at variable rates pegged to 3% per annum above the prevailing interest rates offered by the banks in Fiji to the company.

## 9. BASIS OF ACCOUNTING

The Directors believe that the basis of preparation of accounts is appropriate and the company and the group will be able to continue in operation for at least 12 months from the date of this statement. Accordingly, the directors believe that the classification and carrying amounts of the assets and liabilities as stated in the accounts to be appropriate.

## 10. RELATED PARTIES TRANSACTIONS

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

## 11. 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.

**12. UNUSUAL TRANSACTIONS**

The results of the company and its subsidiaries 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.

**13. EVENTS SUBSEQUENT TO BALANCE DATE**

No charge on the assets of the company and its subsidiaries have arisen since the end of the financial year to the date of this report to secure the liabilities of any other person. No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent liability or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the liability of the company and its subsidiaries to meet their obligation when they fall due.

**14. DIRECTORS' INTERESTS**

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 company financial statements) by reason of contract made by the company or related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

For and on behalf of the Board of Directors

Dated this 30th day of August 2011.

  
.....  
Chairperson

## Statement by Directors

Fijian Holdings Limited and Subsidiary Companies | Financial Statements 30 June 2011

In the opinion of the directors:

- (a) the accompanying statements of comprehensive income of the company and of the group are drawn up so as to give a true and fair view of the results of the company and of the group for the year ended 30 June 2011,
- (b) the accompanying balance sheets of the company and of the group are drawn up so as to give a true and fair view of the state of the affairs of the company and of the group at 30 June 2011,
- (c) the accompanying statements of changes in equity of the company and of the group are drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2011,
- (d) the accompanying cash flow statements of the company and of the group are drawn up so as to give a true and fair view of the cash flows of the company and of the group for the year ended 30 June 2011,
- (e) at the date of this statement, there are reasonable grounds to believe that the company and the subsidiaries will be able to pay their debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the company and the group and reflected in the attached financial statements.

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

Dated this 30th day of August 2011.

  
.....  
Director

  
.....  
Director



## Independent Auditor's Report

To the Shareholders of Fijian Holdings Limited

We have audited the accompanying financial statements of Fijian Holdings Limited (the 'Company') and the consolidated financial statements of the Company and its subsidiaries (together the 'Group'). The financial statements comprise the balance sheets of the Company and the Group as at 30 June 2011 and the statements comprehensive income, changes in equity and cash flows for the year then ended a summary of significant accounting policies and other explanatory notes as set out on pages 53 to 86.

### *Directors' and Management's Responsibility for the Financial Statements*

Directors and Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

This report is made solely to the Company's shareholders, as a body, in accordance with Section 165(1) of the Fiji Companies Act 1983. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entities' preparation and fair presentation of the financial statements 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 entities' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors and management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion

- (a) proper books of account have been kept by the Company, so far as it appears from our examination of those books, and
- (b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
  - (i) are in agreement with the books of account;
  - (ii) to the best of our information and according to the explanations given to us:
    - a) give a true and fair view of the state of affairs of the Company and Group as at 30 June 2011 and of their financial performance, changes in equity, and their cash flows for the year ended on that date;
    - b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

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.

31<sup>st</sup> August 2011  
Suva, Fiji

*PricewaterhouseCoopers*  
PricewaterhouseCoopers  
Chartered Accountants

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

## Statements of Comprehensive Income

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

	Notes	Group		Holding Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Income</b>					
Operating	31	176,917	175,338	11,751	12,359
Other		7,212	6,737	11	46
		<u>184,129</u>	<u>182,075</u>	<u>11,762</u>	<u>12,405</u>
<b>Expenses</b>					
Changes in inventories of finished goods and work in progress		( 76,144)	( 74,102)	-	-
Raw materials and consumables used		( 34,597)	( 33,211)	-	-
Staff costs		( 16,360)	( 16,371)	( 1,731)	( 1,619)
Depreciation and amortisation		( 5,963)	( 6,774)	( 174)	( 178)
Provision for diminution in value of investments		( 993)	( 1,151)	( 993)	-
Impairment loss of property, plant & equipment		( 1,629)	-	-	-
Other operating expenses		( 35,971)	( 31,049)	( 2,505)	( 2,374)
		<u>(171,657)</u>	<u>(162,658)</u>	<u>( 5,403)</u>	<u>( 4,171)</u>
<b>Operating profit</b>		<u>12,472</u>	<u>19,417</u>	<u>6,359</u>	<u>8,234</u>
Finance (costs)/income		( 1,478)	( 1,786)	1,291	565
<b>Profit before income tax</b>	4	<u>10,994</u>	<u>17,631</u>	<u>7,650</u>	<u>8,799</u>
Income tax expense	5(a)	( 5,984)	( 7,039)	( 90)	( 225)
<b>Profit after income tax</b>		<u>5,010</u>	<u>10,592</u>	<u>7,560</u>	<u>8,574</u>
Share of profit in associates	19	1,578	2,430	-	-
<b>Profit for the year</b>		<u>\$ 6,588</u>	<u>\$ 13,022</u>	<u>\$ 7,560</u>	<u>\$ 8,574</u>
<b>Other comprehensive income</b>					
Gains on revaluation of freehold land	13	-	2,893	-	-
(Loss)/gain on remeasuring available-for-sale financial assets	24	( 1,772)	2,296	( 11,321)	1,724
<b>Total comprehensive income</b>		<u>4,816</u>	<u>18,211</u>	<u>( 3,761)</u>	<u>10,298</u>
Profit attributable to:					
Equity holders of the holding company		2,225	8,426		
Non-controlling interest		4,363	4,596		
		<u>\$ 6,588</u>	<u>\$ 13,022</u>		
Total comprehensive income attributable to:					
Equity holders of the holding company		979	12,747		
Non-controlling interest		3,837	5,464		
		<u>\$ 4,816</u>	<u>\$ 18,211</u>		
<b>Basic earnings per share</b>	27	<u>\$ 0.07</u>	<u>\$ 0.28</u>		

The notes on pages 53 to 86 are an integral part of these financial statements.

## Balance Sheets

Fijian Holdings Limited and Subsidiary Companies | As at 30 June 2011

	Notes	Group		Holding Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	30,273	33,590	4,015	3,892
Trading investments	8	150	149	-	-
Held-to-maturity investments	9	3,518	16,500	-	14,500
Loans, advances and receivables	10	75,495	60,949	32,961	16,877
Inventories	12	32,792	30,715	-	-
		142,228	141,903	36,976	35,269
<b>Non-current assets</b>					
Held-to-maturity investments	9	8,514	9,018	2,004	2,504
Loans, advances and receivables	10	58,790	39,480	15,509	2,391
Available-for-sale financial assets	17	20,888	21,753	132,169	141,962
Investments in associates	19	12,660	15,530	-	-
Investment properties	15	14,785	14,963	-	-
Property, plant and equipment	13	65,385	64,465	238	399
Assets held for sale	14	465	465	-	-
Intangibles	16	20,925	20,925	-	-
		202,412	186,599	149,920	147,256
<b>Total assets</b>		<b>344,640</b>	<b>328,502</b>	<b>186,896</b>	<b>182,525</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables	20	24,010	15,246	1,043	872
Borrowings	23	115,989	108,932	30,617	17,617
Provisions	22	1,462	2,670	-	-
Employee entitlements	21	740	789	159	355
Current tax liability	5(b)	2,216	3,195	-	-
		144,417	130,832	31,819	18,844
<b>Non-current liabilities</b>					
Borrowings	23	29,252	23,122	-	-
Deposits		-	101	-	-
Employee entitlements	21	101	60	-	-
Deferred tax liabilities	5(c)	3,565	2,369	-	-
		32,918	25,652	-	-
<b>Total liabilities</b>		<b>177,335</b>	<b>156,484</b>	<b>31,819</b>	<b>18,844</b>
<b>Net assets</b>		<b>\$ 167,305</b>	<b>\$172,018</b>	<b>\$155,077</b>	<b>\$163,681</b>
<b>SHAREHOLDERS EQUITY</b>					
Share capital	25	30,465	30,465	30,465	30,465
Reserves	24	( 629)	1,281	49,923	61,244
Proposed dividends		2,546	2,296	2,546	2,296
Retained earnings		100,379	103,247	72,143	69,676
Attributable to members of the holding company		132,761	137,289	155,077	163,681
Non-controlling interest		34,544	34,729	-	-
<b>Total shareholders' equity</b>		<b>\$ 167,305</b>	<b>\$172,018</b>	<b>\$155,077</b>	<b>\$163,681</b>

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

For and on behalf of the Board.

  
.....  
Director

  
.....  
Director

Dated this 30th day of August 2011.

The notes on pages 53 to 86 are an integral part of these financial statements.

