Fiji Ports Corporation Limited

2019
ANNUAL REPORT

Fiji Ports Corporation Limited

OUR VISION

To be the Smart Green Gateway for trade in the Pacific region.

OUR MISSION

To invest significantly in new and upgraded seaport and ship repair facilities to support and enhance the economic growth and prosperity of Fiji, as well as providing key economic and lifestyle linkages throughout Fiji and our Pacific region. We will provide expertise to drive regional safety and capacity in respect of maritime infrastructure.

CORPORATE CULTURE

Our working environment is defined by openness and maximising the benefits - often unrecorded and unseen - that flow from having a positive workplace.

VALUES

Professionalism
Progressive Leadership
Commercial Stewardship
Corporate Citizenship
Strategic Innovation
Employees Wellbeing/Diversity

COVER

Each blade of the propeller is embossed with a symbol showing one of FPCL's 6 Strategic Goals, which will propel the Company into the future as a green, smart port in the Pacific.

Cover concept by FPCL.

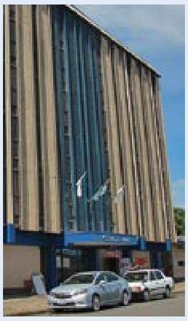
FIJI PORTS:
Smart, Green Gateway for Trade

Carbon Footprint

It is Fiji Ports' commitment to reduce GHG emissions, with respect to use of electricity as reflected in the use of this international symbol.

Green Port Master Plan, Timeline and Port Sustainability Guidelines
FPCL has developed and launched the Green Port Master Plan, Timeline and Port Sustainability Guidelines which provides a high level road map in becoming The Green Port of the South Pacific.

New Incinerator
FPCL took the initiative to install a new electric powered incinerator at Port of Suva to replace the old diesel powered incinerator. This is an achievement towards technological advancement and commitment to reducing the carbon footprint.

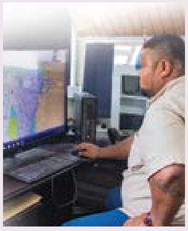


Energy Efficiency Upgrades at Muaiwalu House
The replacement of standard fluorescent tube lighting with LED has reduced energy consumption by 42%, representing an annual reduction of 62 tonnes of GHG emissions. The office air-conditioning upgrade has contributed to the increase in savings for power consumption and the overall reduction of energy consumption and GHG emissions.

Clean Wharves
By 2023, a 30% reduction of landfill waste being produced by port areas, with an increased perception of a cleaner Fiji Ports.

New Water Filter Recycling Tanks
Water tanks have been installed to complement the Company's water blasting operation that often resulted in chemical–laden wastewater discharged into the surrounding marine environment. The waste is now recycled through the tanks resulting in a clean water source.

Smart Monitoring Technology
Fiji Ports will soon introduce its Vessel Traffic Management System (VTMS) to improve the safety and efficiency of navigation, and to safeguard the marine environment.



Onshore power supply to reduce GHG emissions
FPCL is exploring the development of a feasibility study for use of onshore power sources for domestic and small international vessels, to reduce GHG emissions, and air and noise pollution.

Solar Power Supply
FPCL is investigating the feasibility of installing solar photo-voltaic systems on roofs with minimal year-round shading.

Green Space Initiative
Gardens have been introduced into the Port complex as a part of an ongoing initiative to promote healthy green spaces within Port borders.

Table of Contents

Our History

Before 1975
- Port Operation → Run by Government Departments
- Cargo Handling & Stevedoring → Controlled by Overseas Companies with Agents in Fiji

1975
- Ports Authority of Fiji (PAF) → Established by Act of Parliament

1998
- Maritime & Ports Authority of Fiji (MPAF) → Commercial Statutory Authority
- Ports Terminal Limited → Government Commercial Company
- Reform created 2 entities

2004 (August 18th)
- Fiji Ports Corporation Limited → Registered under Companies Act → Declared fully owned Government Commercial Company
- With subsidiary Ports Terminal Limited (PTL) → Government Commercial Company

2009 (June)
- Fiji Ships & Heavy Industries Limied (FSHIL) → FPCL takes over FSHIL Management and Operations

2013
- Ports Terminal Limited associate company → FPCL & AITKEN SPENCE PCL → Public Private Partnership

2015
- FPCL → Divestment of Shares Agreement → 41% Fijian Government owned 39% Fiji National Provident Fund owned 20% held by Aitken Spence PLC

Corporate Profile

FPCL is the Port Management Company in Fiji and also plays a regulatory role in maintaining standards relating to Ports of Entry and other local ports throughout Fiji. As such, growing trade through Fiji's Ports in a sustainable manner that will optimise returns remains vital to FPCL.

FPCL provides primary regulatory oversight for:
Ports of Suva, Lautoka, Levuka, Vuda, Malau, Rotuma and Wairiki, and at most of these, supplies operational and/or service provision through sub-contractors.

Ownership Structure

Effectively, FPCL is a Public Private Partnership (PPP).

FPCL's subsidiary company, Fiji Ships & Heavy Industries Limited (FSHIL) and Group's associate company, Fiji Ports Terminal Limited (FPTL), also have varying shareholdings.

Principles upon which this Report is based

Obligations Under Law

Public Enterprises Act 2019
Health and Safety at Work Act (HASAWA) 1996
Sea Ports Management Act 2005
Fiji Environment Management Act 2005
Fiji Companies Act 2015
Income Taxation Act 2015
International Ship & Port Facility Security (ISPS) Code
International Maritime Organisation,
- including Ports State Control,
- ILO/IMO Port reception facilities

International Financial Reporting Standards (IFRS)
Fijian Competition & Consumer Commission tariff rates

Elective

FPCL ISO 9001:2015 Quality Management System
FSHIL ISO 9001:2015 Quality Management System

Fiji Ports Corporation Limited (FPCL)

	GOVT	41%
	FNPF	39%
	ASPLC	20%

Fiji Ports Terminal Limited (FPTL)

An Associate Company of FPCL that manages the Cargo Terminals in Suva and Lautoka ports.

	ASPLC	51%
	FPCL	49%

Fiji Ships & Heavy Industries Limited (FSHIL)

A Subsidiary of FPCL providing Slipway and Ship Repair Services and Heavy Industry work.

	FPCL	100%

Highlights - Key Events in 2019

- Dividend totaling more than FJ$16million paid to our three Shareholders
- Completion of Phase 3 of Job Evaluation Exercise
- Successful removal and scuttling of m.v. "Southern Phoenix"
- Compilation of updated FPCL Risk Register
- Port Mua-i-Walu II deck overlay successfully completed
- Introduction of Vehicle Access Control System at Port Mua-i-Walu II
- FSHIL Green Space initiative expanded using filtered recycled water
- Installation of electric powered incinerator at Port of Suva
- Launching of 2019-2023 Green Port Masterplan and Sustainability Guidelines for Procurement
- New Vessel Traffic Management System planned for 2020 with initial demonstration by contractor
- Launch of FPCL 5-Year Strategic Plan 2019-2023

MAJOR ACHIEVEMENT: ISO 9001:2015 CERTIFICATION

FPCL achieved ISO 9001:2015 Certification in Quality Management System for Ports of Suva and Lautoka.

ISO 9001:2015 focuses on reducing risk and enhancing opportunities within the organisation, enabling staff to make a greater contribution towards continuous improvement and meeting stakeholder and customer expectations.

As part of the ISO 9001:2015 implementation involved staff engagement in business processes, improvements and conducting internal audits. The certification clearly highlights our full commitment to continuous improvement within our Organisation's processes and activities.

Chairman's Message

Shaheen Ali
Chairman

FPCL Profitability
3.6%

Retained Earnings in 2019
18%

Liquidity Ratio
8.0 to 8.9

It gives me great pleasure to present the 2019 Annual Report for the Fiji Ports Corporation Limited (FPCL) and its subsidiary company, Fiji Ships & Heavy Industries Limited (FSHIL). As we embark on the journey into another Financial Year, we are aware that these are unprecedented times, with the full global impact of the COVID-19 pandemic still to be realised. It is within this altered landscape that we take stock of our achievements and look forward to new horizons.

Strong Financial Performance

I am pleased to report that the Company Group performance for the 2019 Financial Year represents a consistently resilient outcome with a Net Profit After Tax (NPAT) of FJ$26.5million.

For 2019, net finance (interest) income shows a significant 71% increase over 2018, due to prudent cash management processes implemented by Management. The Group operating revenue also showed an increase of 3.2% over 2018.

The Group recorded 36.23% profitability on invested capital, and an 18.86% return on equity, declaring a record dividend to shareholders of an impressive FJ$16.8million being a 3.5% increase over 2018.

Furthermore, the Group Retained Earnings increased by 18% in 2019 in comparison with 2018 and Liquidity Ratio increased from 8.0 to 8.9.

Profit Sharing Income

The share of profits from the Group's associate company, Fiji Ports Terminal Limited (FPTL) shows an 8% decrease compared to 2018. This is attributed to the increased depreciation charges incurred with the necessary procurement of major assets, as well as the reduced cargo volume.

Strategic Planning

I commend the Executive Management for the formalisation of the 5-Year Strategic Plan, 2019-2023, which recognises the importance of long-term, integrated planning to identify opportunities and possible constraints in expediting the potential for private and public investment in the ports and logistics sectors.

We strongly believe that by proactively planning for a future that provides the best for the whole of Fiji and its citizens, FPCL will continue building a resilient and adaptable Company that will benefit our shareholders, staff, key stakeholders and our customers.

Global Logistic Networks

The Board and Management of FPCL are aware that while our concerns and challenges may be perceived as national, our decisions and performance contribute significantly to the global maritime and port networks and are of international significance.

The Board recognises that global economic and societal trends will always be a challenge for FPCL, as evidenced by the impact of COVID-19 on the cruise vessel tourism industry, as too are changes that require technological and operational innovations for greater energy efficiency and economic competitiveness.

> The decision by the FPCL Board and Management to engage a reputable overseas supplier for a Vessel Traffic Management System (VTMS) to be installed at the Habour Master's Office in 2020 demonstrates the Company's proactive commitment to fulfilling our Vision, 'To be the Smart Green Gateway for trade in the Pacific region'.

Our ability to connect to the global logistics network directly impacts our capacity to reap the benefits of opportunities for growth and poverty reduction that accrue as a result of integrating global value chains.

The importance of reliable logistics remains vital to the nation's continued economic development. Key to this is our ability to embrace the technological advances impacting the development of Smart Ports.

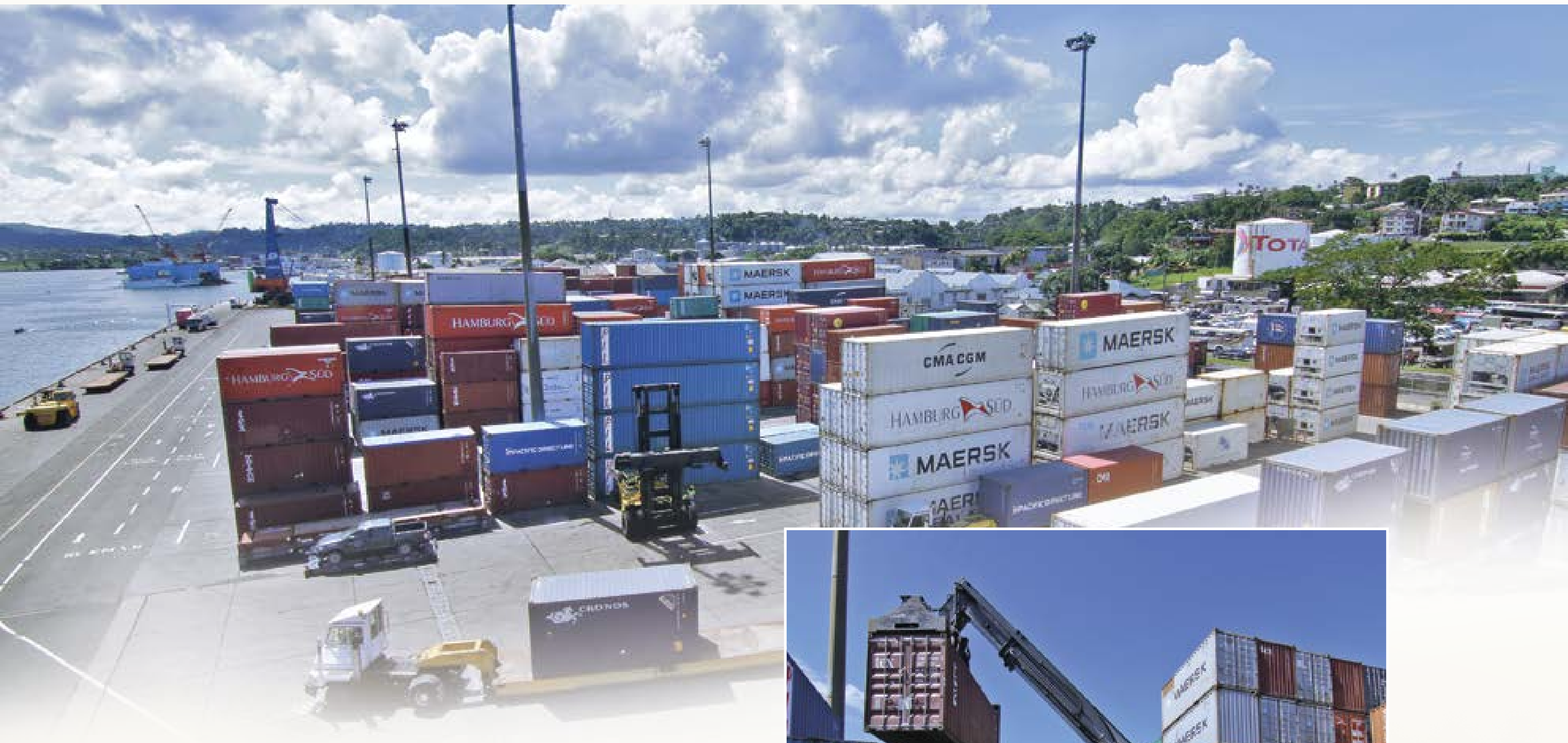
Automation and Smart Ports

By leveraging essential cooperation between the public and private sectors, smaller Ports of Entry can take advantage of technological advances to create 'Smart' systems, which are no longer the exclusive preserve of large, green-field ports.

For example, electronic systems can be used to track container and vehicle movements to remedy wharf congestion or adverse impacts upon normal processes at a reasonable cost. With innovation and automation, the latest intelligent IT systems and the latest cargo handling equipment can be utilised to meet the growing needs of shipping lines.