## Cash Flow Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

Notes	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities:</b>				
Receipts from customers	176,118	177,193	-	-
Payment to suppliers and employees	(170,316)	(184,527)	(2,508)	(3,110)
<b>Cash generated from/ (used in) operations</b>	<b>5,802</b>	<b>(7,334)</b>	<b>(2,508)</b>	<b>(3,110)</b>
Dividends received	2,867	2,992	10,941	7,199
Management fees received	61	100	666	605
Net customer loans granted	(13,393)	(5,706)	-	-
Net decrease in deposits	4,847	35,021	-	-
Interest received	12,509	17,141	1,386	1,395
Finance costs paid	(2,412)	(7,367)	(1,508)	(831)
Income taxes paid	(5,794)	(7,909)	(90)	(225)
<b>Net cash generated from/(used in) operating activities</b>	<b>4,487</b>	<b>26,938</b>	<b>8,887</b>	<b>5,033</b>
<b>Cash flows from investing activities:</b>				
Acquisition of management right	-	(8,300)	-	-
Acquisition of property, plant and equipment	(7,704)	(3,222)	(19)	(40)
Acquisition of investment properties	-	(203)	-	-
Investment in subsidiary	(2,522)	(510)	(2,522)	(1,110)
Loans granted	(23,000)	-	(23,000)	-
Loan repayments received	2,801	-	2,801	-
Proceeds from disposal of available-for sale investments	605	655	605	655
Proceeds from disposal of property, plant and equipment and assets held for sale	1,176	1,654	-	-
Proceeds from held-to-maturity investment	15,500	-	14,500	-
Held-to-maturity investments placed	-	(17,000)	-	(14,000)
Net movement in cyclone reserve	(518)	1,536	-	-
Deposits received	-	25,003	-	25,003
Advances to subsidiaries	-	-	(9,286)	(10,581)
<b>Net cash generated from/(used in) investing activities</b>	<b>(13,662)</b>	<b>(387)</b>	<b>(16,921)</b>	<b>(73)</b>
<b>Cash flows from financing activities:</b>				
Dividends paid to the holding company's shareholders	(4,843)	(7,389)	(4,843)	(7,389)
Dividends paid to non-controlling interests	(4,059)	(3,979)	-	-
Loans paid/received	12,137	(691)	13,000	(8,250)
<b>Net cash (used in)/ generated from financing activities</b>	<b>3,235</b>	<b>(12,059)</b>	<b>8,157</b>	<b>(15,639)</b>
Net increase/(decrease) in cash and cash equivalents	(5,940)	14,492	123	(10,679)
Cash and cash equivalents at the beginning of the year	19,036	4,544	3,892	14,571
<b>Cash and cash equivalents at the end of the year</b>	<b>7(a) \$ 13,096</b>	<b>\$ 19,036</b>	<b>\$ 4,015</b>	<b>\$ 3,892</b>

The notes on pages 53 to 86 are an integral part of these financial statements.

## Statements of Changes in Equity

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

Notes	Attributables to the members of the Holdings Company			Proposed Dividends \$'000	Non-Controlling Interest \$'000	Total Equity \$'000	
	Share Capital \$'000	Other Reserves \$'000	Retained Earnings \$'000				
<b>Group</b>							
	<b>Balance at 30 June 2009</b>	30,465	( 1,015)	97,389	5,093	34,902	166,834
	Profit for the year	-	-	8,426	-	4,596	13,022
24	Fair value movements	-	2,296	-	-	-	2,296
13	Revaluation of assets	-	-	2,025	-	868	2,893
18	Decrease in non-controlling interest	-	-	-	-	( 699)	( 699)
6	Proposed dividends	-	-	-	2,296	-	2,296
6	Dividends paid	-	-	( 4,593)	( 5,093)	( 4,938)	( 14,624)
	<b>Balance at 30 June 2010</b>	30,465	1,281	103,247	2,296	34,729	172,018
	Profit for the year	-	-	2,225	-	4,363	6,588
24	Fair value movements	-	( 1,772)	-	-	-	( 1,772)
	Foreign currency translation reserve	-	( 138)	-	-	-	( 138)
18	Decrease in non-controlling interest	-	-	-	-	526	526
6	Proposed dividends	-	-	-	2,546	-	2,546
6	Dividends paid	-	-	( 5,093)	( 2,296)	( 5,074)	( 12,463)
	<b>Balance at 30 June 2011</b>	<b>\$ 30,465</b>	<b>(\$ 629)</b>	<b>\$ 100,379</b>	<b>\$ 2,546</b>	<b>\$ 34,544</b>	<b>\$ 167,305</b>
<b><u>Holding Company</u></b>							
	<b>Balance at 30 June 2009</b>	30,465	59,520	65,695	5,093	-	160,773
	Profit for the year	-	-	8,574	-	-	8,574
	Fair value movements	-	1,724	-	-	-	1,724
	Proposed dividends	-	-	-	2,296	-	2,296
	Dividends paid	-	-	( 4,593)	( 5,093)	-	( 9,686)
	<b>Balance at 30 June 2010</b>	30,465	61,244	69,676	2,296	-	163,681
	Profit for the year	-	-	7,560	-	-	7,560
24	Fair value movements	-	( 11,321)	-	-	-	( 11,321)
6	Proposed dividends	-	-	-	2,546	-	2,546
6	Dividends paid	-	-	( 5,093)	( 2,296)	-	( 7,389)
	<b>Balance at 30 June 2011</b>	<b>\$ 30,465</b>	<b>\$ 49,923</b>	<b>\$ 72,143</b>	<b>\$ 2,546</b>	<b>\$ -</b>	<b>\$ 155,077</b>

The notes on pages 53 to 86 are an integral part of these financial statements.

# Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

## 1. GENERAL INFORMATION

Fijian Holdings Ltd (“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 company and its subsidiaries (together “the group”) are incorporated and domiciled in Fiji and Papua New Guinea.

The principal activity of the company is investment. The principal activities of the subsidiary companies are the production and sale of cement, concrete and concrete products, investment and rental of property, fund management, stock brokering, assets and loan financing and acceptance of term deposits, cruise ship operations and retailing and wholesaling of general merchandise, owners and administrators of properties, equity instruments and provision of shipping, customs, transportation and commercial waste disposal services.

The company is listed on the South Pacific Stock Exchange.

These group consolidated financial statements were authorised for issue by the Board of Directors on 30 August 2011.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of accounting

The financial statements of the group have been drawn up in accordance with the provisions of the Fiji Companies Act 1983 and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the basis of historical costs, as modified by the revaluation of freehold land, available-for-sale financial assets, financial assets and liabilities at fair values through profit or loss.

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

The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 July 2011 or later periods, but the group has not early adopted them. Adoption of these standards and interpretations will not have any significant impact on the group's financial statements.

Standard/ interpretation	Content	Applicable for financial years beginning on/after
IFRS 1 Amendment	First-time adoption: Exemption for severe hyperinflation and removal of fixed dates	1 July 2011
IFRS 7 Amendment	Financial instruments: Disclosures on transfer of financial assets	1 July 2011
IAS 12 Amendment	Income taxes: Deferred tax	1 January 2012
IAS 1 Amendment	Financial statement presentation regarding other comprehensive income	1 July 2012
IFRS 9 Amendment	Financial instruments: Classification and measurement	1 January 2013
IAS 19 Amendment	Employee benefits	1 January 2013
IAS 27 (Revised)	Separate financial statements	1 January 2013
IAS 28 (Revised)	Associates and joint ventures	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosures of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.2 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its 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.

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

Note 2.7 - Allowance for doubtful debts

Note 2.8 - Fair value of equity investments

Note 2.9 - Property, plant and equipment impairment

#### 2.3 Principles of consolidation

##### (i) *Subsidiaries*

Subsidiaries are all those entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another 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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statements of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses on above transactions are also eliminated.

##### (ii) *Transactions and non-controlling interests*

The group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the group. Disposals to non-controlling interests result in gains and losses for the group and are recorded in the statements of comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

##### (iii) *Associates*

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See note 2.14 for the accounting policy on impairment of non-financial assets including goodwill.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.3 Principles of consolidation - *continued*

##### (iii) Associates - *continued*

The group's share of its associates' post-acquisition profits or losses is recognised in the statements of comprehensive income, and its share of post-acquisition movements in reserves is recognized in reserves. 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.

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..

Dilution gains and losses arising on investments in associates are recognised in the statements of comprehensive income.

#### 2.4 Foreign currency

##### (a) Functional and presentation currency

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

##### (b) 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 the statements of comprehensive income.

#### 2.5 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.

#### 2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

#### 2.7 Trade receivables

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

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.8 Financial assets

##### 2.8.1 Classification

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

- (a) *Financial assets at fair value through profit or loss*  
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.
- (b) *Held-to-maturity investments*  
Investments which management has the intent and ability to hold to maturity are classified as held-to-maturity and are carried at amortised cost.
- (c) *Available-for-sale financial assets*  
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.
- (d) *Loans and receivables*  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise 'loans, advances and receivables' in the balance sheet.

##### 2.8.2 Recognition and measurement

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

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

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.8 Financial assets - *continued*

##### 2.8.2 Recognition and measurement - *continued*

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

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

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

Amounts expended to acquire a share, upon coming into existence of the copyright to an audio visual production, is stated at a value expected to be recovered from the exploitation of the copyright in accordance with that production's Investment Agreement.

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

#### 2.9 Property, plant and equipment

##### (i) *Owned assets*

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

Freehold land and improvements are shown at fair value based on periodic valuations by external independent valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the statements of comprehensive income during the financial period in which they are incurred.