FPCL is ready to address key challenges and take the optimum advantage of favourable circumstances. The decision by the FPCL Board and Management to engage a reputable overseas supplier for a Vessel Traffic Management System (VTMS) to be installed at the Habour Master's Office in 2020 demonstrates the Company's proactive commitment to fulfilling our Vision, 'To be the Smart Green Gateway for trade in the Pacific region'.

While FPCL's core business centres on servicing national and regional business and public needs, Fiji is strongly positioned to provide transshipment to other Pacific Island States and Territories.



Our future ability to attract larger vessels more frequently, with a commensurate increase in import arrivals to facilitate increased transshipment services to other destinations, will require significant infrastructural advancement to enable the marketing and delivery of such services.

To achieve these goals, the FPCL Board and the Management team work assiduously to maintain the balance between our economic role, our social responsibilities and environmental stewardship.

We are well aware that there are physical, operational, economic and environmental needs that the Company must meet for ongoing efficient service delivery and effective utilisation of resources, into the future.

Green Port Concept

Fiji is one of the first two nations to commit to reaching net zero emissions by mid-century and is the 11th nation to have submitted its Low Emission Development Strategy to the United Nations, in line with Article 4 of the Paris Agreement.

A major area of focus of this comprehensive strategy is the energy sector and the reduction in carbon emissions in land, maritime and domestic aviation transport. As such, the Board and Management remain committed to implementing ways to reduce our carbon footprint and reducing Green House Gas emissions in our operations.

The Board commends the Management and staff of FPCL for the concerted effort, that has not only reduced the Green House Gas emissions, but has also realised cost-effectiveness in its day-to-day activities.

Strengthened Relationships

Continued cooperation and communication with our key stakeholders such as the Maritime Safety Authority of Fiji (MSAF), Fiji Revenue and Customs Services (FRCS), and Biosecurity Authority of Fiji (BAF), are vital if we are to provide the best service possible to our international, regional and local customers.

In the spirit of forging and strengthening partnership, FPCL continues to disseminate information and exchange knowledge with other essential stakeholders, such as shipping lines and their agents, importers and exporters and cruise line operators.

The FPCL Board is cognizant of the physical constraints at the Ports of Entry, Suva and Lautoka. Since the Port of Suva is a multi-commodity port on a single footprint, there are the added challenges of yard, storage and handling space allocations.

As a multi-purpose port accommodating cruise vessels, FPCL also strives to provide the best possible service to our overseas visitors. In this regard, we were pleased to see the official opening of the newly constructed cruise liner passenger lounge at the Port of Suva.

> It is incumbent upon us, as Directors, to act in the best interests of the Company, with full regard for FPCL as both a commercial maritime entity of national significance, and one that functions as an essential link within the regional and global supply chains at a high level.

The Board supports FPCL as the Company seeks to forecast as accurately as possible, future requirements of FPCL's infrastructure, yard and equipment, as well as linkages and shipping arrangements, and the staffing and investments that will be required to achieve the desired results.

The FPCL Board appreciates that the successful transition to Public Private Partnership (PPP) by FPCL in 2013 is testament to the stability and respect for law and order, an integral part of Fiji's social and economic fabric.

Crucial Role

The Board is also cognizant of the crucial role played by FPCL in promoting and facilitating international trade. The successful transaction of our core business is essential to ensuring that Fiji's journey into the future is one of sustainable growth and development. In this regard, FPCL continues to support the continued development of the economic health of Fiji and contributes to the resulting social and material benefits that accrue for local and regional ship owners and operators, and for the populace at large.

It is incumbent upon us, as Directors, to act in the best interests of the Company, with full regard for FPCL as both a commercial maritime entity of national significance, and one that functions as an essential link within the regional and global supply chains at a high level.

The Company is responsible for the maintenance of basic port infrastructure and aids to navigation. FPCL properties have been transferred to Assets Fiji Limited (AFL) to be leased back to FPCL, with some processes still to be completed.

The Board supports FPCL in its drive to continue to mature as an effective, efficient Port Landlord, responsible for port planning, with services and facilities that can be benchmarked against the world's best.

Appreciation

I express my gratitude and acknowledge the leadership of the Chief Executive Officer and the Executive Management Team of the Group. Thank you to all the staff of FPCL, subsidiary company FSHIL and Group's associate company FPTL, for your hard work and commendable commitment throughout the 2019 Financial Year.

The continued support of my fellow Directors throughout the year has been invaluable, and I greatly appreciate their combined experience and business acumen as we navigate the challenges and opportunities presented by the industry.

I also take this opportunity to thank the Fijian Government, and specifically, the Honourable Attorney-General and Minister for Economy for the continued support.

I look forward to the continued partnership and support of our stakeholders, as we embark on a new journey.

Shaheen Ali

Shaheen Ali
Chairman

CEO's Report

Vajira Piyasena
Chief Executive Officer

Operating Revenue
57.6M
to
55.8M

Net Interest Income
71%

Debtors Turnover Days
20days
to
17days

Strong Performance

In 2019, Fiji Ports Corporation Limited (FPCL) delivered exceptional value to our customers as a Port Management Company. We responded to emerging trade patterns and supply chain changes in the region by embracing new technologies and implementing a range of innovative solutions.

As an aspiring gateway for trade in the Pacific we are constantly looking forward to delivering cost-effective, high value services as an emerging Smart and Green Port in the region.

I am pleased to report that in fiscal year 2019 the financial performance of FPCL continued to be strong delivering consistently high returns to our shareholders.

Operating Revenue has increased from FJ$55.8million to FJ$57.6million and the Net Interest Income has increased by 71%. The Debtors Turnover Days also show a positive result, with a decrease from 20 days to 17 days.

Growth Strategies

This being the sixth year in which FPCL has fulfilled its role as a port management company and provider of specialised port services, the 2019 Financial Year has been one of building on the consolidated foundation in preparation for future growth and development. The foundation has enabled the Company to drive in our future direction as the Smart Green Gateway for trade in the Pacific region.

The Company continues to function in this important role, facilitating the economic development of Fiji, while handling approximately 95% of the nation's imports and exports.

FPCL Management is fully aware that to continue this facilitation, we need to meet the demands of evolving and increasingly challenging supply chain requirements. In 2019, the Company implemented a robust planning process. This addressed challenges faced by our ports and logistics chains, while meeting the needs of our shareholders and our customers in the wider industry sector.

Due to international trade issues, the Company faced considerable challenges relating to growth in vessel numbers, mainly cargo vessels, as the consequences of spreading urbanisation and the expansion of traffic in general. Ensuring adequate future capacity and reconciling the interests of our key stakeholders was at the forefront of our discussions in 2019.

As a good corporate citizen, we are also aware that these compelling concerns must be addressed within the context of the global demand to reduce carbon emissions.

Therefore, it was also timely to review and refresh our Vision and Mission Statements, in order to reflect our commitment to the FPCL Green Port Master Plan and our Smart Port Initiative. The renewed vision of FPCL has been established to be the Smart Green Gateway for trade in the Pacific Region.

Our new statements are in alignment with the launch of the FPCL's 5-Year Strategic Plan 2019 -2023, which incorporates a comprehensive delineation of objectives to be achieved, cascaded down and reflected in the KPIs of Management, Department Heads and rest of our staff.

I am pleased to report that FPCL's dynamic pursuit of these goals has resulted in reduction of energy consumption by an estimated 40%, representing an annual reduction of 62 tonnes of GHG emissions since the implementation of various energy saving measures in 2016...

Sustainability Goals

FPCL has been responding to the pressing need for environmental sustainability since 2011, after attending a Green Ports conference in Japan. The Company has responded with a programme of well-structured changes following the Energy Audit conducted in 2016, with funding support by the South Pacific Community (SPC).

As a result of the audit, and with the support for energy management provided by the Maritime Technology Cooperation Centre in the Pacific (MTCC-Pacific), FPCL has been proactive in its commitment to meeting the challenge of reducing Green House Gas (GHG) emissions. The Company began this process and the emphasis on the management of both hazardous and non-hazardous waste generated by activities at Fiji's ports saw the installation of the electric incinerator at a cost of FJ$628,618 replacing the oil fired incinerator that had harmful emissions.

Green House Gas Reduction

I am pleased to report that FPCL's dynamic pursuit of these goals has resulted in reduction of energy consumption by an estimated 40%, representing an annual reduction of 62 tonnes of GHG emissions since the implementation of various energy saving measures in 2016, including the changeover to LED lighting.

FPCL and Group's associate company, Fiji Ports Terminal Limited (FPTL), together have made considerable savings annually on energy costs, assisted also by the 2017 introduction of data tracking for electricity consumption, the 2018 implementation of the power factor correction and the upgrade to energy efficient air conditioning.

Infrastructure Development

The FPCL Board and Management have allocated FJ$9.6million for the rehabilitation of high-risk areas that were highlighted by the Port Engineer Consultancy company engaged in early 2019 to undertake a Condition Assessment of the Suva and Lautoka wharves. The rehabilitation work will be carried out over the 2020 to 2021 period.

FPCL also progressed on development plans for Lautoka Port during the year under review, the appropriate development approvals were granted by the Lautoka City Council for the development and upgrading of two container yards at the Lautoka Port.

FPCL looks forward to the increased capacity and improved operational activities that will accrue from the FJ$11million investment in these developments, planned to take place in phases throughout 2020 and 2022.

The Company has also invested FJ$194,837 in establishing a lounge at the Port of Suva, to provide enhanced facility for the increasing number of cruise liner passengers visiting our shores.

At Mua-i-Walu II Jetty, Engineering Consultants and Contractors were engaged to undertake the repairs of a section of the wharf to reinstate loading capacity and ensure safety compliance at a cost of FJ$388,478.

Long Term Solutions

FPCL recognises that these projects are part of the first phase of short-term solutions to extend the usability of the wharves for a conservative estimate of five to ten years, while long-term measures would provide solutions for the next twenty-five years.

FPCL has achieved significant progress in addressing these issues in the most cost-effective manner, while maintaining all necessary safety and security requirements for all port users and our employees in line with the international standards.

> At Mua-i-Walu II Jetty, Engineering Consultants and Contractors were engaged to undertake the repairs of a section of the wharf to reinstate loading capacity and ensure safety compliance at a cost of FJ$388,478.

In 2019, FPCL supported the Ministry of Economy to partner with the Asian Development Bank to conduct a feasibility study of a new port development. This is essential to fulfil the future demands on operational capacity and container storage space in the multi-purpose Ports of Entry, and essential for the on-going economic and social wellbeing of the nation.

Port Security

FPCL is pleased to report that two separate independent assessments were conducted by the US Coast Guard and by the Maritime Safety Authority of Fiji (MSAF) at Ports of Suva and Lautoka on International Ships and Port Security (ISPS) Code. The Company continues to meet the ISPS Code requirements successfully demonstrating our ability to facilitate international trade through our Ports of Entry while maintaining high level of port security.

The successful facilitation of Port Security Exercises throughout the year vigorously tested the robustness of the FPCL Emergency Response Plan. At the invitation of FPCL, key stakeholders who participated in these exercises included the Ministry of Defense; MSAF; the Republic of Fiji Military Forces; Fiji Revenue and Customs Service; Fiji Navy; Fiji Police Force, the National Fire Authority and the Ministry of Health and Medical Services.

FPCL is also represented at important Government Border Security Committees such as the Counter Terrorism Officers Group, the National Maritime Security Strategy Committee and the National Security and Defense Council for Border Security.

World Port Conference

Participation at international conferences ensured that FPCL remains abreast of developments within the maritime sector, while forging and strengthening international relationships.

In this aspect FPCL was pleased to accept the invitation to attend the 2019 International Association of Ports and Harbors (IAPH) Conference held in Guangzhou from 6th – 10th May in China, with the theme, *'Collaborate Now, Create Future'*. Amongst the many topics, discussions were centered on the strategic aspects of Ports and Maritime business, within a global perspective.

Similarly, the invitation to participate in the ADB Regional Maritime Transport *'Smart and Green'* Workshop, 28th – 30th May, in Singapore, reflects FPCL's reputation and an opportune time to investigate potential smart and green options for FPCL to move forward in the direction of Smart Green Gateway for Trade in the Pacific.

Both CFO and I were also in attendance representing FPCL at the Asia-Pacific Business Forum held in June at Port Moresby PNG, themed *'Global Goals, Local Opportunities; inclusive and sustainable development for the non-urban Asia Pacific'*.

At the forum, I was privileged to participate as a panelist in a session, on the topic Infrastructure and Connectivity Game Changers.

Fiji Ships & Heavy Industries Limited

Although Fiji Ships & Heavy Industries Limited, (FSHIL) a subsidiary company of FPCL, recorded a profit of FJ$112k for the 2019 Financial Year, the total income exhibited a decrease of FJ$819k, which is about 12.5% in comparison with 2018. This is attributed to the impact from ageing infrastructure, especially the underwater section of the slipways.

Despite this, the FSHIL balance sheet for 2019 has remained strong, with a healthy cash balance of FJ$2.4million, term deposit of FJ$1million and a low gearing of 0.10.

In 2019, Management has invested FJ$813k to fabricate the new cradle for the 500T slipway and to develop a robust plan to repair the aging infrastructure.

Milestone Achievement

I am very pleased to record that during the year, FPCL achieved the ISO 9001:2015 Quality Management Systems certification. This prestigious status is another testimony of our commitment to provide services to our valued customers to the highest standards.

I wish to congratulate the FPCL team for this milestone achievement, as it serves to strengthen the Company's internal processes towards world-class standards for doing business and maintaining operational excellence.

This follows FSHIL's successful certification in 2018 of ISO 9001:2015 for the Provision of Services, related to ship repair works, ship repair services, slipway facilities and heavy industry services.

Acknowledgements

I wish to express my sincere appreciation to our Chairman and the Board of Directors. Their abiding commitment to FPCL and its staff, their incomparable leadership and guidance has been invaluable during 2019, as we conclude what has been another challenging and inspiring year.

To my colleagues at the Executive Management Team and all our employees, I wish to convey my appreciation. Thank you all for your continued efforts contributing to the success of the Company. I am extremely grateful for your dedication and hard work.

I wish to take this opportunity to express my gratitude to our colleagues at the Ministry of Economy for their continuing support.

With your continuing support, FPCL looks forward to implementing the plans to take the Company though the difficult times that we are experiencing now in 2020 and into the future, for the benefit of our key stakeholders, our valued customers, and the people of Fiji.

Vajira Piyasena
Chief Executive Officer

Approach to Reporting

Progress in Achieving Our Six Strategic Goals

Strategic Goal 1 - Governance

To enhance our governance processes by aligning external/regulatory functions to effectively facilitate the governance framework, ensuring the organisation achieves a balance between commercial and social deliverables required by shareholders.