Increase in the carrying amount arising on revaluation is credited as other comprehensive income in the statements of 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 the equity; all other decreases are charged as expense in the statements of comprehensive income.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.9 Property, plant and equipment - *continued*

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the statements of comprehensive income.

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.

##### (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. All other repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred.

##### (iii) *Depreciation and amortisation*

Freehold land is not depreciated. Leasehold properties, plant and equipment and other assets are depreciated and amortised on the straight line basis over the estimated useful lives, as follows:

	<u>Rate</u>
Leasehold land and improvements	Term of lease
Buildings	1.25% - 10%
Plant and equipment:	
- machinery, furniture & fittings and office equipment	5% - 33 1/3%
- motor vehicles	15% - 33%
Bricks and liners	Replacement
Vessels	2.85% to 10%

#### 2.10 Investment properties

Investment property is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Rental income from investment property is accounted for as described in accounting policy 2.20.

Investment property includes both land and building. Buildings are depreciated on a straight-line basis at an annual rate of 1.25%. Freehold land is not depreciated. Leasehold land is amortised in accordance with the term of the lease.

When an item of plant and equipment (refer to accounting policy 2.9) becomes an investment property following a change in its use, such investment property is stated at the cost of respective assets.

#### 2.11 Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Assets classified as held for sale are stated at cost less accumulated depreciation.

#### 2.12 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 basis. Finished goods and goods in process are valued at the actual cost of conversion, including a proportion of variable factory overheads. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.13 Intangibles

##### (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 acquisitions 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 right*

Management right represents the initial cost paid in acquiring the rights and interest in the Management Agreement between R B Patel Group (a subsidiary of FHL Retailing Ltd) and R B Patel & Co., a New Zealand partnership. Management right is considered a cash-generating unit and is subject to annual impairment assessment. Management right is carried at cost less accumulated impairment losses.

#### 2.14 Impairment of non-financial assets

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

#### 2.15 Trade and other creditors

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

#### 2.16 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 the statements of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### 2.17 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet 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 is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the 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 substantially enacted by the balance sheet 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 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 income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### 2.18 Employee entitlements

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

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

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statements of comprehensive income when they are due.

#### 2.19 Leases

##### *A group company is the lessee*

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

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

##### *A group company is the lessor*

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

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### 2.20 Revenue recognition

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

##### *Sales of goods*

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

##### *Sales of services*

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

##### *Interest income*

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

##### *Dividend income*

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

##### *Rental income*

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

#### 2.21 Dividend distribution

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

Dividends are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001.

#### 2.22 Provisions

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

#### 2.23 Basic and diluted earnings per share

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

#### 2.24 Reporting currency

All figures are reported in Fiji dollars and are rounded to the nearest thousand dollars.

#### 2.25 Comparative figures

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

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by Group Finance & Audit Division (GFAD) and also the directors. The GFAD monitors compliance with the group's risk management policies and framework in relation to risks faced by each company in the group. The subsidiary, Merchant Finance and Investment Company Ltd (MFICL), is a credit institution and has extensive risk management policies due to the nature of its business and regulatory requirements. Its policies are separately disclosed below.

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

A Risk and Compliance Officer who is also part of the Audit Sub-Committee, is responsible for monitoring compliance with MFICL's risk management policies and procedures and for reviewing the risk management framework in relation to the risks faced by the company. The management team of MFICL is assisted in these functions by an outsourced Internal Audit function 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 the market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

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

The principal tool used to measure and control market risk exposure within MFICL's investments and lending portfolios is a sensitivity analysis that measures the potential impact of either an instantaneous increase or decrease of 0.5 - 1.0% (50 - 100 basis points) in market interest with all other variables remaining constant on the following:

- Replacement costs of maturing borrowings
- New business on maturing loan book
- Interest rates on replacement of held to maturity instruments

The impact on MFICL income based on the balances at balance date is estimated as follows:

	+50 Basis Points \$'000	+100 Basis Points \$'000	-50 Basis Points \$'000	-100 Basis Points \$'000
Cost of replacement borrowings	-362	-723	+362	+723
Cost of replacement new business	+165	+330	-165	-330
Cost of replacement held-to-maturity				
Investments	+3	+5	-3	-5

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 3. FINANCIAL RISK MANAGEMENT - Continued

#### 3.1. Financial risk factors - continued

The following assumptions were taken when calculating the above sensitivity analysis:

- No change in economic conditions
- Only those funds that are maturing will be replaced; and funding levels are maintained at Balance date level
- New Loans will be issued at levels similar to the portion that is expiring and total loan book will be maintained at Balance date level
- New Rates will be applicable throughout the year
- There will be no early termination of contracts
- All factors do not change at once
- All investments will be reinvested
- No early withdrawal of investment.

##### (i) Foreign exchange risk

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

Fiji Industries Ltd and Basic Industries Ltd operate in Fiji and procure assets, raw materials and supplies from principal suppliers based predominantly in New Zealand, Australia and Japan. Pasifika Holdings Limited operates in PNG and procures assets and supplies from principle suppliers based predominantly in Fiji, New Zealand and Australia. As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimise the exposure to foreign exchange losses. As an additional measure, the companies negotiate competitive rates with its bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due.

##### (ii) Price risk

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

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

##### (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 instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits from re-pricing bonds.

In MFICL, the management of interest rate risk against interest rate gap is supplemented by management's regular monitoring of the sensitivity of the company's financial assets and liabilities to various standard interest scenarios and market offerings.

Interest rate risk will be managed through: 1) investments; 2) loan pricing; and 3) deposit pricing. MFICL always tries to maintain an interest spread that it believes is sufficient to cater for the risk it is taking and is above the cost of its funds and is sufficient to cover the operating cost. Interest spread is monitored monthly and is submitted to RBF for monitoring purposes. Interest rate is reviewed consistently against those offered in the market and revised where appropriate.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 3. FINANCIAL RISK MANAGEMENT - Continued

#### 3.1 Financial risk factors - continued

Below is a range of interest rates for loans and advances:

Industry	Avg. %	2011 %	2010 %
Agriculture	19.02	15 - 30	14 - 30
Building and construction	17.20	10 - 29	13 - 28
Manufacturing	16.68	11 - 28	14 - 28
Mining and quarrying	18.41	15 - 26	15 - 28
Private individuals	20.99	12 - 29	10 - 34
Professional and business services	19.78	10 - 28	10 - 28
Transport, communication and storage	18.70	14 - 39	15 - 28
Wholesale, retail, hotels and restaurants	16.26	7 - 29	14 - 39
Others	16.05	10 - 28	10 - 28

#### iv) Legal and compliance risk

Legal and compliance risk refers to the risk of being legally non-compliant due to changes in Government and Regulators' policies and regulations. The group has a Compliance Officer who reports directly to the Group Chief Financial Officer. The group anticipates changes in legal trends and implementation of market best practices, understanding and know-how, to balance competitive business pressure against legal risk.

#### v) Data risk

This is the risk of losing shareholders' account information and all their details despite having a dual system of storage via hard copy filing and an electronic database. The group ensures confidentiality and security of all shareholders' information. The group also has a database system with adequate storage space. The group also conducts daily backups and also has a Disaster Recovery Plan.

#### (b) Credit risk

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

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, including outstanding receivables and committed transactions. For potential rental tenants, a screening process, similar to a due diligence is performed, prior to their being granted leases. Checks are made as to their background, as well as their credit histories, with the Data Bureau. 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.

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

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 3. FINANCIAL RISK MANAGEMENT - Continued

#### 3.1 Financial risk factors - continued

The summary of the loans, advances and trade receivables of the group is as follow:

	Group 2011 \$'000	Group 2010 \$'000
Neither past due nor impaired	83,128	110,895
Past due but not impaired	24,858	13,391
Individually impaired	39,952	8,318
<b>Gross loans and receivables</b>	<b>147,938</b>	<b>132,604</b>
Less: unearned revenue	31,964	30,128
Less: allowance for impairment	10,099	9,380
<b>Net loans and receivables</b>	<b>105,875</b>	<b>93,096</b>

The details of impairment provision for loans and receivables are provided for in Notes 10 and 11.

MFICL's financial assets classified as neither past due nor impaired are fully operational loan facilities. Management reviews all accounts at balance date and where necessary may also make provision as a prudent measure.

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

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

#### Credit risk concentration

The credit risk concentration for the subsidiary, MFICL is as follows:

Industry	2011		2010	
	Loans and advances (%)	Collective Impairment allowance (%)	Loans and advances (%)	Collective Impairment Allowance (%)
Agriculture	12.23	9.41	11.56	2.41
Building and construction	14.52	12.10	11.28	6.52
Manufacturing	4.79	4.75	3.04	1.82
Mining and quarrying	4.40	3.89	5.03	2.62
Private individuals	13.08	16.62	11.23	6.99
Professional and business services	3.52	1.52	8.17	53.74
Transport, communication and storage	28.06	30.56	27.63	14.79
Wholesale, retail, hotels and restaurants	12.46	13.85	9.39	6.04
Others	6.94	7.30	12.67	5.08
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 3. FINANCIAL RISK MANAGEMENT - Continued

#### 3.1 Financial risk factors - continued

##### (c) *Liquidity risk*

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations 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.

In order to comply with the Reserve Bank's requirement and the Banking Act 1995, MFICL must hold as liquid deposits an amount equivalent to 10% of its total borrowed funds. The MFICL 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 MFICL, 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 MFICL Board Finance/Assets and Liability Committee (ALCO) is kept informed.

A summary of the maturity analysis of the group's borrowings and liabilities as at 30 June is set out below on an undiscounted basis:

	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2011</b>					
Borrowings	114,589	21,544	5,366	3,742	145,241
Creditors & accruals	24,010	-	-	-	24,010
<b>Total</b>	<b>138,599</b>	<b>21,544</b>	<b>5,366</b>	<b>3,742</b>	<b>169,251</b>
<b>As at 30 June 2010</b>					
Borrowings	106,921	15,632	4,727	4,774	132,054
Creditors & accruals	15,246	-	-	-	15,246
<b>Total</b>	<b>122,167</b>	<b>15,632</b>	<b>4,727</b>	<b>4,774</b>	<b>147,300</b>

MFICL Liquidity exposure is measured by calculating its Net Liquidity Gap and by comparing current ratios with targets. MFICL Board ALCO monitors the MFICL's liquidity position by reviewing the following measures:

Target for Net Liquidity Gap of MFICL 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 RSA (not to exceed)	-3%	-7%	-10%	-20%	40%

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 3. FINANCIAL RISK MANAGEMENT - Continued

#### 3.1 Financial risk factors - continued

##### (c) *Liquidity risk*

###### Other Liquidity Ratios

Apart from the above, MFICL uses the following as benchmark and monitoring its liquidity position.

<u>Ratio</u>	<u>Target</u>	<u>Tolerance Range</u>
Cash Reserve	Minimum 8%	Not to fall below 5%
Liquid Assets/Total Deposits Ratio	20-25%	Not to fall below 20%
Liquid Asset/Total Assets Ratio	10-20%	Not to fall below 10%
Loans/Deposit Ratio	120-135%	Not to exceed 135%
Loans/Adjusted Deposit Ratio	100-120%	Not to exceed 120%
ULAR	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 ULAR is monitored daily whilst other ratios are monitored monthly.

Any variance in above ratio is actioned immediately by the management.

#### 3.2 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.

Specifically for MFICL, the objectives in managing capital, which is a broader concept than the 'equity' on the face of the balance sheet, are:

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

Capital adequacy and the use of regulatory capital are monitored daily by MFICL'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 the MFICL to (a) hold at least 10% or more of its total holdings in liquid assets and (b) maintain a ratio of total regulatory capital to the risk-weighted asset at or above 15%. MFICL complied with these requirements during the year. MFICL ensures that its capital adequacy ratio is above 20% as per its ALM policy.

In addition, MFICL ensures that its dividend policy for any financial year is capped at a maximum of 85% of its free cash flow that is Profit after tax less all capital commitments.

To comply with CMDA regulations, FHL Securities Ltd needs to maintain its monthly net capital to not less than 10% of issued and paid capital.

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 (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.



## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 5. INCOME TAX

#### (a) Income tax expense

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

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Profit before tax	10,994	17,631	7,650	8,799
Prima facie tax payable at 28% (2010:29%)	3,119	8,112	2,142	2,552
<u>Add/(deduct):</u>				
Dividends received	( 177)	( 3,255)	( 2,951)	( 3,249)
Capital gains/(loss)	( 11)	60	253	( 16)
Under provision in prior year	48	( 1,116)	-	( 735)
Effect of changes in tax rate	-	( 192)	-	-
Tax effect of tax losses and temporary differences not brought to account	2,685	3,367	646	1,609
Other	320	63	-	64
<b>Income tax expense attributable to profit</b>	<b>\$ 5,984</b>	<b>\$ 7,039</b>	<b>\$ 90</b>	<b>\$ 225</b>
Total income tax expense is made up of:				
Current income tax expense	4,791	5,738	90	225
Deferred tax	1,196	1,417	-	-
Over provision in prior years	( 3)	( 116)	-	-
<b>Income tax expense attributable to profit</b>	<b>\$ 5,984</b>	<b>\$ 7,039</b>	<b>\$ 90</b>	<b>\$ 225</b>
<b>(b) Current tax liability</b>				
Balance at beginning of year	3,195	5,627	-	-
Income tax paid	( 5,794)	( 7,909)	-	-
Current year's income tax expense	4,791	5,738	-	-
Under/(over) provision in prior years	24	( 261)	-	-
Balance at end of year	<b>\$ 2,216</b>	<b>\$ 3,195</b>	<b>\$ -</b>	<b>\$ -</b>

A tax rate of 20% is applicable to the holding company.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 5. INCOME TAX - Continued

#### (c) Deferred tax asset

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<u>Deferred tax assets</u>				
Annual leave	101	110	-	-
Doubtful debts	2,668	2,644	-	-
Write down of inventories	275	316	-	-
Unrealised foreign exchange gain	- ( 34)	-	-	-
Tax losses	-	337	-	-
	3,044	3,373	-	-
<u>Deferred tax liabilities</u>				
Property, plant & equipment	( 6,609)	( 5,742)	-	-
Deferred tax liabilities (net)	(\$ 3,565)	(\$ 2,369)	\$ -	\$ -

Deferred income tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The group did not recognise deferred income tax asset of \$3.933 million (2010: \$3.611 million) attributable to tax losses of \$13.943 million (2010: \$12.897 million) that can be carried forward against future taxable income.

### 6. DIVIDENDS PROPOSED OR PAID

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Ordinary - A class</b>				
Interim dividend paid at 10 cents	1,047	1,047	1,047	1,047
Proposed final dividend at 10 cents (2010: 10 cents)	1,046	1,046	1,046	1,046
	2,093	2,093	2,093	2,093
<b>Ordinary - B class</b>				
Interim dividend paid at 7.5 cents (2010: 6.25 cents)	1,500	1,250	1,500	1,250
Proposed final dividend 7.5 cents (2010: 6.25 cents)	1,500	1,250	1,500	1,250
	3,000	2,500	3,000	2,500
	\$ 5,093	\$ 4,593	\$ 5,093	\$ 4,593

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 7. CASH AND CASH EQUIVALENTS

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

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash on hand and at bank	9,901	7,753	4,015	3,892
Term deposits	20,372	25,837	-	-
Bank overdrafts (Note 23)	30,273 ( 17,177)	33,590 ( 14,554)	4,015 -	3,892 -
	\$ 13,096	\$ 19,036	\$ 4,015	\$ 3,892

- b) Financing facilities

Facilities available to the group are bank overdrafts and revolving term loan. Firmly committed financing facilities of \$53.40 million were available to the group as at 30 June 2011 (2010: \$54.03 million). An amount of \$37.374 million (2010: \$10.026 million) was utilised.

### 8. TRADING INVESTMENTS

The trading investments of a subsidiary are traded in the market and are valued at market value at the close of the last trading day before the financial year end by reference to South Pacific Stock Exchange quoted bid prices.

Trading investments are classified as current assets because they are expected to be realised within twelve months of the balance date. The change in the fair value of trading investments is recorded in the statements of comprehensive income in accordance with Note 2.8.1 of the group's accounting policy.

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Listed equity investments at market value</b>				
Amalgamated Telecom Holdings Ltd	110	131	-	-
Pacific Green Industries Ltd	40	18	-	-
	\$ 150	\$ 149	\$ -	\$ -

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 9. HELD-TO-MATURITY INVESTMENTS

#### Current

Deposits in financial institutions

#### Non-current

Securities

- Government securities

Add: Unamortised premium

Preference shares

- Goodman Fielder Ltd

- Sun (Fiji) Ltd

Group		Holding Company	
2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
\$ 3,518	\$ 16,500	\$ -	\$ 14,500
6,504	6,500	-	-
6	14	-	-
2,004	2,004	2,004	2,004
-	500	-	500
8,514	9,018	2,004	2,504
\$ 12,032	\$ 25,518	\$ 2,004	\$ 17,004

Term deposits held with financial institutions attract interest rates ranging from 6.5% to 7.5% per annum. The term deposits will mature on various dates in the next financial year.

Held-to-maturity financial assets are valued in accordance with Note 2.8 of the group's accounting policy.

The group redeemed its preference shares in Sun (Fiji) Ltd in September 2010.

### 10. LOANS, ADVANCES AND RECEIVABLES

#### Current

Trade receivables

Provision for impaired receivables

Loans and advances - other (Note 11)

- related party

Other receivables - other

- related party

Provision for impaired receivables

#### Non-current

Loans and advances - other (Note 11)

- related party

Other receivables - other

Group		Holding Company	
2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
21,216	18,371	-	-
( 3,456)	( 2,344)	-	-
17,760	16,027	-	-
41,038	40,004	2,391	-
6,058	-	20,889	8,801
10,993	4,918	1,746	1,210
-	-	8,236	6,866
( 354)	-	( 301)	-
\$ 75,495	\$ 60,949	\$ 32,961	\$ 16,877
43,257	39,456	-	2,391
15,509	-	15,509	-
24	24	-	-
\$ 58,790	\$ 39,480	\$ 15,509	\$ 2,391

- a) Included in the loans and advances above is the loan outstanding from i Taukei Affairs Board. This loan will be repaid through dividend payment from the company to i Taukei Affairs Board and i Taukei Trust Fund; who have assigned its dividend to i Taukei Affairs Board. During the year, this loan and its interest have been partially paid and its balance as at 30 June 2011 was \$18.509 million.