Strategic Goal 2 - Infrastructure

This is focused on monitoring the state of critical infrastructure by implementing rehabilitation measures to maintain FPCL assets in an optimum level of condition. FPCL will ensure that the new port development project is implemented to improve efficiency by benchmarking against world-class international operational standards. FPCL will collaborate with key stakeholders/agencies in all aspects of port development on the relocation plan for Suva Port.

Strategic Goal 3 - Financial Performance

To spearhead the Commercial and Financial Stewardship of FPCL to ensure that shareholder value is retained, in the midst of implementing strategic development initiatives, such as the Suva Cargo Port relocation. Facilitate long term funding options, and provide financial insights to ensure agreed annual outcomes are achieved, while evaluating and supporting options to finance all the projects outlined in the 5-Year Strategic Plan. Develop and introduce customer-centric systems and processes to optimise customer experience and be a catalyst to progress towards earning recognition as the Smart and Green Port of the Pacific.

Strategic Goal 4 - Organisation/Capacity

To optimise the new organisational structure in alignment with the strategic objectives through rigorous requirements processes. FPCL is committed to providing capacity building and development, supporting staff retention strategies, promoting gender equality and maintaining integrity through a professional workforce.

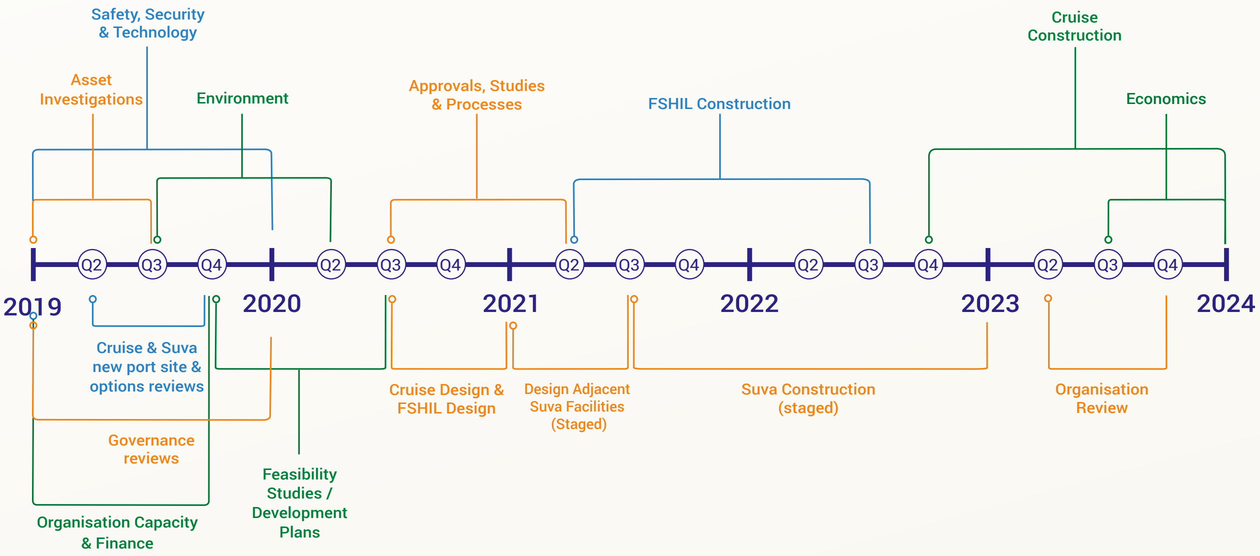
Strategic Goal 5 - Environment and Sustainability

FPCL is committed to assessing and implementing Port Sustainability Guidelines and Green Port Initiatives.

Strategic Goal 6 - Safety, Security & Technology

Continue to enhance the review of safety and security procedures to meet and exceed the required International Ship and Port Facility Security (ISPS) Code and adopt a safe workplace culture. FPCL is focused to implement advanced technology systems to enhance its operational capabilities to be a leading Smart port in the region.

5-Year Strategic Plan- Programme Summary



NOTE: Governance & finance reviews are critical upfront, particularly with significant investment development anticipated, similarly organisational structure & capacity will be critical. Whilst these elements are shown as completed early, realistically many of these must continue to be reviewed throughout the strategic plan period.

The greening of FSHIL; a staff member tends to a Company garden.

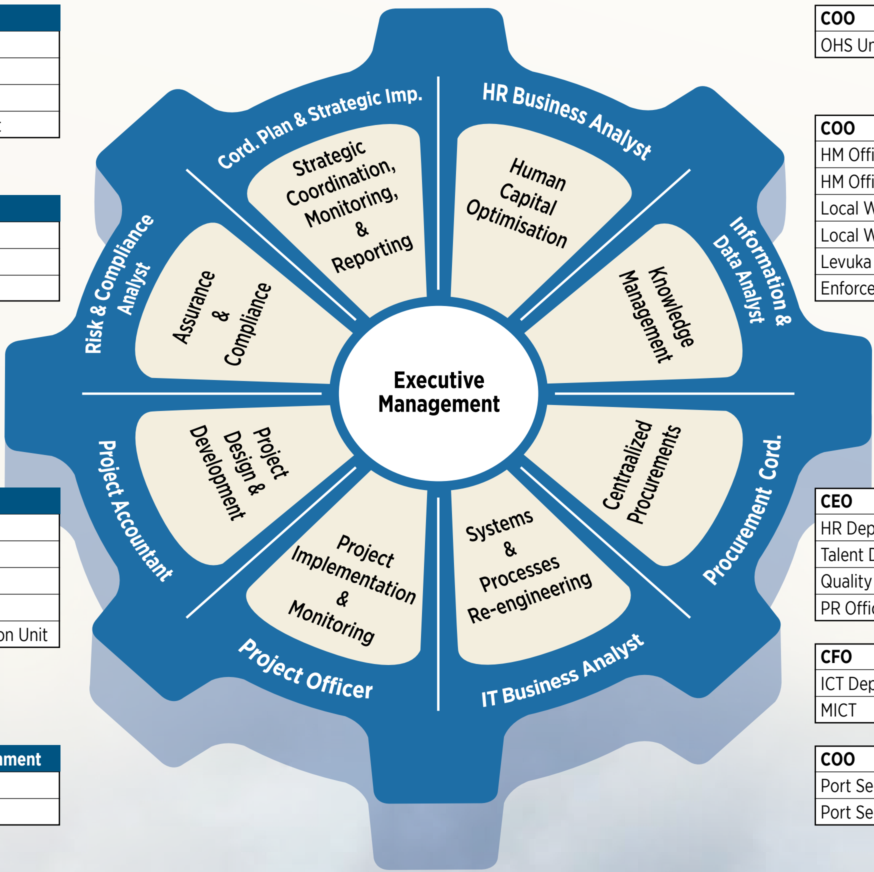
FPCL Organisational Structure & Strategy Execution Team

CEO	Governance
Executive Management	
Board Secretary	
Legal Unit	
CFO	Risk and Compliance Unit

CFO	Financial
Finance Department - Suva	
Finance Department - Lautoka	
Procurement Unit	

CI&PO	Infrastructure
Port Engineering Department	
Maintenance Unit	
Asset Management Unit	
Projects Unit	
Planning & Strategic Implementation Unit	

COO	Sustainability & Environment
Environmental Management Unit	
Energy Management Unit	



COO	Safety
OHS Unit	

COO	Port Operation
HM Office/Port Administration Suva	
HM Office/Port Administration Lautoka	
Local Wharf Office - Suva	
Local Wharf Office - Lautoka	
Levuka Office	
Enforcement Unit	

CEO	Organisation
HR Department	
Talent Development & Training Unit	
Quality Assurance Unit	
PR Office	

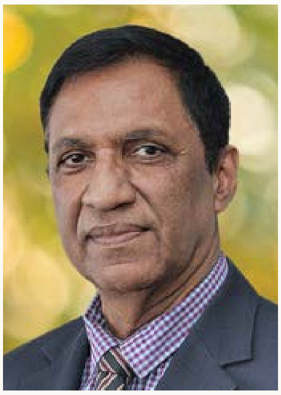
CFO	Technology
ICT Department	
MICT	Business Information Unit

COO	Port Security
Port Security Department - Suva	
Port Security Department - Lautoka	

Board of Directors

Government Representatives


Shaheen Ali
Chairman


Vijay Maharaj
Director


Vilash Chand
Director


Tupoutua'h Baravilala
Director

Fiji National Provident Fund Representatives


Tevita Kuruvakadua
Director


Sashi Singh
Director

Aitken Spence PLC Representatives


Dr Parakrama Dissanayake
Director


Iqram Cuttilan
Director

Executive Management Team

Vajira Piyasena
MBA, MSc, PG Dip Management (Prod & Tec), PG Dip International Affairs, PG Dip Business (Quality & Ops Mgmt), CEng (MIE) (Ind)I Eng, FIMarEST (UK), FRINA (UK),FCILT (UK), CQP FCQI (UK), CMgr FCMI (UK), Marine Eng. (Class 1) DoT UK
Chief Executive Officer

Following a multi-disciplined international career spanning over 30 years as a maritime professional, an academic and a management consultant, Vajira Piyasena joined Fiji Ports Corporation Limited (FPCL) in 2011 as the CEO to head the then state-owned entity and its two subsidiary companies, Ports Terminal Limited (PTL) and Fiji Ships & Heavy Industries Limited (FSHIL). With the privatisation of PTL in 2013, after a successful Public Private Partnership and subsequent divestment of FPCL in 2015, he was responsible for providing strategic and transformational leadership to the organisation at a time of unprecedented change.

Qualified in UK as a Marine Chief Engineer in 1987, Vajira had a seagoing career serving with major international shipping companies. In the area of the maritime industry, his expertise extends to international shipping, marine engineering, maritime education and training, ship repairs and ship building and maritime safety. As the co-founder of a consultancy company established to provide services primarily to the maritime industry, he has worked with over 100 companies in projects comprised of developing integrated management systems, policy development, corporate restructuring and international business development.

His research work includes developing a "Productivity-based Engineering Model for Port Development Policy Analysis and Implications" focused on the government Port Development Policy and competitive effectiveness in productivity to develop Port of Colombo, Sri Lanka as Hub Port in the South Asia Region.

He has received Executive Training from Harvard Business School and Goizueta Business School, USA. In addition, he is also a member of the Masters in Business Administration (MBA) Advisory Committee of the University of the South Pacific and a Member of the Panel of Review for the Fiji Business Excellence Award.

Roshan Abeyesundere
MBA (NZ), FCMA (UK), FCPA (AU), MCIM (UK), CGMA
Chief Finance Officer

Appointed as CFO in 2017, Roshan Abeyesundere is a strategic commercial finance leader who has significant international exposure.

He is passionate about enhancing value in organisations by focusing and improving key business processors and value drivers. He is a former Group Accountant of New Zealand Post Group.

At New Zealand Post, he worked as a Commercial Manager for six years, designing and implementing new revenue generating projects.

For four years he was CFO of Dispute Resolution Services Limited, responsible for leading finance, IT, risk, property, commercial and administration functions in five major cities in New Zealand.

Mr. Abeyesundere has extensive experience in commercial projects design, negotiation and implementation; he has provided leadership to change management and business strategy development initiatives in many organisations to enhance shareholder value.

He brings with him hands-on experience in business continuity planning, risk and knowledge management.

Captain Laisiasa Gonewai
Master Mariner Class 2 FG COC (NZ)
Acting Chief Operating Officer

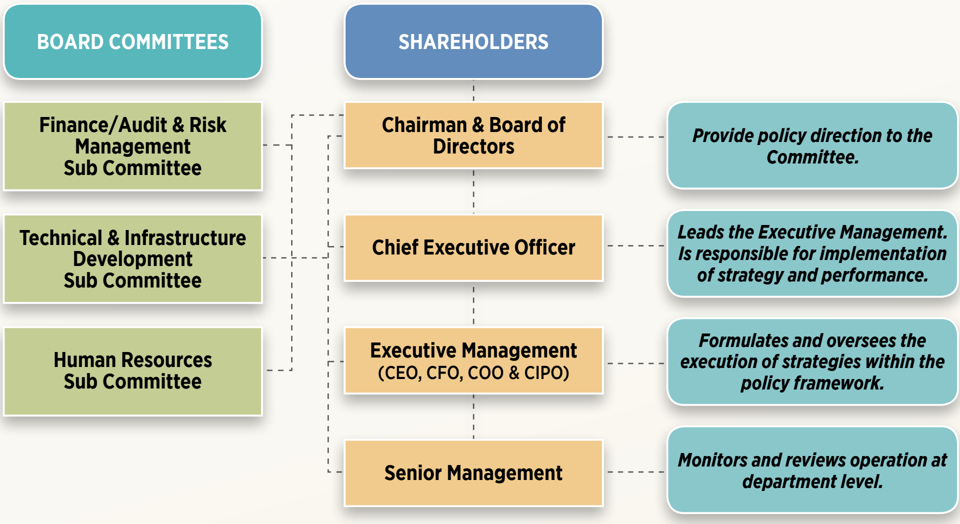
Appointed as Acting Chief Operating Officer, February 2017, Captain Gonewai has been the Harbour Master for the Port of Suva since 2014. His qualifications include: Gazetted Marine Surveyor (MSAF); Certificate of Competency for Class 1 Mates and Class 2 Masters, FC COC (NZ Maritime College), and Certified Marine Deck Examiner. He has more than 25 years' experience in the domestic and international maritime industry.

Governance

The Structure

The Board of Directors, as the final decision-making body of the Company, has been responsible for setting in place an effective Corporate Governance Framework, which maintains balance between empowerment, accountability, and vision for sustainable growth. The FPCL Board is also responsible for the strategic guidance and oversight of the Company as set out in the Board's Terms of Reference.

- Review and adopt the overall Strategic Plan;
- Oversee and evaluate the conduct of business of the Company and the Group;
- Identify risks and ensure implementation of a proper risk management system;
- Establish a succession plan;
- Review the adequacy and the integrity of the Management information and internal control systems of the Company and the Group.



Meetings:

The Board and Subcommittees are scheduled to meet three times during the Financial Year ended on 31st December 2019. Attendance was as follows:

Directors	Board Meetings		Committees					
			Board Finance, Audit & Risk Management Subcommittee		Board HR Subcommittee		Board Technical & Infrastructure Development Subcommittee	
	Held	Attended	A	B	A	B	A	B
Mr Shaheen Ali	3	3						
Mr Vijay Maharaj	3	2			3	2		
Mr Vilash Chand	3	3	3	3	3	2	3	2
Ms Tupou Baravilala	3	3						
Mr Tevita Kuruvakadua	3	1	3	2				
Mr Sashi Singh	3	3			3	2	3	3
Mr Iqram Cuttilan	3	3			3	3	3	3
Dr Parakrama Dissanayake	3	2						

NT: **A** : Number of meetings held while being a member.
B : Number of meetings attended.

Key Initiatives

The year 2019 marks six full years after the divestment of shares of FPCL and a change of ownership structure to a Public Private Partnership (PPP). With this corporate structure and FPCL's Board and the Management's close collaboration, the Company has further strengthened its governance framework and has laid a firm foundation for good governance at FPCL.

Quality Assurance

FPCL takes pride in delivering services to its stakeholders. In doing so, the Company uses its quality assurance processes to maintain standards and to increase customer confidence and Company's credibility, while also improving work processes and efficiency. After an independent entity assessed the quality standards, FPCL achieved an ISO 9001:2015 certification by DNV-GL. This certification signifies that the policies, processes and FPCL's operations are at par with international standards.

The aim for FPCL was to provide our customers with the highest level of service excellence in the Port Industry by promoting the following:

- Customer focus;
- Employees & Communities;
- Application of Technology;
- Service Innovation & Supplier Quality;
- Change Management;
- Business Processes, Tools & Indicators, and
- Economic Value.

Risk Management

The year 2019 also witnessed FPCL developing an Enterprise Risk Management Framework concept as a key corporate governance requirement in the conduct of its business by ensuring that sound risk management practices are in place to protect the Company and its operations from any negative consequences of uncertain future events. A structured enterprise wide risk management approach along the guidelines of the ISO 31000:2009 will enable Fiji Ports to achieve good business conduct, efficient controls, quality outcomes and sustainability.

Risk Register

An Enterprise Risk Register was developed and approved by the Board. Through the Risk Management Committee, the Company will continue to work in further developing/ reviewing the Risk Management Framework and policy. A risk management workshop was also held to educate staff on their understanding of risk, its association to their work and overall impact to FPCL.

Regulatory Matters

This year saw FPCL adding an additional responsibility to its portfolio of marine services and heading towards increasing its market share in the marine industry, Fiji Ports of Entry. FPCL obtained regulatory rights to manage the marine services for Port of Savusavu, which previously did not offically fall under FPCL's jurisdiction. Before then, FPCL had no regulatory authority to manage the marine services to international vessels operating from the Savusavu harbour.

Legal Requirements

In consideration of the need to reduce potential legal risk and satisfy strategic objectives, the Management has engaged a Panel of Solicitors. Currently, there are only two firms in the Panel of Solicitors. Management is looking to expand its pool of legal service providers to match the increasing complexity and volume of legal issues faced by FPCL and its subsidiary company FSHIL, respectively.

Audit and Reporting

The Board Finance, Audit & Risk Management (FARM) Subcommittee assists the Board in independently verifying and safeguarding the integrity of the internal control and financial reporting of the Company and Group. Its primary role is to:

- Ensure implementation of audit recommendation;
- Review quarterly results and annual financial statements;
- Review the internal audit programme and consider the findings made by the internal auditors, and
- Review the Company's internal control system.

Enterprise Risk Management Workshop August 2019.

External Audit

As the requirements under the Companies Act 2015, Section 420 (1), the Board FARM Subcommittee makes recommendation to the Board for an appointment of an External Auditor. Ernst & Young was appointed as the External Auditor for the 2019 Financial Year review.

Internal Audit

The Board and Management have overall responsibilities for internal control for FPCL and to ensure the organisation implements effective internal controls. To maintain transparency and accountability within the organisation, FPCL has continued to engage an audit firm to conduct independent internal audits of key areas of the organisation. Whilst there were no significant internal control issues identified, the Board and Management closely collaborated in implementing processes and procedures to address the audit findings.

Controls Monitoring

The FARM Subcommittee reviewed and deliberated on six (6) audit reports for FPCL and the Group. Information was disseminated to Management for the implementation of recommendations in improving internal procedures and processes. A new audit tracker was developed by Management to keep track and monitor the implementation of audit recommendations.

Internal Audit

Audit	No. of Findings
Procurement Process	9
Revenue Process	9
Human Resource	9
Job Costing Process	7
Procurement Process II	7
Property, Plant and Equipment	6

Compliance

The Management is very hands-on in reviewing policies and processes of the Company and continues to ensure that the organisation is abreast with the changing regulations, processes and market expectations.

The Board and Management ensure that policies are up-to-date with the latest market trends and regulation changes. The Management has plans to review its Governance Policy to ensure it is on par with international standards and requirements.

Through its robust investigative system in place, eight (8) internal reports were submitted to the Management. Upon Management's endorsement, relevant actions were taken to rectify internal controls and to discipline responsible staff.

Investigations

Investigations	No. of Investigations
Fraud	2
Internal Controls	5
HR Inquiry	1

Communication with Stakeholders

The Company's ability to build a relationship of trust with its stakeholders was at the forefront of our Governance framework. FPCL stakeholders include its customers, Government, communities and its employees. The Company continues to ensure that all dissemination of information is through the appropriate channels, and is transparent, so our stakeholders are well informed of the Company and the Group operations.

For the year in review, each operational department was required to engage their external stakeholders for meetings, in order to discuss changes in processes, regulations and other miscellaneous matters.

Stakeholders Meeting

Department	No. of Meetings
Harbour Master Suva	7
Harbour Master Lautoka	12
Local Wharf Suva	7
Levuka Wharf	11

Culture & Values

FPCL's future is driven by our vision and mission, which is embedded in our corporate culture. Management continues to enhance the culture of the organisation with initiatives drawn from the staff to improve FPCL operations with our values in: Professionalism, Progressive Leadership, Commercial Stewardship, Corporate Citizenship, Strategic Innovation and Employee Wellbeing & Diversity.

Strategic Outlook:

- The 2019 – 2023 Strategic Plan outlines the goal for FPCL's Governance. FPCL's Management will continue to engage FPCL's stakeholders within the port boundaries to have discussions on FPCL's roles and responsibilities in port operations.
- Further, Management had discussions with the Government for FPCL to provide oversight and security service for other non-declared outer ports.
- FPCL's Management continued to work with Assets Fiji Limited as a strategic partner to expedite the lease back of key assets essential for port operations.

Obligations

FPCL continues to work towards meeting expectations as an implementation body for standards relating to other local ports of entry in Fiji. It remains vital to assist trade facilitation in a sustainable manner through Ports in Fiji while optimising returns.

Obligations Under Law

The principal legislation under which FPCL is governed is the Sea Ports Management Act 2005. However, as a partially Government-owned Commercial Company, Fiji Ports also has broad responsibilities under the Public Enterprises Act 1996. FPCL's objectives and responsibilities under the Sea Ports Management Act 2005 are as follows:

To effectively manage sea ports in Fiji:

- To create or enhance opportunities in the provision of port services.
- To manage operation and regulatory responsibilities that include:

    a. To manage the processes, on behalf of the Minister, of declaring of new ports and approaches to ports;

    b. Be responsible for management of Fiji's ports;

    c. Taking of action in the event of an emergency;

    d. Acquiring land required for Port's operations:

    e. To levy charges for provision of its services;

    f. Detail vessels in breach of Fiji law;

    g. Exempt, reduce or refund, any vessels for dues and rates;

    h. Take a lien, and after 21 days (or for perishables after 21 hours) sell goods in relation to charges;

    i. Take a lien and after 21 days over vessels in relation to charges;

    j. Prosecute offences of evasion of due or rate or charges;

    k. License persons to access ports for commercial purposes;

    l. Chair meetings of stakeholders on Port's issues;

    m. Removal of derelict and dangerous vessels, and

    n. Make rules regulating the use and operation of ports and approaches to ports, and the conduct of persons within ports and approaches to ports, and fine for breach of those rules.

Business Obligations

FPCL is the Port Management Company in Fiji and also plays a regulatory role.

Strategically situated in the 'centre' of the South Pacific region, FPCL is critical to the local inter-island and regional sea transport industry. Further to the transfer of Ports Terminal Limited (PTL), now Fiji Ports Terminal Limited (FPTL), FPCL relinquished freight and storage operations to the Group's associate company, but continues to operate cruise liner and vessel operations of the Kings Wharf, Suva and the Queens Wharf, Lautoka.

FPCL maintains ownership and operation of Levuka Wharf, Ovalau, and oversees the operations and ISPS requirements for the following ports:

- Malau Wharf Labasa, Vanua Levu (owned by Fiji Sugar Corporation);
- Rotuma Port, Rotuma (owned by Rotuma Council);
- Wairiki Wharf, Nabouwalu, Vanua Levu (owned by Tropic Woods Industries Limited) and
- Vuda, Viti Levu (owned by oil companies).

FPCL continues to oversee and operate port facilities located at Mua-i-Walu I and II, Walu Bay, Suva, and Local Wharf at Lautoka, through the provision of ports infrastructure and related services to ensure industry safety and security, and maintains its Head Office located at Muaiwalu House, Walu Bay, Suva.

Obligations in Partnership

FPCL works with Maritime Safety Authority of Fiji (MSAF) with respect to Fiji Ports' obligations for the implementation of conventions under the International Maritime Organisation (IMO) including Ports State Control, ILO/ IMO requirements for port reception facilities (discharge of sewerage and rubbish) and Code of Practice on Security in Ports.

Addressing issues under the heavily regulated Global Cruise Industry is a continuing responsibility for FPCL, given the number of cruise ships in our ports continues to increase each year. In line with other countries that have cruise ships, FPCL has effectively implemented measures to ensure compliance with relevant laws, regulations and international treaties. The cruise industry is also subject to the International Ship and Port Facility Security Code (ISPS Code), which requires that access to ships and port facilities be tightly controlled.

In line with other countries that have cruise ships, FPCL has effectively implemented measures to ensure compliance with relevant laws, regulations and international treaties. The cruise industry is also subject to the International Ship and Port Facility Security Code (ISPS Code), which requires that access to ships and port facilities be tightly controlled.

Corporate Obligations

FPCL Board, Management and senior staff are committed to:

- Adopting, leading, planning principles and management systems;
- Working cooperatively to ensure safe and secure port environments;
- Providing appropriate technologically advanced infrastructure, and
- Adhering to FPCL's Corporate Values at all times.

Obligations to the Community and Our Environment

As FPCL diligently carries out its corporate obligations, the Company strives to maintain its commitment towards the community through its social activities, with direct and indirect benefit to the broader community. Equally important as other issues, the Company takes environment protection seriously. Frequently, Management and staff create stakeholder awareness regarding land and sea pollution as part of their daily activities and duties.

The growth of the mining industry in Fiji has bought new responsibilities. Carrying solid bulk cargoes involves considerable risks, which must be managed carefully to safeguard the the Port, ship's crew and the vessels. Fiji Ports is assisting with these risks: reduced ship stability, and even capsising, due to cargo liquefaction, fire or explosion due to chemical hazard, and damage to ship structures due to poor loading procedures.

Infrastructure

FPCL's infrastructure and super-structure play a crucial role in meeting the Company's mandated business partnership and corporate obligations. In 2019, FPCL has put in place proactive measure for continual maintenance and where necessary upgrade of all Port facilities. This commitment is evident in the significant investments highlighted in this report.

Local Wharf Repairs

Following the 2017 Wharf and Jetty Condition Assessment, it was deemed that the deteriorated condition of a section of Mua-i-Walu Jetty II in Suva needed repairs to address the future safety risks.

As Mua-i-Walu II serves as a primary access point for inter-island ferries, any damage or delay in counteracting structural defects can lead to hinderance in the services and disruption to the lives of the many users of the facility.

To reinstate loading capacity and ensure safety compliance, FPCL engaged external Engineering Consultants and Contractors to undertake the recommended overlaying deck repairs. The total cost of the project amounted to FJ$388,478.

Cruise Passenger Lounge at Port of Suva

The increasing number of tourists entering the Capital City via the Port of Suva is a significant economic contributor to Fiji. In response to these increasing numbers and the need to provide modern facilities to cater for cruise liner passengers visiting the Port of Suva, a lounge was established, at the total cost of FJ$194,837. The facility was opened in March 2019.

International Wharf

Management and Government with the assistance of the Asian Development Bank are collaborating with the feasibility study of Suva Port relocation and maintaining the current wharf as a cruise terminal, with a focus on facilities to cater for cruise ship passengers.

Wharves Condition Assessment

Early in 2019, FPCL engaged the services of an international consultant to undertake the Condition Assessments of the Wharves, in Lautoka and Suva respectively.

> In response to these increasing numbers and the need to provide facilities to cater for cruise liner passengers visiting the Port of Suva, a lounge was established, at the total cost of FJ$194,837.

> FPCL has initiated the development and upgrading of the container yards to increase the Lautoka Port's capacity and to improve operational activities. In 2019, the development approvals were granted by the Lautoka City Council and the FPCL Engineering team is in process of executing the projects.

Based on outcomes of the assessment, FPCL Board and Management has allocated FJ$9.6million for the rehabilitation of priority areas highlighted by the consultant. The rehabilitation works will be carried out in phases from 2020 and 2022.

Lautoka Container Yards Development

FPCL has initiated the development and upgrading of the container yards to increase the Lautoka Port's capacity and to improve operational activities. In 2019, development approvals were granted by the Lautoka City Council, with FPCL's Engineering team in the process of executing the projects.

FPCL intends to complete the project in phases, with construction to be completed in the years 2020 and 2022. FPCL has allocated FJ$14.24 million for this project.

Towage Services

In 2019, FPCL considered the feasibility of providing towage services with the possibility of either developing a partnership or a business acquisition, which was accompanied with an appropriate business case.

Incinerator Services

The electric incinerator was installed to increase capacity, reduce carbon emissions and to meet bio-security requirements. With its successful installation and commissioning, specially trained staff have been appointed to oversee its function. The expedience of providing incinerator services beyond the port can now be realistically appraised.

Project Management Office

Considering the substantial cost involved in infrastructure projects, Management has established a Project Management System that ensures each FPCL project initiated is feasible, profitable and completed on time. This includes the training and use of MS Project Online, adoption of PRINCE2 Methodology, revision of the Project Management Office Standard Operating Procedures (SOP) and the recruitment of experienced Project Management staff.

Financial Performance

Finance Perspective - Key Initiatives

Fiji Ports Corporation Limited has exhibited a continuously strong financial performance over recent years, which can be attributed to key finance strategies that the Company has embarked upon. The 2019 Financial Year saw FPCL spearheading the commercial and financial stewardship of the Company, to ensure that shareholder value is enhanced, whilst implementing capital intensive projects.

In 2019, FPCL focused on standardising its fees and operational structures to streamline and optimise its processes. As part of this initiative, the Company has developed a tariff review proposal for its local wharf operations, after a lapse of a decade, to standardise its port fees and charges. With the new tariff proposal, FPCL is promoting fairness and effective competition in the industry, the benefit of which will flow to the consumers.