This loan attracts fixed interest rate of 8% per annum for the first year and thereafter the interest will be at variable rates pegged to 3% per annum above the prevailing interest rates offered by the banks in Fiji to the company.

- b) An unsecured loan of \$2.391 million is included in loans and advances above. The loan attracts interest of 8% per annum and repayment will be interest only for the first year to 30 June 2011 and twelve equal instalments of principal plus interest from 31 July 2011.

- c) Other related party loans and advances are unsecured.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 11. LOANS AND ADVANCES

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Gross term receivables	122,902	116,624	2,391	2,391
Unearned income	( 31,964)	( 30,128)	-	-
	90,938	86,496	2,391	2,391
Individually assessed allowance	( 4,915)	( 5,974)	-	-
Collective allowance	( 1,728)	( 1,062)	-	-
	\$ 84,295	\$ 79,460	\$ 2,391	\$ 2,391
<u>Maturity analysis</u>				
Not longer than 3 months	9,967	9,439	-	-
Longer than 3 and not longer than 12 months	31,071	30,565	2,391	-
<b>Current (Note 10)</b>	41,038	40,004	2,391	-
Longer than 1 and not longer than 5 years	75,149	65,648	-	2,391
Longer than 5 years	6,715	10,972	-	-
	81,864	76,620	-	2,391
Unearned income	( 31,964)	( 30,128)	-	-
Individually assessed allowance	( 4,915)	( 5,974)	-	-
Collective allowance	( 1,728)	( 1,062)	-	-
<b>Non-current (Note 10)</b>	43,257	39,456	-	2,391
	\$ 84,295	\$ 79,460	\$ 2,391	\$ 2,391

### 12. INVENTORIES

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Raw materials, spares, stores and supplies	18,602	18,859	-	-
Finished goods	3,626	3,513	-	-
Other trading	10,564	8,343	-	-
	\$ 32,792	\$ 30,715	\$ -	\$ -

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 13. PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment are set out in the financial statements on the following bases:

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Freehold land and improvements				
- at deemed cost	6,191	6,191	-	-
- at directors' valuation	2,893	2,893	-	-
Accumulated depreciation	-	-	-	-
	9,084	9,084	-	-
Leasehold land, improvements and buildings				
- at deemed cost	31,318	26,910	-	-
Accumulated amortisation	( 4,080)	( 543)	-	-
	27,238	26,367	-	-
Plant and equipment				
- at deemed cost	80,026	78,558	1,519	1,509
Accumulated depreciation	( 53,460)	( 50,221)	( 1,281)	( 1,110)
	26,566	28,337	238	399
Capital works in progress - at cost	2,497	677	-	-
	\$ 65,385	\$ 64,465	\$ 238	\$ 399

(b) Reconciliation of property, plant and equipment

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

Group	Freehold land and improvements \$'000	Leasehold land, improve- ments and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2010	9,084	26,367	28,337	677	64,465
Additions	-	1,413	4,203	2,088	7,704
Disposal	-	-	( 701)	( 21)	( 722)
Transfer to assets	-	-	247	-	247
Transfer to capital works in progress	-	-	-	( 247)	( 247)
Depreciation/amortisation	-	( 542)	( 5,520)	-	( 6,062)
Carrying amount at 30 June 2011	9,084	27,238	26,566	2,497	65,385

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 13. PROPERTY, PLANT AND EQUIPMENT - *Continued*

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

**Holding Company**

	Freehold land and improvements	Leasehold land, improvements and buildings	Plant and equipment	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2010	-	-	399	-	399
Additions	-	-	19	-	19
Disposal	-	-	( 6)	-	( 6)
Depreciation/amortisation	-	-	( 174)	-	( 174)
Carrying amount at 30 June 2011	-	-	238	-	238

**Group**

	Freehold land and improvements	Leasehold land, improvements and buildings	Plant and equipment	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2009	6,102	26,345	31,256	1,732	65,435
Additions	89	538	3,076	( 481)	3,222
Disposal	-	-	( 20)	-	( 20)
Revaluation	2,893	-	-	-	2,893
Transfer to assets held for sale	-	-	( 417)	-	( 417)
Transfer to capital works in progress	-	27	547	( 574)	-
Depreciation/amortisation	-	( 543)	( 6,105)	-	( 6,648)
Carrying amount at 30 June 2010	9,084	26,367	28,337	677	64,465

**Holding Company**

	Freehold land and improvements	Leasehold land, improvements and buildings	Plant and equipment	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2009	-	-	538	-	538
Additions	-	-	40	-	40
Depreciation/amortisation	-	-	( 179)	-	( 179)
Carrying amount at 30 June 2010	-	-	399	-	399

- (c) The depreciation and amortisation policy is set out in Note 2.9.
- (d) The freehold land and improvements in Nanuya Lailai Island - Yasawa, were revalued by the Directors of Blue Lagoon Cruises Ltd based on an independent valuation dated 29 November 2009. Valuations were made on the basis of recent market transactions on arm's length terms. The revaluation surplus (no deferred tax applicable) was credited as "other comprehensive income" in the statements of comprehensive income.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 14. ASSETS HELD FOR SALE

Assets classified as Held For Sale consists of residential properties held by Fiji Industries Ltd and a cruise vessel held by Blue Lagoon Cruises Ltd.

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets held for sale	\$ 465	\$ 465	\$ -	\$ -

### 15. INVESTMENT PROPERTIES

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Cost</b>				
Opening balance	16,073	14,626	-	-
Transfer from assets held for sale	-	1,244	-	-
Acquisitions	11	203	-	-
Closing balance	16,084	16,073	-	-
<b>Accumulated depreciation</b>				
Opening balance	1,110	919	-	-
Depreciation charge for the year	189	191	-	-
Closing balance	1,299	1,110	-	-
<b>Carrying amount</b>				
Opening balance	\$ 14,963	\$ 13,706	\$ -	\$ -
Closing balance	\$ 14,785	\$ 14,963	\$ -	\$ -

As at 30 June 2011, the fair value of the investment properties was \$24.391 million. (2010: \$22.818 million)

### 16. INTANGIBLES

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Goodwill on consolidation	12,625	12,882	-	-
Management right	8,300	8,300	-	-
F1 Audio Visual Copyright	1,151	1,151	-	-
Provision for impairment	( 1,151)	( 1,408)	-	-
Total intangibles	\$ 20,925	\$ 20,925	\$ -	\$ -
The movement of intangibles is as follows:				
Opening net book amount	20,925	13,840	-	-
Additions	-	8,493	-	-
Impairment charge	-	( 1,408)	-	-
Total intangibles	\$ 20,925	\$ 20,925	\$ -	\$ -

The accounting policy on intangibles is set out in Note 2.13.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 16. INTANGIBLES - *continued*

#### Impairment test for goodwill

Goodwill is allocated to the group's cash generating unit (CGU) identified.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cashflow projections based on financial budgets approved by management covering a five year period. Cashflows beyond the five year period is extrapolated using the estimated growth rates. The growth rate does not exceed the long term average growth rate in which the CGU operates.

The key assumptions used in the value in use calculation are as follows:

Gross margin	19%
Growth rate	2%
Discount rate	12%

Management determined budgeted gross margins based on past performance and its expectations of the market. The weighted average growth rates used are based on management's assessment. The discount rate used reflects the risk adjusted rate of return. The tests indicate there was no significant impairment on goodwill.

#### Impairment test for management right

Management right is considered a cash generating unit (CGU). The recoverable amount of a CGU is determined based on value in use calculations. Free cash flow from management right was computed based on the forecasted management fee income for next 18 years (remaining period of the agreement plus remaining option period) net of management fee expense and net of income tax expense thereon.

These projections were based on financial budgets approved by management covering a five year period. Cashflows beyond the five year period are extrapolated using the estimated growth rates. The growth rate does not exceed the long term average growth rate in which the CGU operates.

The key assumptions used in the value in use calculation are as follows:

Growth rate	2%
Discount rate	10%

Management determined budgeted gross margins based on past performance and its expectations of the market. The weighted average growth rates are based on management's assessment. The discount rate used reflects the risk adjusted rate of return. The tests indicate there was no impairment on management right.

### 17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are valued in accordance with Note 2.8 of the financial statements.