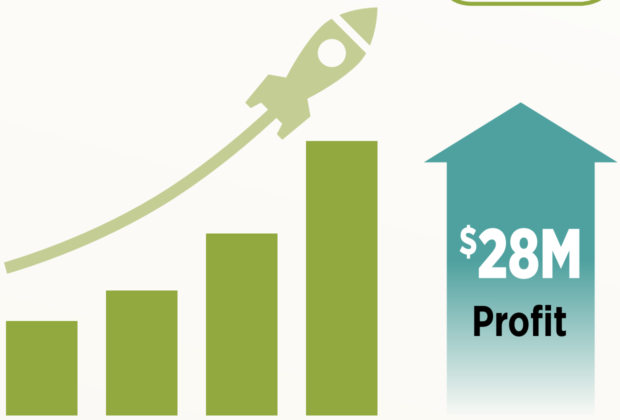
The Company is also in the process of acquiring a Vessel Traffic Management System. To optimise the use of the new system and to facilitate the transition, the Finance Team initiated a project to automate the invoicing process, which will benefit all port users.

In 2019, the Company embarked on identifying a funding model that would best suit the shareholding composition of the Company and that would financially support FPCL's initiatives.

During the 2019 Financial Year, FPCL benchmarked its financial and operational performance against United Nations Port Performance Indicators. While the indicators suggest that the FPCL performance is strong, the Company continued on a journey to develop additional key performance indicators. In 2019, FPCL supported the Ministry of Economy to partner with the Asian Development Bank to conduct a feasibility study of a new port development, as well as develop additional key performance indicators that focus on maintaining FPCL's performance at an optimal level.

Fiji Ports Corporation's Performance for the Year ended 2019

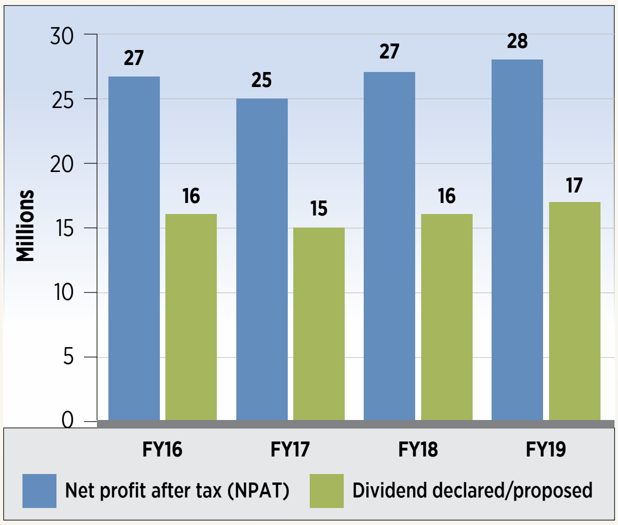
The Company recorded another successful year with a record Net Profit after Tax of FJ$28million. The record profit is attributed to prudent and timely decision making by Management, with close guidance from the Board. Extensive staff engagement and support were also major contributors towards achieving this milestone.



Return to Shareholders

The dividend payout to the Company's shareholders has grown substantially over the years, keeping pace with, and reflecting, FPCL's financial performance. The 2019 Financial Year marks a record dividend payout of FJ$16.8million to its shareholders, an increase of 3.5% in comparison to 2018. It is worthwhile to note that these results were achieved, despite numerous challenges faced throughout the year, and were made possible by the cost management and cash investment initiatives undertaken by the Board and the Management.

Profitability vs Dividend



Description	Actuals ($000)			
	FY16	FY17	FY18	FY19
Net profit after tax (NPAT)	26,804	25,378	27,066	28,036
Dividend declared/proposed	16,082	15,227	16,239	16,821

Key Challenges

During the Financial Year 2019, FPCL set its course towards surpassing its profitability levels for the prior year. However, the year had particular setbacks.

With FPCL being the gateway for trade in Fiji and the Pacific, the forecast for a decline in global and domestic economic activity for 2019 was a situation that needed a proactive response. The trade tensions between the United States of America and China led to a general rise in protectionism and affected Fiji's major trading partners, resulting in a decline in the number of goods being traded and the volume of cargo passing through our ports. Domestically, the Reserve Bank of Fiji (RBF) had also revised its projected growth of the real gross domestic product for 2019 from 3.4% to 1.0%, further evidence that Fiji's imports and exports were forecasted to decline.

With tourism being the backbone of the Fijian economy and cruise tourists contributing significantly towards the tourism sector, FPCL was also notified in early 2019 that one of the largest cruise operators in the Pacific Region was re-routing its itinerary from the Pacific to Europe, and hence, this had led to cancellation of 24 cruise vessels previously scheduled to call at Fiji's ports throughout the year.

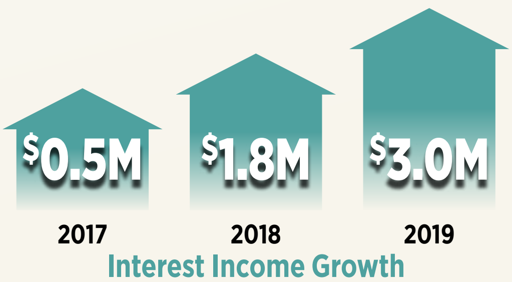
December to January is the peak period for welcoming cruise tourists to our shores. However, in January 2019, Fiji experienced the wrath of Tropical Cyclone Mona, and in December 2019, Tropical Cyclone Sarai further hampered the Fijian economy, as these tropical cyclones led to the cancellation of additional cruise vessels that were Fiji bound.

Through the effective strategies adopted by the Board and Management, the Company surpassed the profitability of 2018 and made a record Net Profit of FJ$28million in the 2019 Financial Year.

Strategic Initiatives

The key challenges meant that the Board and Management had to re-adjust their course and make strategic decisions to steer FPCL forward.

Over the years, FPCL has solidified its financial position and with a strong liquidity stance, Management decided to exercise prudent cash investment opportunities by exploring term deposits, which have benefited FPCL with incremental interest income over the past years. Management maximised the opportunity arising from the liquidity position that Fiji as a nation faced in the year 2019, and while major Capital Expenditure projects were in their planning phase, as part of the 5-Year Strategic Plan and prior to their gaining momentum, Management invested in term deposits and increased FPCL's returns as interest income.



Amidst the challenges of 2019, FPCL also focused on the key Revenue and Cost drivers of the Company. From 1st of January 2019, the Company adopted the Maritime Transport Act (MTA) tariff structure for piloting services, which standardised the piloting charge in the market, as well as yielded FPCL additional piloting income.

The Management initiated another strategy to increase the market share of FPCL in Fiji's Ports of Entry. Prior to 2019, the Port of Savusavu did not fall under FPCL jurisdiction, hence FPCL had no regulatory authority to manage the vessels operating from the harbour or have any form of resulting revenue source. In 2019, FPCL obtained the regulatory rights to manage pilotage at the Port of Savusavu and ultimately add an additional revenue stream.

FPCL strives to enhance its market standing by working very closely with the Pilots to maintain 80% of the piloting market in the country and upgrading its facilities to meet international standards. This was highlighted by FPCL acquiring a new pilot boat for the Port of Suva. This acquisition will increase the capacity of FPCL in hosting additional vessels to our Ports of Entry. The new pilot boat is expected to arrive in the country in 2020 and will increase the capacity of FPCL's piloting function.

The FPCL Finance Team worked assiduously to ensure that FPCL recoups its debts as they fall due. As a result of this team effort, FPCL recorded a receivable turnover of 17 days in 2019.

A staff reward and recognition system – a new performance management system – was introduced effectively and its benefits were harnessed during 2019. This system had seen capacity building strengthened across the organisation and as a result, Management was able to motivate and reward staff to double up on key positions, which led to cost minimisation to the Company.

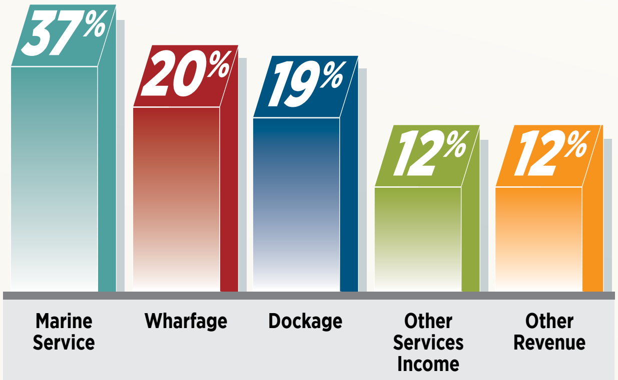
In 2018, Management initiated the conditional assessment of the wharf infrastructure. With this project completed in 2019, and in consideration of the setbacks in 2019, FPCL developed a strategy to progress the repair and maintenance work in phases, and to prioritise high-risk areas to ensure that the Company has a long-term sustainable infrastructure.

The year 2019 also saw a strategic foundation being laid for some future projects, which are envisioned to boost the efficiency and profitability of the Company, from 2020 and beyond. The Management, in 2019, engaged an Australian firm to provide a Vessel Tracking Management System, which will monitor the safety and security of the Suva Harbour, as well as ensure that all incoming and outgoing vessels are adequately accounted for. FPCL also initiated projects that would provide further foundations towards the vision of being a Smart Green Port of the Pacific. These projects, however, while started in 2019, would be completed in 2020 or beyond. Some of these projects include automation of the berth application process, an automated invoicing system, undertaking a feasibility study on a proposed design for an energy efficient facility at Mua-i-Walu II, and a feasibility study for a new port.

Revenue

The Company's operating revenue showed an increase of 5.4% over 2018. This increase was mainly due to increase in dockage income where dry bulk such as sand, wheat and clinker vessels docked at the port for longer periods. Moreover, marine service charges increased as the MTA tariff came in effect on 1st January 2019, resulting in an increase in the piloting income. There was also an increase in other service income, such as commission, rental income and interests and licenses fees.

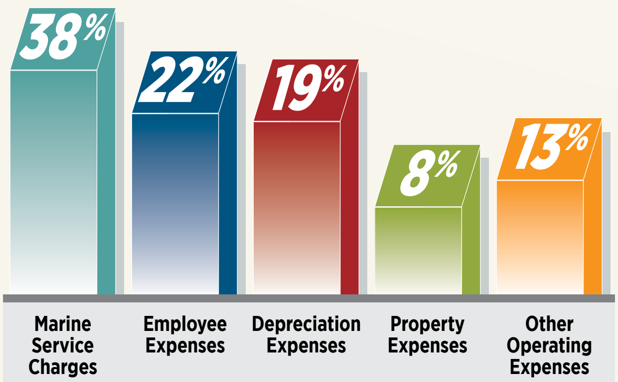
Composition of Company Income



Expenses

The Company's major operational expenditure areas are marine service charges, employee expenses and depreciation. These expenses are, in the main, directly correlated to increased operational revenue. When compared to 2018, there were increases noted in the marine service charge, which was due to increases in its correlated marine service revenue. Additionally, there were slight increases in employee expenses, which are due to increased manpower needed to support the increase in revenue, as well as support the implementation of the 5-Year Strategic Plan that the Company embarked upon. The cost management initiatives adopted by Management led to reductions in property expenses, which include repairs and maintenance and other day-to-day operational expenses.

Composition of Company Expenses



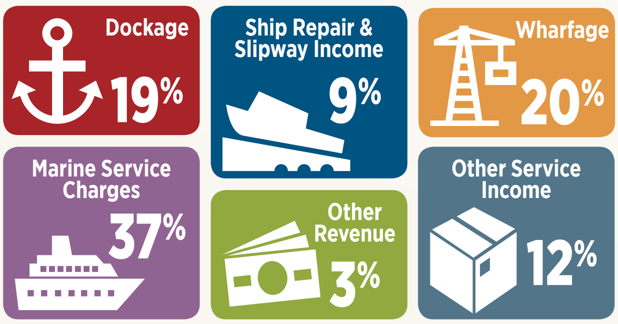
Financial Results of the Group

The financial performance for the Group reflects a consistent and resilient outcome. This year being the sixth consecutive full year of operations since the inception of the Public Private Partnership agreement, the Group recorded a Net Profit After Tax (NPAT) of FJ$26.5million, which represents a 5.5% decrease from 2018. This is mainly a result of slow economic growth and a drop in imports and exports, due to trade wars, natural disasters, as well as FPCL's 100% owned subsidiary company, Fiji Ships & Heavy Industries Limited, experiencing significant profit reduction, due to its ageing infrastructure. The share of profit from the Group's associate company, Fiji Ports Terminal Limited (FPTL), also decreased in 2019, resulting from the decline in cargo throughput, which impacted the decline in group profitability.

Group Revenue and Expenses

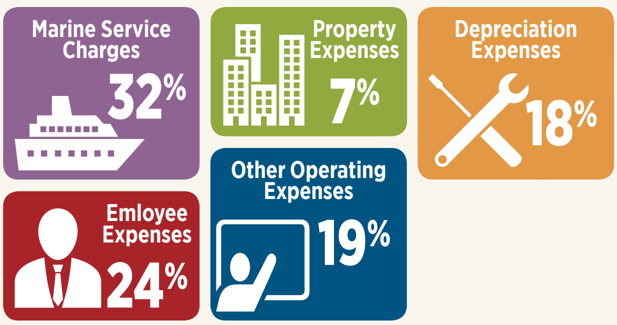
The Group operating revenue showed an increase of 3.2% over 2018. Despite the increase in total revenue, wharfage revenue declined, due to the decrease in cargo throughput and smaller GRT vessels visiting our ports. In addition, there was a breakdown of the 500T and 1000T slipways in the first half of 2019, which led to major revenue losses amounting to over FJ$400k for Fiji Ships & Heavy Industries Limited. The slipway was fully booked, however, the breakdowns caused major backlogs and customers opted for other ship repair service providers.

Composition of FPCL Group Income



Net Finance (interest) income has significantly increased by 71% when compared to 2018, due to prudent cash management processes implemented by Management.

Composition of FPCL Group Expenses

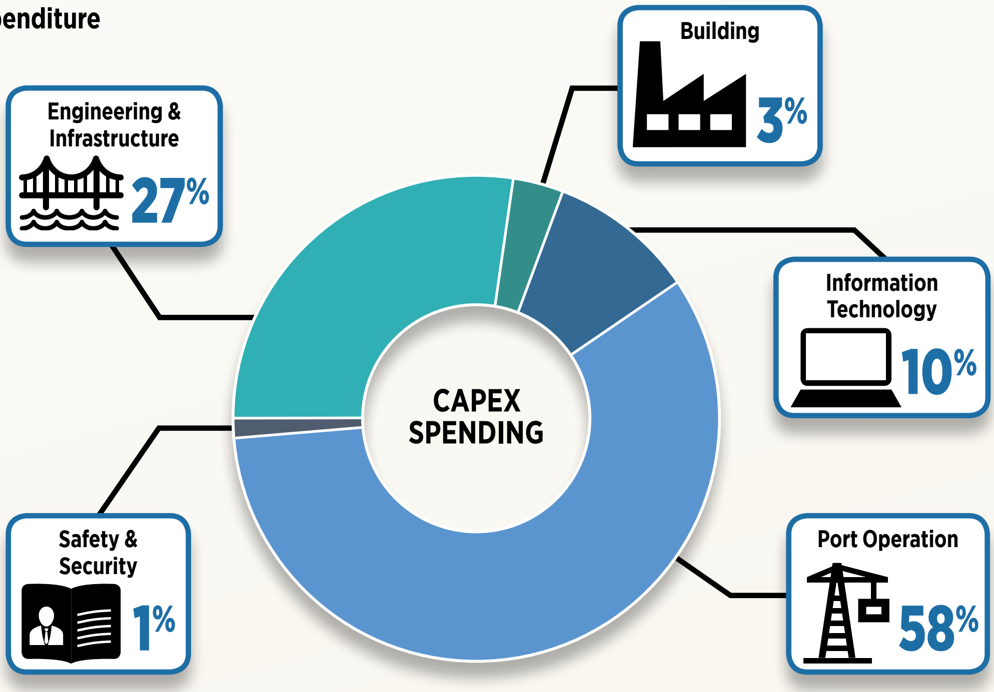


The share of profits from Group's associate company, FPTL, has declined by 8% when compared to the 2018 Financial Year, which is also attributed to increase in depreciation charges due to procurement of major assets, as well as lesser cargo volume due to slower economic activities.

The Group's operational expenditure increased by 1.2% compared to 2018 Financial Year. This is mostly correlated to increased operational revenue for FPCL, as well as an increase in expenses by 15.04% over 2018 for the subsidiary company, FSHIL, relating to repairs and maintenance of aged slipway infrastructure.

FPCL is embarking on its vision of becoming the Smart Green Gateway to the Pacific and to materialise this vision, a significant Capital expenditure is required. FPCL has factored in plans of major capital projects as part of the 5-Year Strategic Plan, for which planning phases are currently being initiated. In 2019, major areas of capital spending were for Port operations, mainly comprised of the new Pilot boat and CCTV upgrades. Additionally, the other major area was for engineering works, namely the new electronic incinerator, new tower lights and yard infrastructure development planning. Also, capital works were carried out for ICT projects relating to the video conferencing set-up, and access control system and the UPS for the server.

Capital expenditure



FPCL Group Profit & Loss summary for 2019 and 2018

Group Income Category	2019 $(000's)	2018 $(000's)	% Change
Operating Income	57,607	55,817	3%
Other Income	1,645	4,605	-64%
TOTAL INCOME	59,252	60,422	-2%
Operating Expense	(28,021)	(27,361)	2%
EBITDA	31,231	33,061	-6%
Depreciation	(6,130)	(6,379)	-4%
EBIT(Loss)/Profit	25,101	26,682	-6%
Net Interest	3,008	1,760	71%
Share of profit in associate	4,056	5,325	-24%
Net Profit Before Tax (NPBT)	32,165	33,767	-5%
Income Tax	(5,664)	(5,726)	-1%
NPAT	26,501	28,041	-5%

Balance Sheet Extract (Consolidated 2019-2018)

Accounts	2019 ($000's)	2018 ($000's)
Cash at Bank	26,916	23,408
Trade and other Receivables (current and non-current)	9,106	11,204
Financial Assets	47,000	37,000
Fixed Assets	53,246	55,135
Total Assets	160,463	149,769
Trade Creditors	4,082	4,303
Total Liabilities	19,923	19,490
Shared Capital	73,155	73,155
Retained Earnings	67,385	57,124

Group Financial Position

The Balance Sheet for the FPCL Group remains strong, with a sound cash balance (including Interest bearing deposit) of FJ$26.9million with zero external borrowings, even after the dividend payment of FJ$16.24million to shareholders.

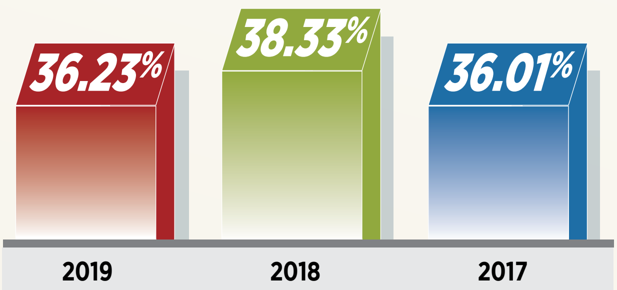
The Group has maintained a strong financial position with a total increase in assets of FJ$11million, which is attributable to increased financial assets that relate to term deposits. This sets a positive foundation for future increased returns until the extensive capital expenditure programme takes traction. In addition, the total liabilities have remained reasonable when compared to 2018, and this shows a positive trend reflecting the Group's strong ability to pay off its liabilities as they become due.

Group Key Performance Indicators

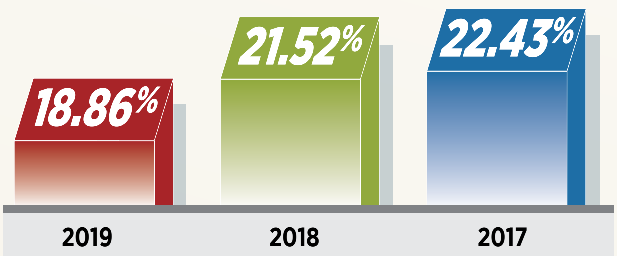
Based on the performance indicators, the Group has a 42.36% operating profitability. This reflects the Group's margin on Earnings Before Interest and Taxes (EBIT), which has been maintained favourably when compared to 2018. The Group has a 36.23% net profitability on its capital invested, reflecting the Company's efficiency in allocating capital under its control to profitable investments.

The Group also has a 18.86% return on equity, showing the profitability of the Group in relation to stockholders' equity, and this has slightly decreased with lower Group profits when compared to 2018. The Group also maintains a strong liquidity of 8.9:1.

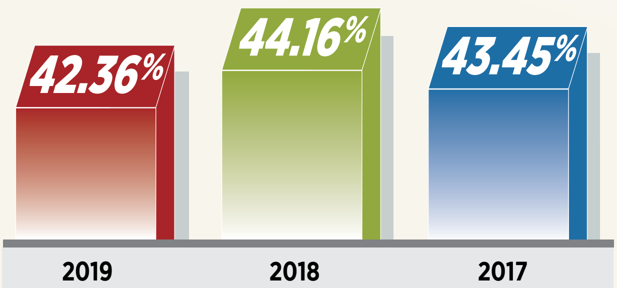
Return on Invested Capital



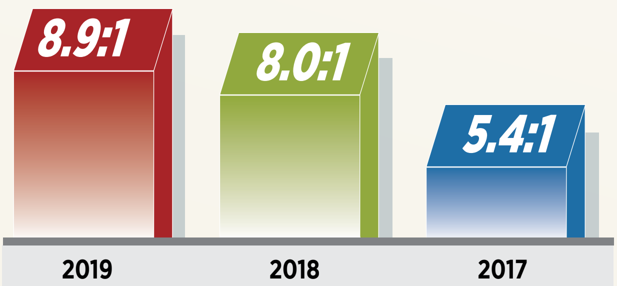
Return on Equity



EBIT/Total Income



Liquidity Ratio



Organisational Capacity

Organisational Structure

During the 5 Year Strategic Plan planning and development stage, Management initiated a Job Needs Analysis and reviewed the current organisation structure. Proposed by the Strategic Consultant key positions of Business Development Manager, Chief Engineer; and Strategic Projects Manager are being considered.

External Engagements

Management strongly believes in staff's internal development and capacity building. Looking at each staff's competencies and skills, FPCL develops a structured programme for building staff's capacity and their skills. As such, FPCL works in collaboration with the local Universities and Non-Government Organisations (NGOs) to upskill staff and their knowledge. The Company is also considering opportunities with key agencies for staff placements in strategic positions.

Retention Policy

FPCL continues to provide remuneration as per the 80% of upper quartile of market in order to attract and retain competent staff. A total number of 33 staff had left the Company due to either retirement, non-renewal of contract, termination or resignations. Actual turnover rate for 2019 considering staff that had resigned due to better employment opportunities was 6.37%. Subsequently, a total of 25 new staff joined FPCL to fill the vacant positions.

Staff Satisfaction Survey

A total of 160 staff members participated in a Staff Satisfaction Survey, carried out by a HR consulting firm. This provided staff with the opportunity to voice their opinions on FPCL. The survey results are a tool for Management to build positive employee relations and a positive work environment while creating and reinforcing employee satisfaction to maximise productivity. The results of the survey are expected to be finalised and published in 2020.

Achievements

Continued emphasis was seen on Equal Employment Opportunities and Female Empowerment within the organisation:

- First female appointed as Supervisor, Local Wharf on 1st March 2019;
- A person with a disability, who is a certified Class 5 Marine Engineer, employed as Pilot Boat engineer;
- First female appointed as Company Driver/ Transport Assistant,
- Junior women given Team Leader roles in Team Building Exercise held at Uprising Resort.

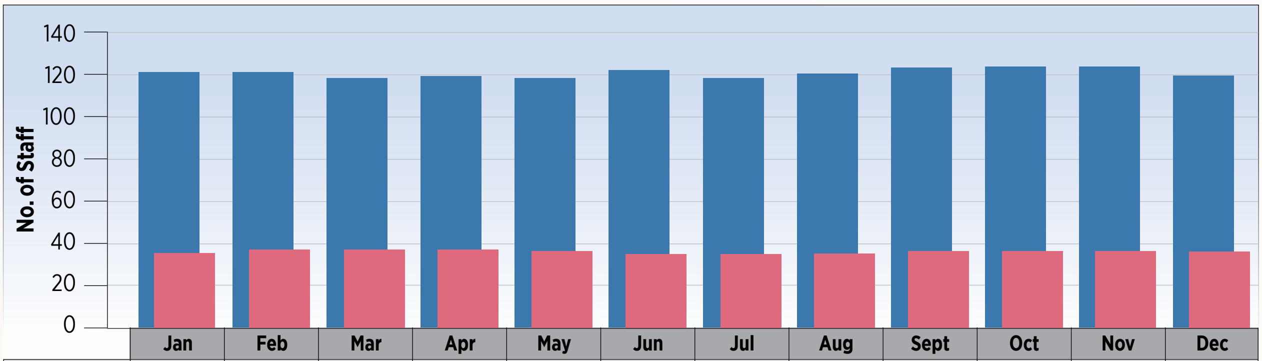
Supporting Strategic Goals as outlined in the 5 Year Strategic Plan 2019-2023 through:

- Recruitment of suitable personnel for critical positions;
- Realigning of Organisation Structure to the Strategic Plan of FPCL,
- Implementation of a robust and fair Performance Management System to motivate staff commitment.

Staff Health and Welfare:

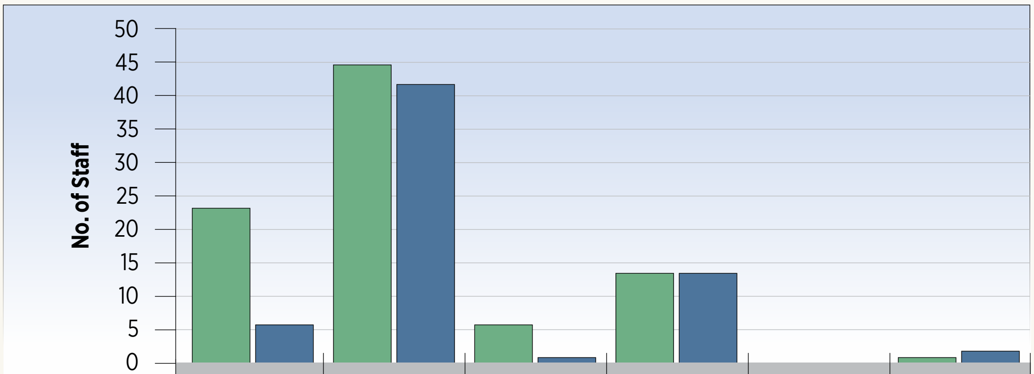
- Free medical screening and awareness;
- Employee Assistance Programme provides staff with workplace Counselling, if requested,
- Financial Literacy for staff conducted by Fiji National Provident Fund, Fijian Holding Unit Trust, Unit Trust of Fiji and Kontiki Finance. As a result, employees have now invested in buying units and are making additional, voluntary payments into their FNPF accounts.