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>a) Listed/quoted securities</b>				
- Amalgamated Telecom Holdings Ltd	840	900	840	900
- Fiji Sugar Corporation Ltd	-	-	-	-
- Fiji Television Ltd	1,423	1,642	1,423	1,642
- Fijian Holdings Unit Trust	4,559	4,477	4,557	4,476
- Fijian Holdings Property Trust Fund	8,727	8,549	8,722	8,544
- Flour Mills of Fiji Ltd	-	-	-	-
	15,549	15,568	15,542	15,562

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 17. AVAILABLE-FOR-SALE FINANCIAL ASSETS - *continued*

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>(b) Unlisted securities</b>				
<b>Shares in subsidiary companies</b>				
- Basic Industries Ltd	-	-	15,303	16,337
- Blue Lagoon Cruises Holdings Ltd	-	-	9,952	15,726
- Clariti (South Pacific) Ltd	-	-	-	-
- FHL Energy Ltd	-	-	-	-
- Pasifika Finance Ltd	-	-	-	-
- Pasifika Holdings Ltd	-	-	1,500	-
- FHL Logistics Ltd	-	-	1,000	-
- FHL Retailing Ltd	-	-	21,855	22,227
- FHL Securities Ltd	-	-	484	513
- Fiji Industries Ltd	-	-	13,370	11,242
- Fijian Holdings Trust Management Ltd	-	-	553	586
- Fijian Property Trust Company Ltd	-	-	7,085	6,838
- Merchant Finance & Investment Company Ltd	-	-	27,584	31,273
	-	-	98,686	104,742
<b>Shares in other companies</b>				
- Goodman Fielder International (Fiji) Ltd	1,764	1,764	1,764	1,764
- Golden Manufacturers Ltd	-	-	10,070	12,952
- Marsh Ltd	-	-	2,589	2,579
- New World Ltd	2,487	3,483	2,489	3,483
- South Pacific Stock Exchange	15	15	-	-
- Asian Paints (South Pacific) Ltd	1,029	880	1,029	880
	5,295	6,142	17,941	21,658
- Other	44	43	-	-
Total investments	\$ 20,888	\$ 21,753	\$ 132,169	\$ 141,962
<b>(c) Reconciliation of available-for-sale financial assets</b>				
Opening balance	21,753	21,396	141,962	142,118
Acquisitions	22	510	2,521	1,110
Disposals/diminution	( 993)	( 2,449)	( 993)	( 2,990)
Reclassification	1,878	-	-	-
Revaluation - transfer to available-for-sale reserve and other comprehensive income	( 1,772)	2,296	( 11,321)	1,724
Total investments (at fair value)	\$ 20,888	\$ 21,753	\$ 132,169	\$ 141,962

### 18. DETAILS OF INVESTMENTS

Name of company	Place of incorporation/ principal country of operation	Ownership interest		Dividends received by Holding Company	
		2011 %	2010 %	2011 \$'000	2010 \$'000
<b>(a) Listed/quoted securities</b>					
Amalgamated Telecom Holdings Ltd	Fiji	0.2	0.2	40	70
Fiji Sugar Corporation Ltd	Fiji	8.8	8.8	-	-
Fiji Television Ltd	Fiji	5.3	5.3	77	54
Fijian Holdings Unit Trust	Fiji	25.2	14.40	245	192
Fijian Holdings Property Trust Fund	Fiji	100.0	79.52	401	301
Flour Mills of Fiji Ltd	Fiji	4.3	4.3	8	5
				771	622

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 18. DETAILS OF INVESTMENTS - *continued*

Name of company	Place of incorporation/ principal country of operation	Ownership interest		Dividends received by Holding Company	
		2011 %	2010 %	2011 \$'000	2010 \$'000
<b>(b) Unlisted securities</b>					
<b>Subsidiary companies:</b>					
Basic Industries Ltd	Fiji	51.1	51.1	1,431	747
Blue Lagoon Cruises Holdings Ltd	Fiji	100.0	100.0	-	-
Clariti (South Pacific) Ltd	Fiji	-	60.0	-	-
FHL Logistics Ltd	Fiji	100.0	-	-	-
FHL Retailing Ltd	Fiji	100.0	100.0	607	1,600
FHL Securities Ltd	Fiji	100.0	100.0	-	-
Fiji Industries Ltd	Fiji	50.1	50.1	841	1,303
Fijian Holdings Trust Management Ltd	Fiji	100.0	100.0	200	170
Fijian Property Trust Company Ltd	Fiji	100.0	100.0	551	549
Pasifika Holdings Ltd	PNG	100.0	-	-	-
Merchant Finance & Investment Company Ltd	Fiji	80.0	80.0	3,200	3,440
				6,830	7,809
<b>(c) Other companies</b>					
Asian Paints (South Pacific) Ltd	Fiji	8.9	8.9	-	149
Goodman Fielder International (Fiji) Ltd	Fiji	(Pref)	(Pref)	240	240
Goodman Fielder International (Fiji) Ltd	Fiji	10.0	10.0	176	176
Golden Manufacturers Ltd	Fiji	30.0	30.0	1,950	2,100
Marsh Ltd	Fiji	25.0	25.0	300	325
New World Ltd	Fiji	15.4	15.0	274	383
				2,940	3,373
				\$ 10,541	\$ 11,804

The group divested its investment in Clariti (South Pacific) Ltd on 16 December 2010.

In 2011, the company incorporated FHL Logistics Ltd which provides shipping, customs, transportation and commercial waste disposal services.

Pasifika Holdings Ltd which is based in PNG, commenced trading in 2011 and is involved in the production and sale of ready-mix concrete, concrete blocks, cement and concrete products.

Fijian Property Trust Company Ltd became a wholly owned subsidiary of the company from 21 January 2010.

#### **(d) Dividends received by subsidiary company**

FHL Securities Ltd and FHL Retailing Ltd received dividend income of \$6,748 (2010: \$10,534) and \$8,400 (2010: \$7,650), respectively, from their equity investments.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 19. INVESTMENT IN ASSOCIATES

The Group's share of after tax profit in its equity accounted investees for the year was \$1.578 million (2010: \$2.43 million).

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

	Interest held %	Assets \$'000	Liabilities \$'000	Profit/(loss) \$'000
<b>2011</b>				
Golden Manufacturers Ltd	30.0	39,790	22,573	4,338
Marsh Ltd	25.0	14,164	11,859	1,109
		<b>\$ 53,954</b>	<b>\$ 34,432</b>	<b>\$ 5,447</b>
<b>2010</b>				
Golden Manufacturers Ltd	30.0	39,865	22,485	7,021
Marsh Ltd	25.0	6,994	5,097	1,297
		<b>\$ 46,859</b>	<b>\$ 27,582</b>	<b>\$ 8,318</b>

Reconciliation of the carrying value of investment in associates:

Reconciliation of the carrying value of investment in associates:

	Group	
	2011 \$'000	2010 \$'000
Opening balance	15,530	16,189
Equity accounted earnings of associates	1,578	2,430
Dividends from associates	( 2,250)	( 2,425)
Fair value adjustments	( 2,198)	( 664)
Closing balance	<b>\$ 12,660</b>	<b>\$ 15,530</b>

### 20. PAYABLES

Trade creditors  
Accruals and other creditors

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
	4,853	8,174	-	-
	19,157	7,072	1,043	872
	<b>\$ 24,010</b>	<b>\$ 15,246</b>	<b>\$ 1,043</b>	<b>\$ 872</b>
<b>21. EMPLOYEE ENTITLEMENTS</b>				
<b>Current</b>				
Annual leave	461	496	60	62
Bonus and gratuity	279	293	99	293
	<b>740</b>	<b>789</b>	<b>159</b>	<b>355</b>
<b>Non-current</b>				
Long service leave	101	60	-	-
	<b>\$ 841</b>	<b>\$ 849</b>	<b>\$ 159</b>	<b>\$ 355</b>
<b>22. PROVISIONS</b>				
Dividends	1,462	2,670	-	-

This account represents provision for dividends by the subsidiaries to their minority shareholders.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 23. BORROWINGS

#### Current

Bank overdrafts

Secured (Note 7)

17,177 14,554 - -

Term loans

Secured

30,308 18,850 26,467 14,467

Fixed term deposits and short term borrowings

Unsecured

68,504 75,528 4,150 3,150

\$115,989 \$108,932 \$ 30,617 \$ 17,617

#### Non-current

Term loans

Secured

19,379 12,733 - -

Fixed term deposits and short term borrowings

Unsecured

9,873 10,389 - -

\$ 29,252 \$ 23,122 \$ - \$ -

#### TOTAL

\$145,241 \$132,054 \$ 30,617 \$ 17,617

- (a) The bank overdraft and stand by facilities of the subsidiary companies with ANZ Bank are secured by registered equitable mortgages over all the assets and undertakings, including uncalled and unpaid capital of the respective companies. The bank overdraft facility with Westpac Banking Corporation of a subsidiary is secured by registered mortgage debenture and registered mortgage over CT 4411 and NL 15761. The overdrafts bear varying interest rates ranging from 5.1% to 6% per annum.
- (b) Term loans of the group companies are secured as follows:
- (i) Fijian Property Trust Company Ltd: \$1.398 million - the loan with ANZ Banking Group Ltd is secured by a first mortgage over CT 19239 (Vanua House). Interest and principal repayments are to be made monthly in arrears at \$0.047 million per month.
  - (ii) Blue Lagoon Cruises Holding Ltd: \$2.801 million - the loan with Westpac Banking Corporation is secured by a registered first party all monies mortgage over lease number 128725, registered ship's mortgage over passenger cruise vessels "Mystique Princess" and a registered ship's mortgage over passenger cruise vessel "Fiji Princess"
  - (iii) Fiji Industries Ltd: \$1.650 million - the ANZ loan is secured by a first registered mortgage debenture over all the company's assets and undertakings.
  - (iv) Basic Industries Ltd: \$0.010 million - the loan is secured by a registered second fixed and floating charge over all fixed assets and undertakings of the company including its uncalled and unpaid capital and registered mortgages over CT 37075 and CT 36564.
  - (v) FHL Retailing Ltd: \$8.902 million - the loan with ANZ Bank is secured by the first registered mortgage debenture over all its assets and undertakings including its uncalled and unpaid capital, first registered mortgages over CT 23400, CT 7082, CL 53120, CT 39150 and CT 34330.
- (c) Fixed term deposits and short term borrowings are related to customer deposits with Merchant Finance & Investment Company Ltd.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 24. RESERVES