Gender Distribution for 2019



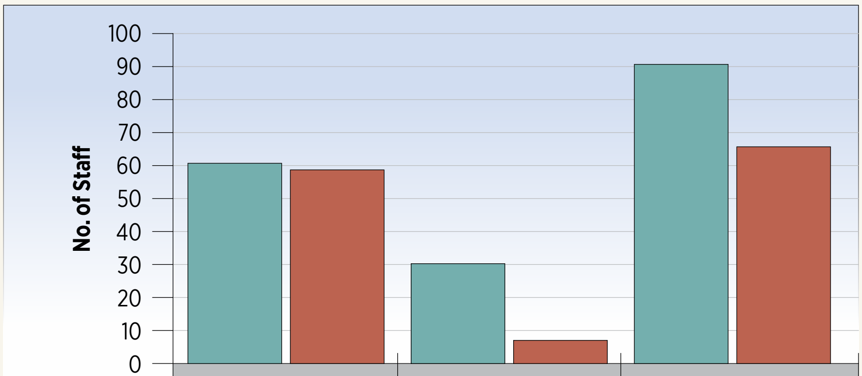
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Female	35	37	37	37	36	35	35	35	36	37	37	37
Male	121	120	118	119	118	122	118	120	123	124	124	120

Workforce Availability by Contract Type/Location/Gender for 2019



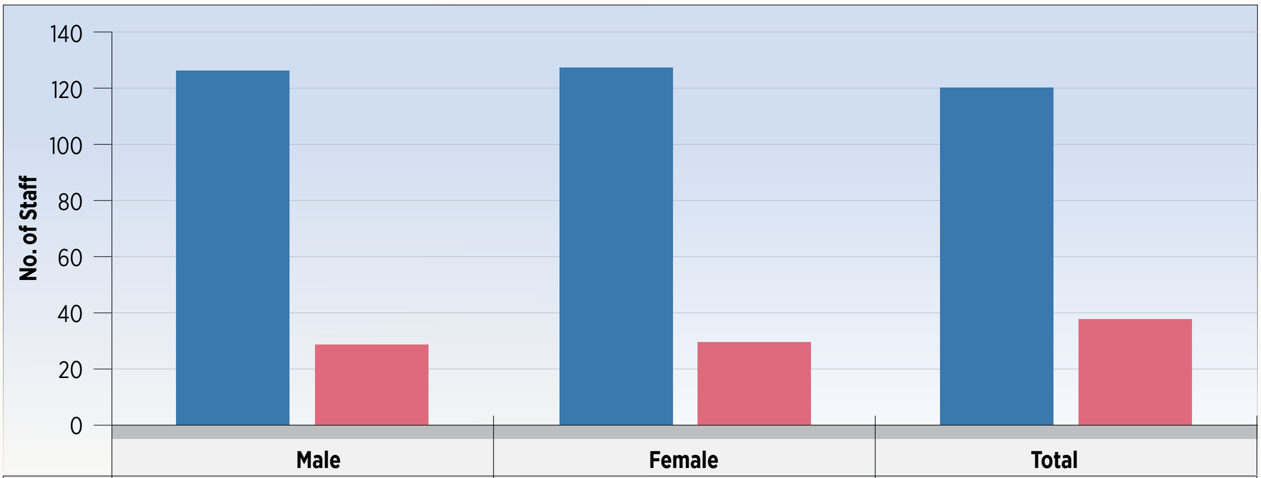
	Suva		Lautoka		Levuka	
	Female	Male	Female	Male	Female	Male
Contract Staff	24	46	6	14	0	1
Support Staff	6	43	1	14	0	2

FPCL Employees by Contract & Gender Distribution for 2019



	Male	Female	Total
Contract Staff	61	30	91
Support Staff	59	7	66

Employees by Gender for 2017, 2018 and 2019

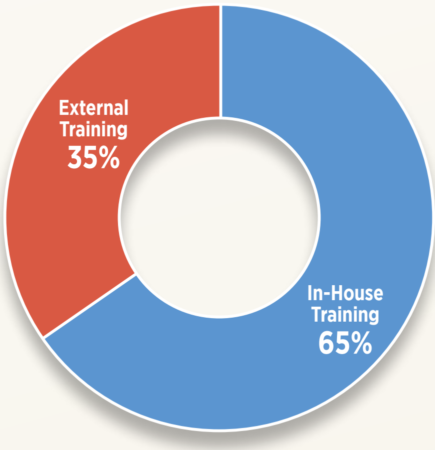


	Male	Female	Total
Male	124	125	120
Female	34	35	37

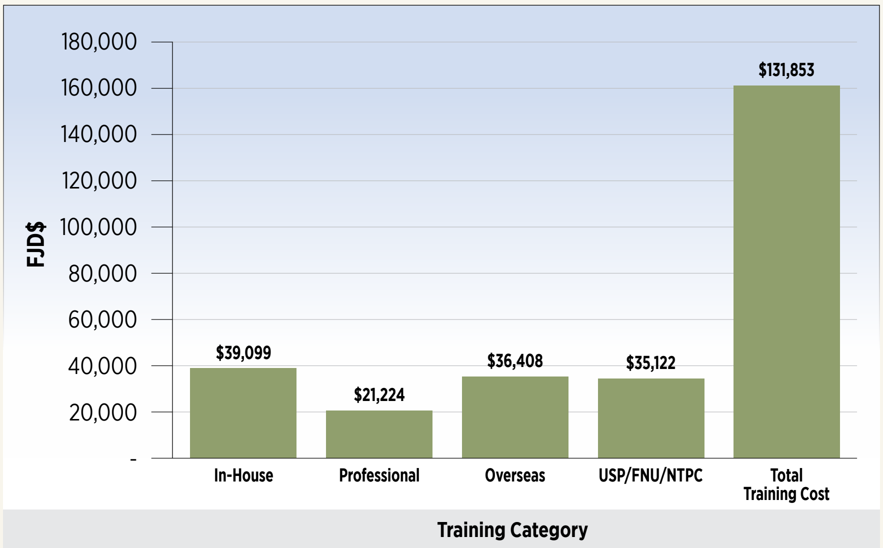
Talent Development

FPCL's Human Resources Department continued to implement Talent Development through the Organisation's Training Plan. Programmes were developed in consultation with the training providers with the focus to upskill the existing FPCL workforce in order to meet the job requirements. The 2019 training expense was FJ$131,853 compared to FJ$171,094 for the same period in 2018. The primary aim for this financial period was on both internal and external training, including overseas training, as well as continuous capacity building in relation to the succession plan. The services provided to staff was guided by the Management's quality management system.

In-House Training over External Training



FPCL Training Expenditure 2019



Safety Training

FPCL is committed to ensuring the Health and Safety of its staff, training sessions taking place:

2019 Trainings Conducted	No. of Staff
Fire Warden	33
First Aid	48
Fire Safety At Work	24
OHS Modules 1 & 2	29
OHS Modules 3 & 4	15
Tsunami Awareness	10
Fire Drills (carried out twice in 2019 for Suva, Lautoka and Levuka office)	51 per fire drill

Management/Supervisory Development Training

Developing our leaders and potential leaders is important to Fiji Ports Corporation Limited, with the following training taking place:

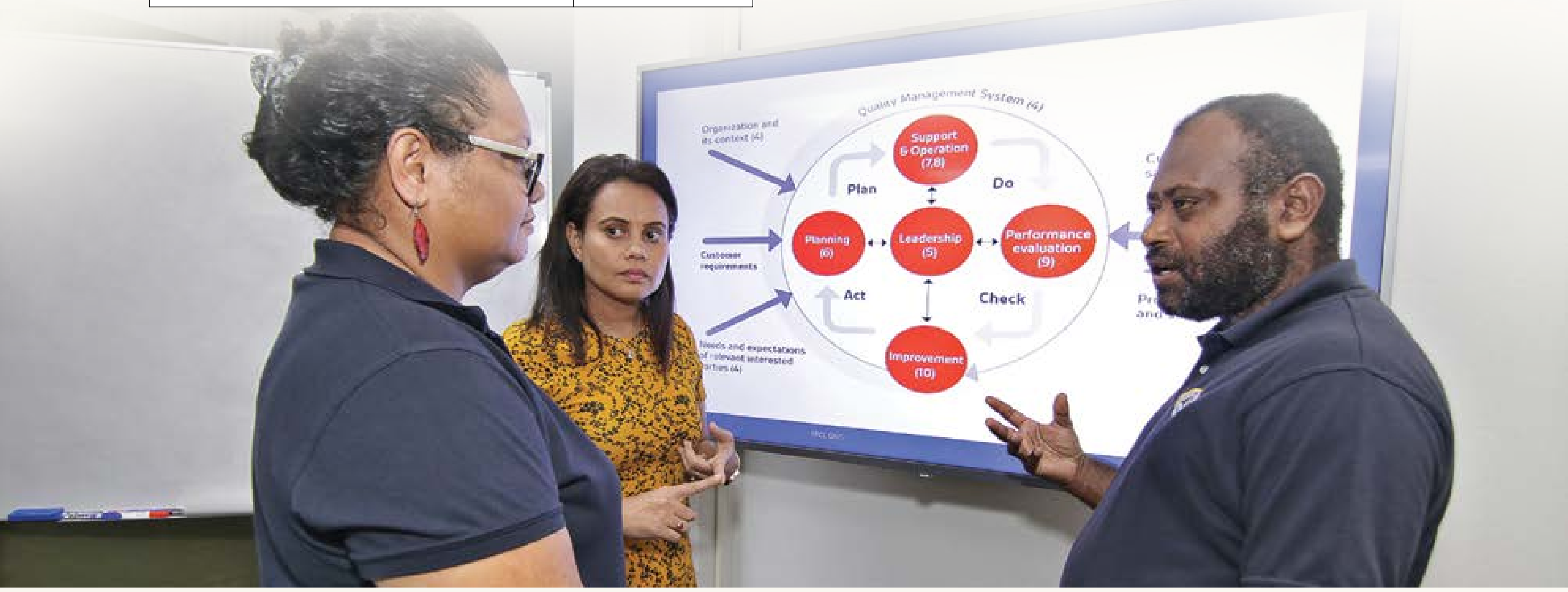
47 Courses - 193 attended

Total Training Hours

7,363.1 hours spent in training

Total Number of Employees Attended Training

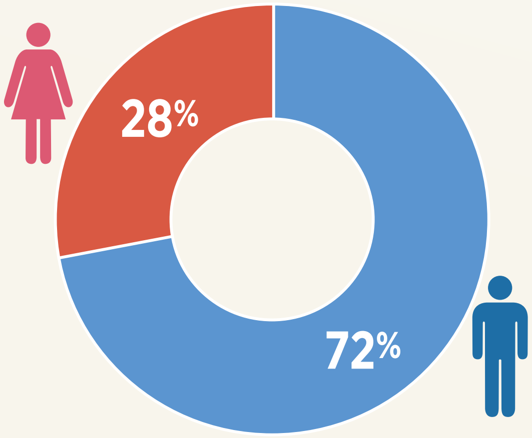
FPCL and FPTL - 270, FSHIL - 57



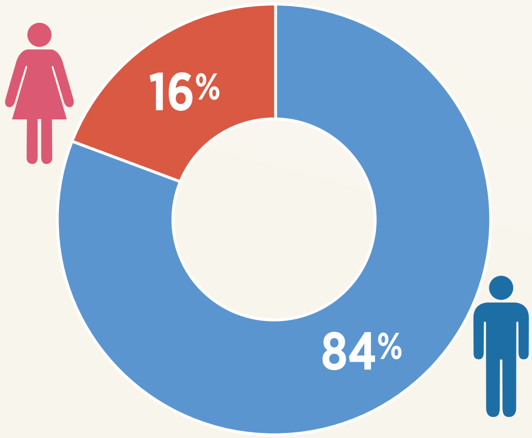
Gender Equity

In line with FPCL's policy and initiatives, the Company continues to support Equal Employment Opportunities by providing tailor-made trainings suited to its diverse group of staff. Whilst more males are employed than females, FPCL continues to support Equal Employment Opportunities with the appointment of suitably qualified females in positions traditionally held by males.

Contract Staff



Support Staff



The FPCL pilot boat 'Senitakali' undergoing sea trials.

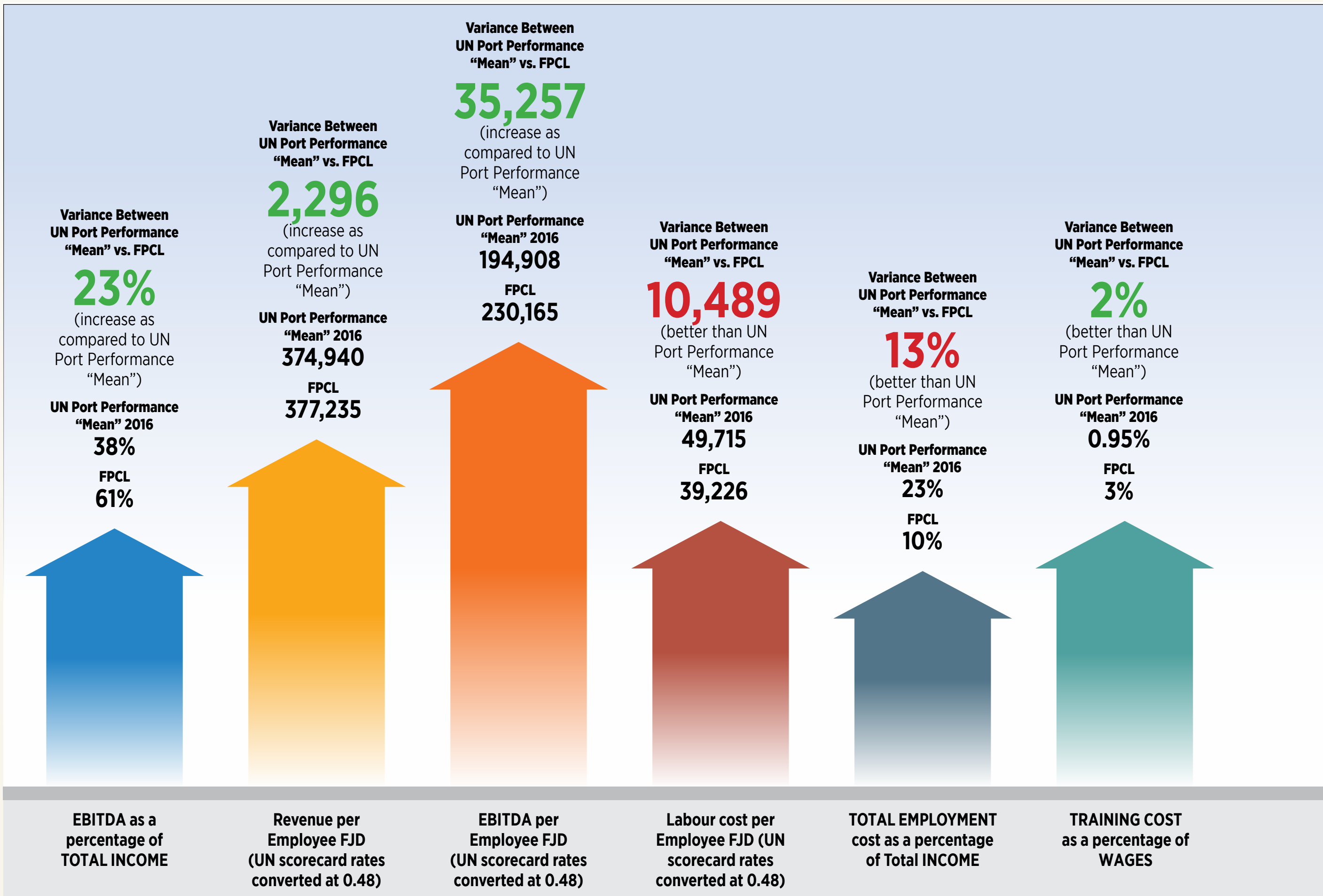
Pilot Training

FPCL continues to support and build staff capacity by sending pilots annually to advanced-level workshops overseas, other than the local ones offered by Maritime Safety Authority of Fiji. This year, two Pilots attended the three-day workshop on the "Elements of Marine Pilotage" in Malaysia.

The workshop is designed to assist Pilots to keep abreast with recent developments in the piloting industry regarding work environment, tools, skills development and assessment; all with the primary objective of enhancing safety and efficiency for the services offered by pilots.

During the year, international Consultants conducted the two-day Pilots' Portable Unit (PPU) Awareness workshop to update the Pilots on the current equipment and practice used in the maritime industry. The workshop also focused on the integration of PPU and VTMS steps. The workshop concluded with a live PPU exercise for the arrival of a vessel to the Port with the full spectrum use of PPU from pilot embarkation to berth.

FPCL and UN Port Performance Mean Comparison



Health and Wellness

A two-day workshop on Non-Communicable Diseases (NCDs) conducted by the Ministry of Health and Medical Services for FPCL and FSHIL staff, included an address by the Ministry's Head of Wellness, and free health checks by medical specialists.