	Credit Loss Reserves \$'000	Available for Sale Reserve \$'000	Foreign Currency Translation Reserve \$'000	Associates Equity Reserve \$'000	Total \$'000
<b>(a) Group</b>					
<b>Balance at 30 June 2009</b>	2,255	( 3,257)	-	( 13)	( 1,015)
Fair value movements	-	2,296	-	-	2,296
<b>Balance at 30 June 2010</b>	2,255	( 961)	-	( 13)	1,281
Foreign currency movement			( 138)	-	( 138)
Fair value movements		( 1,772)	-	-	( 1,772)
<b>Balance at 30 June 2011</b>	\$ 2,255	(\$ 2,733)	(\$ 138)	(\$ 13)	(\$ 629)
<b>(b) Holding Company</b>					
<b>Balance at 30 June 2009</b>	-	59,520	-	-	59,520
Fair value movements	-	1,724	-	-	1,724
<b>Balance at 30 June 2010</b>	-	61,244	-	-	61,244
Fair value movements	-	( 11,321)	-	-	( 11,321)
<b>Balance at 30 June 2011</b>	\$ -	\$ 49,923	\$ -	\$ -	\$ 49,923

Available for sale reserve consists of unrealised gains or losses arising from changes in the fair value of non-monetary investments classified as available-for-sale financial assets.

The Credit Loss Reserve relates to MFICL in accordance with the requirements of the Reserve Bank of Fiji.

Associates equity reserve relates to employee equity settled benefit reserve held by Marsh Ltd.

### 25. SHARE CAPITAL

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Authorised</b>				
20,000,000 'A' class ordinary shares of \$1 each	20,000	20,000	20,000	20,000
20,000,000 'B' class ordinary shares of \$1 each	20,000	20,000	20,000	20,000
	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
<b>Issued and fully paid</b>				
10,464,650 'A' class ordinary shares of \$1 each	10,465	10,465	10,465	10,465
20,000,000 'B' class ordinary shares of \$1 each	20,000	20,000	20,000	20,000
	\$ 30,465	\$ 30,465	\$ 30,465	\$ 30,465

The company's ordinary 'A' class shares are listed on the Restricted Board of the South Pacific Stock Exchange.

The i Taukei Affairs Board and the i Taukei Trust Fund (formerly Fijian Trust Fund) each hold 10 million of the company's "B" class ordinary shares of \$1 each.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 26. OPERATING LEASES

#### Operating lease commitments - where a group company is the lessee

The group has a number of lease agreements with varying terms and conditions. The future aggregated minimum lease payments under these leases are as follows:

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Not later than 1 year	1,303	1,275	142	142
Later than 1 year but not later than 5 years	3,519	3,774	36	178
Later than 5 years	4,190	4,803	-	-
	\$ 9,012	\$ 9,852	\$ 178	\$ 320

#### 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:

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Not later than 1 year	3,425	2,325	-	-
Later than 1 year but not later than 5 years	3,881	3,406	-	-
Later than 5 years	1,526	1,782	-	-
	\$ 8,832	\$ 7,513	\$ -	\$ -

### 27. EARNINGS PER SHARE

Profit after income tax attributable to members of the holding company

Weighted average number of shares outstanding

Basic and diluted earnings per share (cents)

	Group	
	2011 \$'000	2010 \$'000
Profit after income tax attributable to members of the holding company	\$ 2,225	\$ 8,426
Weighted average number of shares outstanding	30,465	30,465
Basic and diluted earnings per share (cents)	\$ 0.07	\$ 0.28

### 28. CONTINGENT LIABILITIES

Non performance guarantees given by the bank on behalf of subsidiary companies

Limited guarantees provided by the holding company to the bank on behalf of:

- subsidiary and related party

	Group		Holding Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non performance guarantees given by the bank on behalf of subsidiary companies	3,515	3,605	-	-
Limited guarantees provided by the holding company to the bank on behalf of: - subsidiary and related party	407	500	-	500

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

The company has also provided letters of support to three of its subsidiaries, Blue Lagoons Cruises Holding Ltd, Pasifika Holdings Ltd and FHL Logistics Ltd, undertaking that in the next 12 months it would provide sufficient financial assistance as and when it is needed to enable the subsidiaries to continue operations and meet their financial obligations.

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 29. CAPITAL COMMITMENTS

Commitments for capital expenditure not provided for in the financial statements are as follows:

Approved but not contracted  
Approved and contracted

Group		Holding Company	
2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
265	1,348	-	-
12,657	9,631	-	-

### 30. RELATED PARTY INFORMATION

#### Directors

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

C Cameron	- Chairman from 14 July 2011
I Naiveli	- (acting Chairman from 1 February to 14 July 2011)
I Cawi	- from 14 July 2011
P Lala	-
U Baya	-
S Lutu	-
I Kaloumaira	- Chairman up to 1 February 2011
A Mohammed	- up to 1 February 2011
S Qoro	- up to 1 February 2011
M Makasiale	- up to 14 July 2011

Amounts paid to the directors during the year are disclosed in Note 4(b).

#### Ownership interests in related parties

All material ownership interests in related parties are disclosed in Note 18.

#### Transactions with related parties

All transactions with related parties are made on normal commercial terms and conditions.

Amounts receivable from related party are disclosed in Note 10.

#### 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 the planning, directing and controlling the activities:

Holding company	
Name	Title
Sereana Qoro	Managing Director up to 1 February 2011
Nouzab Fareed	Acting Chief Executive Officer from 1 February 2011
Aiyaz Musa	Chief Financial Officer up to 13th January 2011
Tomasi Radakua	Human Resource Manager
Napolioni Batimala	Manager Finance, Investment & Strategy up to 28 February 2011
Tevita Gonelevu	Manager Financial Planning & Company Secretary
Joel Mastapha	Group Accountant

The aggregate compensation of the key management personnel of holding company comprising only short-term benefits amounted to \$1.251 million (2010: \$1.275 million).

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 31. SEGMENT INFORMATION

#### Primary Reporting - Business Segments

	Construction \$'000	Property \$'000	Finance \$'000	Tourism \$'000	Retail \$'000	Other \$'000	Inter Segment \$'000	2011 TOTAL GROUP \$'000
<u>External operating revenue</u>	62,704	2,419	13,979	7,954	94,386	18,497	( 15,810)	<b>\$ 184,129</b>
<u>Result</u>								
Profit/(loss) before income tax	5,144	611	7,171	( 4,379)	6,540	4,986	( 9,079)	<b>\$ 10,994</b>
<u>Depreciation and amortisation expenses</u>	3,198	244	358	958	969	236	-	<b>\$ 5,963</b>
<u>Acquisition of property, plant and equipment</u>	681	143	1,890	67	1,669	3,254	-	<b>\$ 7,704</b>
<u>Total Assets</u>	56,838	9,670	125,130	18,101	66,483	194,033	(125,615)	<b>\$ 344,640</b>
<u>Total Liabilities</u>	21,066	2,982	94,389	13,074	33,104	39,782	( 27,062)	<b>\$ 177,335</b>

	Construction \$'000	Property \$'000	Finance \$'000	Tourism \$'000	Retail \$'000	Other \$'000	Inter Segment \$'000	2010 TOTAL GROUP \$'000
<u>External operating revenue</u>	67,331	2,061	14,872	9,490	89,701	17,361	( 18,741)	<b>\$ 182,075</b>
<u>Result</u>								
Profit/(loss) before income tax	6,157	835	9,612	( 3,945)	7,246	8,066	( 10,340)	<b>\$ 17,631</b>
<u>Depreciation and amortisation expenses</u>	4,162	260	230	1,002	828	292	-	<b>\$ 6,774</b>
<u>Acquisition of property, plant and equipment</u>	1,489	1,529	776	23	987	180	( 1,762)	<b>\$ 3,222</b>
<u>Total Assets</u>	56,152	10,302	119,569	20,250	64,285	184,778	(126,834)	<b>\$ 328,502</b>
<u>Total Liabilities</u>	20,702	3,505	89,990	10,401	33,177	21,314	( 22,605)	<b>\$ 156,484</b>

The group operates in Fiji and in PNG in a number of business segments. Construction operations comprise the production and sale of cement, concrete and concrete products. Property comprises the ownership of properties and derivation of rental income. Tourism includes investment in a company operating a fleet of cruise vessels. Finance includes the financing of asset purchases and granting of personal loans and acceptance of term deposits. Retail includes retailing and wholesaling of general merchandise. Other includes equity and securities investments, stock brokering, management services and the provision of shipping, customs, transportation and commercial waste disposal services

## Notes to and Forming Part of the Financial Statements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

### 31. SEGMENT INFORMATION - *continued*

#### Primary Reporting - Geographical Segments

	Fiji \$'000	PNG \$'000	Inter- Segment \$'000	Total \$'000
External operating revenue	182,539	2,698	( 1,108)	<b>184,129</b>
<b>Result</b>				
Profit/(loss) before income tax	10,514	1,588	( 1,108)	<b>10,993</b>
Depreciation and amortisation expense	5,958	5	-	<b>5,963</b>
Acquisition of property, plant and equipment	6,961	743	-	<b>7,704</b>
Total Assets	344,475	1,530	( 1,365)	<b>344,640</b>
Total Liabilities	176,945	1,755	( 1,365)	<b>177,335</b>

## South Pacific Stock Exchange Listing Requirements

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this 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 2011 is:**

i) Mr. Ilimotama Cawi (Indirect interest: ILEECAWI FAMILY TRUST) 500 Shares in Fijian Holdings Limited  
2010: NIL.

b) **Distribution of Shareholding**

Holding	No. of Holders	% Holding
Less than 500 shares	5	0.00%
501 to 5,000 shares	672	2.90%
5,001 to 10,000 shares	52	1.24%
10,001 to 20,000 shares	47	2.34%
20,001 to 30,000 shares	13	1.03%
30,001 to 40,000 shares	11	1.22%
40,001 to 50,000 shares	9	1.41%
50,001 to 100,000 shares	28	7.08%
100,001 to 1,000,000 shares	19	15.46%
Over 1,000,000 shares	2	67.32%

c) **Summary of FHL Subsidiary Companies Performance**

	Fijian Property Trust Co. Ltd \$'000	FHL Securities Ltd \$'000	Basic Industries Group \$'000	Fiji Industries Ltd \$'000	Merchant Finance & Invest- ment Co. Ltd \$'000
Turnover	2,100	68	28,016	27,009	12,510
Other income	319	38	4,818	162	1,468
	2,419	106	32,834	27,171	13,978
Depreciation	( 244)	( 1)	( 2,153)	( 1,040)	( 358)
Interest expense	( 81)	( 1)	( 304)	( 253)	( 5,373)
Other expenses	( 1,483)	( 78)	( 27,377)	( 22,148)	( 1,076)
Income tax expense	( 170)	3	( 561)	( 1,144)	( 2,008)
	( 1,978)	( 77)	( 30,395)	( 24,585)	( 8,815)
Profit after tax	\$ 441	\$ 29	\$ 2,439	\$ 2,586	\$ 5,163
Assets	9,670	2,589	32,724	22,584	125,130
Liabilities	( 2,982)	( 2,047)	( 12,709)	( 6,602)	( 94,389)
Shareholders funds	6,688	542	20,015	15,982	30,741

## South Pacific Stock Exchange Listing Requirements - continued

Fijian Holdings Limited and Subsidiary Companies | Year Ended 30 June 2011

	Fijian Holdings Trust Management Ltd \$'000	Pasifika Holdings Ltd \$'000	FHL Logistics Holdings Ltd \$'000	Blue Lagoon Cruises ment Co. Ltd \$'000	FHL Retailing Ltd \$'000
Turnover	914	2,698	5,648	7,631	92,992
Other income	15	-	52	323	1,394
	929	2,698	5,700	7,954	94,386
Depreciation	( 39)	( 5)	( 21)	( 958)	( 969)
Interest expense	( 1)	( 1)	-	( 302)	( 447)
Other expenses	( 655)	( 4,280)	( 8,601)	( 11,073)	( 86,431)
Income tax expense	( 66)	-	-	( 443)	( 1,505)
	( 761)	( 4,286)	( 8,622)	( 12,776)	( 89,352)
Profit/(loss) after tax	\$ 168	(\$ 1,588)	(\$ 2,922)	(\$ 4,822)	\$ 5,034
Assets	874	1,530	3,675	18,101	66,483
Liabilities	( 320)	( 1,755)	( 5,597)	( 13,074)	( 33,104)
Shareholders funds	554	( 225)	( 1,922)	5,027	33,379

### FHL Group Five Year Comparative Figures

	12 Months ended 30 June 2007 \$'000	12 Months ended 30 June 2008 \$'000	12 Months ended 30 June 2009 \$'000	12 Months ended 30 June 2010 \$'000	12 Months ended 30 June 2011 \$'000
1). Revenue	94,805	111,435	169,305	175,338	176,917
Operating Exp	61,726	84,078	102,157	149,147	165,694
Net Profit Before Tax	19,984	16,475	46,925	10,592	10,994
Net Profit After Tax	19,485	15,537	49,688	13,022	6,588
Assets	233,042	263,390	299,900	328,502	344,640
Liabilities	107,142	139,896	133,066	156,484	177,335
Equity	125,900	123,494	160,773	163,681	167,305

2).	Highest Price During the Year	<b>\$3.22</b>
	Lowest Price during the Year	<b>\$2.90</b>
	Share Price at Year end	<b>\$2.90</b>

## Board Meeting Record

Board Members	Meetings Dates														
	22-Jul-10	29-Jul-10	19-Aug-10	28-Oct-10	16-Dec-10	23-Dec-10	1-Feb-11	4-Feb-11	24-Feb-11	23-Mar-11	19-Apr-11	10-May-11	16-May-11	25-May-11	31-May-11
I Kaloumaira	●	●	●	●	●	●	■	■	■	■	■	■	■	■	■
A Mohammed	★	●	●	●	●	●	■	■	■	■	■	■	■	■	■
I Naiveli	●	★	●	★	●	●	●	●	●	●	●	●	●	●	●
P Lala	●	●	★	★	★	★	●	●	●	●	★	★	★	★	●
U Baya	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
M Makasiale	●	★	●	●	★	●	●	●	●	●	●	★	●	●	●
S Lutu	★	★	●	●	●	●	●	●	●	●	●	●	●	●	●
S Qoro	●	●	●	●	●	●	■	■	■	■	■	■	■	■	■

- Keys**
- Present
  - ★ Apologies
  - Resigned



### The Ra Marama

Ra Marama was Ratu Cakobau's flagship war canoe presented as a gift from the people of Somosomo in 1842. Ra Marama became Ratu Cakobau's sign of dominance, power and authority over the Fiji waters. One of the largest ever built. Ra Marama was 102 feet long, 18 feet wide and took 7 years to build. It could carry up to 200 men with food and water for long voyages and capable of travelling at a speed of 10 to 15 knots ■

### Na Ra Marama

Na Ra Marama e a Drua ni valu nei Ratu Cakobau. E a soli me i loloma mai vei ira na lewe i Somosomo ena 1842. Na Drua oqo e yaco me i vakatakilakila ni qaqa, kaukauwa kei na vakatulewa nei Ratu Cakobau e na vei wasawasa e Viti. E dua vei ira na Drua levu e buli, e 102 na fiti na kena balavu, 18 na fiti na kena raba ka taura e 7 na yabaki na kena tara. E rawa ni usana e 200 na tamata kei na kedra i vaqa kei na medra wai ena veisokoyaki balavu, ka rawa ni soko na Drua oqo ena 10 kina 15 na nota na kena totolo ■



**FIJIAN  
HOLDINGS  
LIMITED**

### Appointment of Proxy

I/We

\_\_\_\_\_ being a member of **Fijian Holdings Limited**, hereby appoint:

\_\_\_\_\_ as our proxy, to vote for us and on our behalf at the Twenty Sixth Annual General Meeting of **Fijian Holdings Limited** to be held on the 28th day of October 2011.

*(Please select appropriate section)*

**A.**

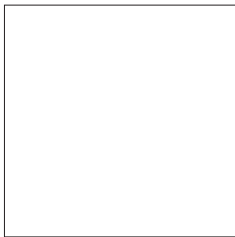
\_\_\_\_\_ Shareholder Signature

\_\_\_\_\_ Witness Name & Signature

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

**B.**

In case of a body corporate, this form should be under its Seal or be signed by an officer or an attorney duly authorised by it.



The Common Seal of

\_\_\_\_\_ was hereunto affixed in the Presence of the Undersigned who certify that they are Proper officers authorised to attest the Affixing of the Seal of the said Company:

\_\_\_\_\_ Director

\_\_\_\_\_ Director/Secretary

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Send Proxy Form to:

Fax:

330 5020

Mail:

P.O. Box 2110  
Government Buildings  
Suva  
Fiji

or Hand Deliver to:

Fijian Holdings Ltd  
Level 7  
Ra Marama  
91 Gordon St  
Suva  
Fiji

*Innovation*



*Investments*



*Efficient  
Operating  
Practices*



*Diversification*





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