Staff have responded positively to this timely advice and have established Company wide, healthy lifestyle and wellness initiatives.

Community Involvement

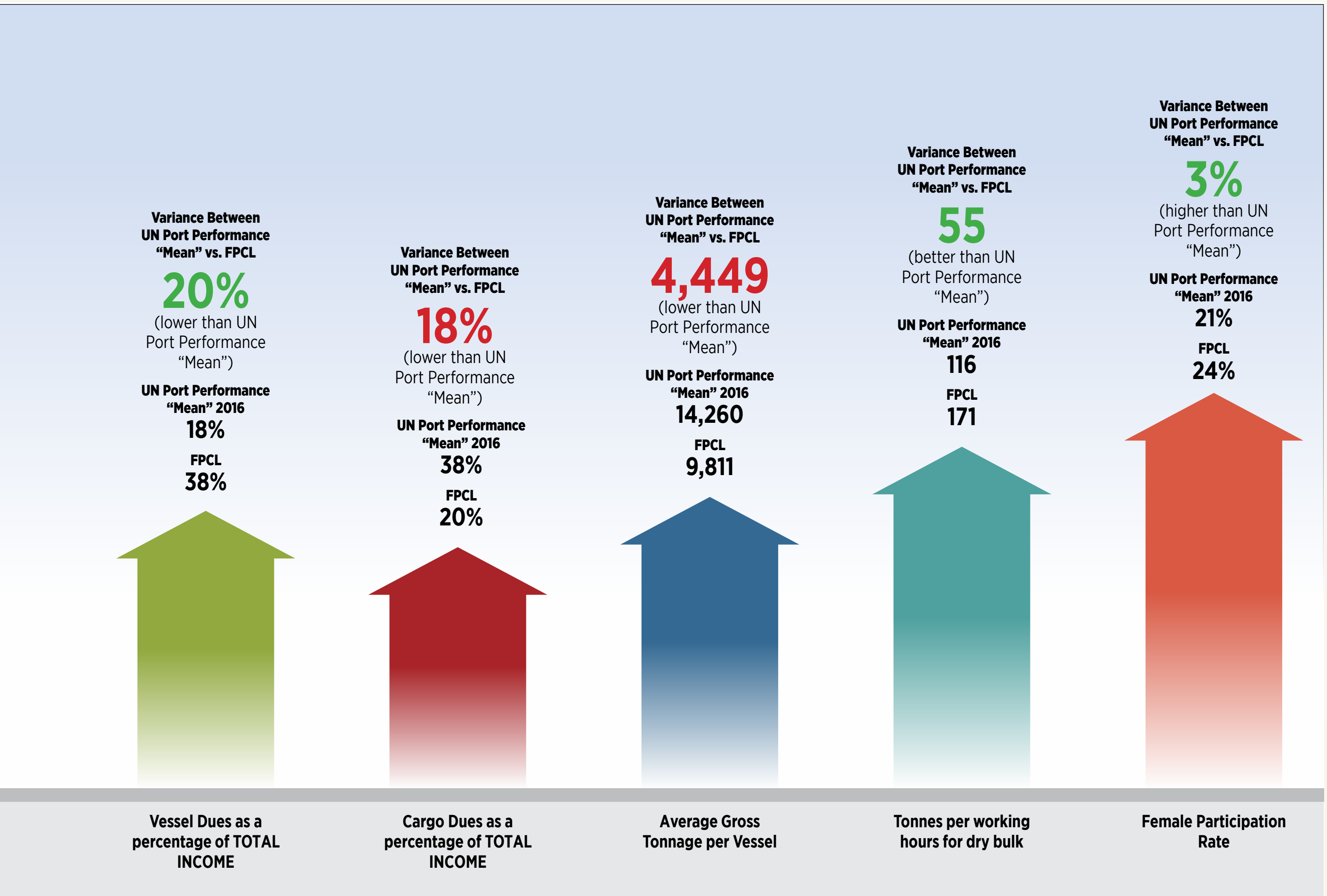
FPCL's initiatives demonstrate our commitment towards Corporate Social Responsibilities (CSR). The key principles of our approach to CSR include considering how our services and people can build a more resilient society, preparing for climate change risks - including reducing our own environmental impact, and ensuring strong governance and compliance practices.

In 2019, the Company supported initiatives that included Pinktober and the Blue Canoe Race and the celebrations marking Fiji Day and World Maritime Day.

Employee Engagement

FPCL continues to actively encourage employees to further their education and training in their respective fields. Management is encouraged to attend the FIA Congress, and FHRI, CPA, IIA conferences, as well as completing RINA and other certification.

Annually, FPCL organises team building exercises where all staff from Suva, Lautoka and Levuka take part. The overarching aim is to promote team-work and create a cohesive work environment.



Operational Efficiency

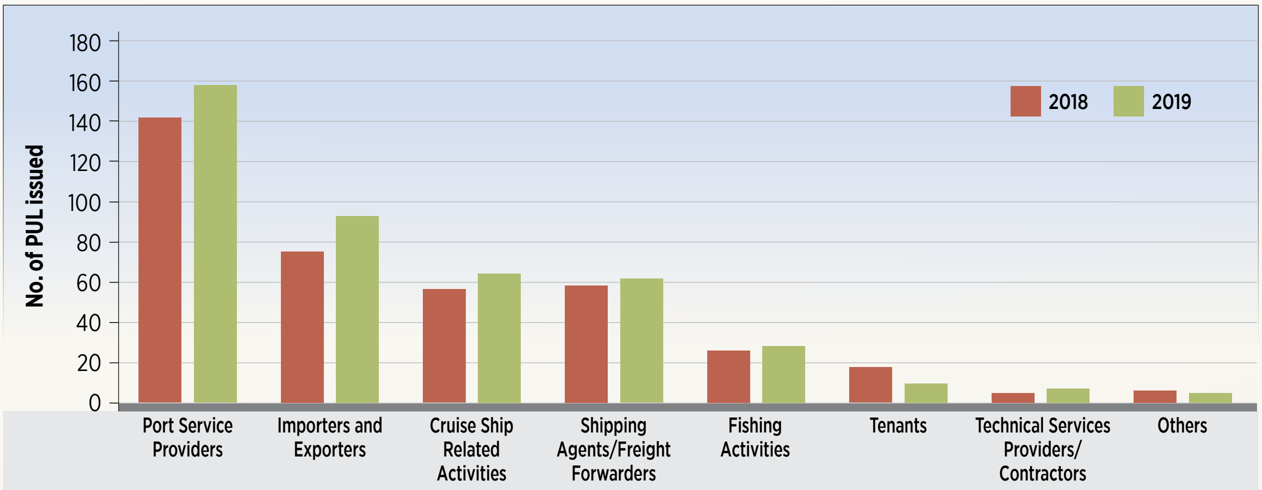
The Port Operations cover a wide range of activities that include the Harbour Master's Office, Piloting Movements, Tug Boat Movements, infrastructure maintenance and services in Ports of Suva, Lautoka and Levuka, including two local wharves in Suva and one local wharf in Lautoka.

In 2019, Port User Licences (PUL) issued by category increased by 11% compared with 2018. This is attributed to the increase in numbers for Port Service Providers, Importers & Exporters, Shipping Agents/Freight Forwarders, and Cruise Ship Related Activities.

No. of PUL issued by Categories - 2018 and 2019

	2018	2019
Category	**No. of PUL Issued**	
Port Service Providers	142	158
Importers and Exporters	75	93
Cruise Ship Related Activities	57	65
Shipping Agents/Freight Forwarders	59	63
Fishing Activities	26	29
Tenants	18	10
Technical Services Providers/Contractors	5	8
Others	7	5
TOTAL	**389**	**431**

No. of PUL issued by Categories - 2018 and 2019



Total Vessel Calls by Vessel Type for 2017, 2018 and 2019

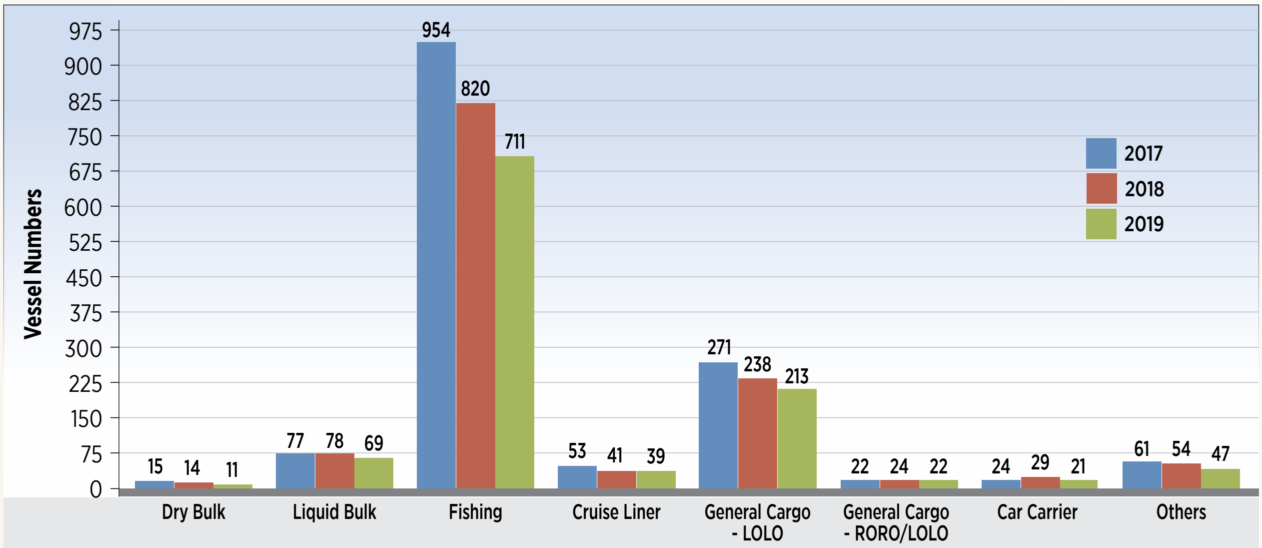
Vessel Type	2017	Movement from 2016 to 2017	2018	Movement from 2017 to 2018	2019	Movement from 2018 to 2019
Dry Bulk	45	▲ 13	34	▼ -11	37	▲ 3
Liquid Bulk	309	▲ 46	298	▼ -11	281	▼ -17
Fishing	1,072	▲ 232	898	▼ -174	766	▼ -132
Cruise Liner	92	▲ 11	64	▼ -28	65	▲ 1
LOLO	496	▲ 89	440	▼ -56	410	▼ -30
RORO/LOLO	44	▼ -3	47	▲ 3	44	▼ -3
Car Carrier	24	▼ -2	29	▲ 5	21	▼ -8
Others	73	▼ -7	67	▼ -6	61	▼ -6
TOTAL	**2,155**	▲ **379**	**1,877**	▼ **-278**	**1,685**	▼ **-192**

Port of Suva Vessel Calls by Vessel Type for 2017, 2018 and 2019

Vessel Type	No. of Vessels			Total GRT (000's)		
	2017	2018	2019	2017	2018	2019
Dry Bulk	15	14	11	288	267	225
Liquid Bulk	77	78	69	1,355	1,558	1,231
Fishing	954	820	711	237	210	202
Cruise Liner	53	41	39	4,533	3,157	2,829
General Cargo - LOLO	271	238	213	3,610	3,223	2,747
General Cargo - RORO/LOLO	22	24	22	387	415	388
Car Carrier	24	29	21	1,265	1,405	1,071
Others	61	54	47	274	281	335
Total	**1,477**	**1,298**	**1,133**	**11,949**	**10,516**	**9,028**

Pilot services at the Port are currently done by two agencies; namely FPCL Port Pilots and Sea Pilots (Fiji) Ltd.

Port of Suva Vessel Calls by Type for 2017, 2018 and 2019



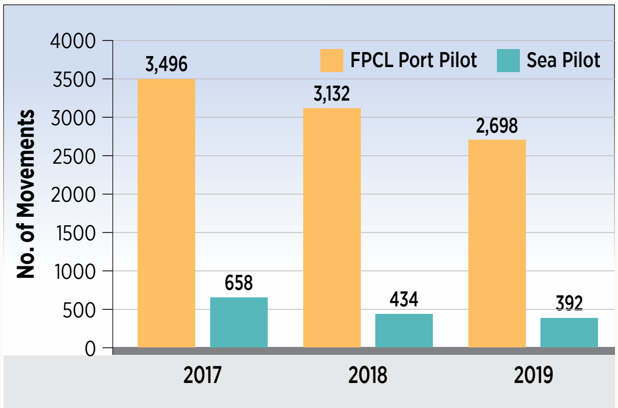
Port of Suva Piloting Movements for 2017, 2018 and 2019

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
FPCL Port Pilots	285	282	394	370	264	313	293	261	258	320	208	248	3,496
Sea Pilots	66	32	40	66	53	53	61	72	74	53	32	56	658
TOTAL	**351**	**314**	**434**	**436**	**317**	**366**	**354**	**333**	**332**	**373**	**240**	**304**	**4,154**

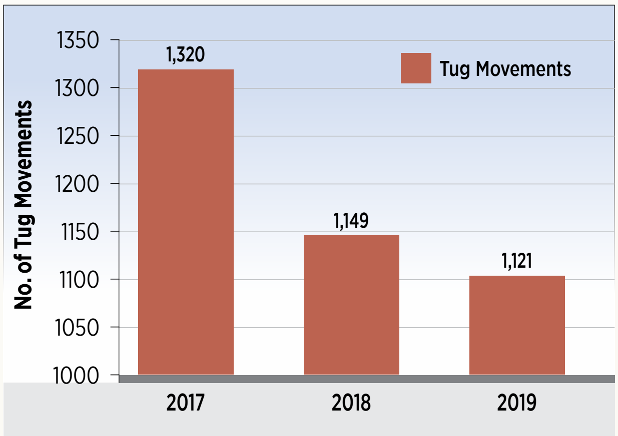
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
FPCL Port Pilots	314	192	341	322	248	221	282	309	245	240	162	256	3,132
Sea Pilots	69	32	29	26	45	24	42	42	40	32	21	32	434
TOTAL	**383**	**224**	**370**	**348**	**293**	**245**	**324**	**351**	**285**	**272**	**183**	**288**	**3,566**

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
FPCL Port Pilots	253	248	296	272	256	178	192	221	202	202	173	205	2,698
Sea Pilots	40	26	21	21	42	26	42	48	42	26	32	26	392
TOTAL	**293**	**274**	**317**	**293**	**298**	**204**	**234**	**269**	**244**	**228**	**205**	**231**	**3,090**

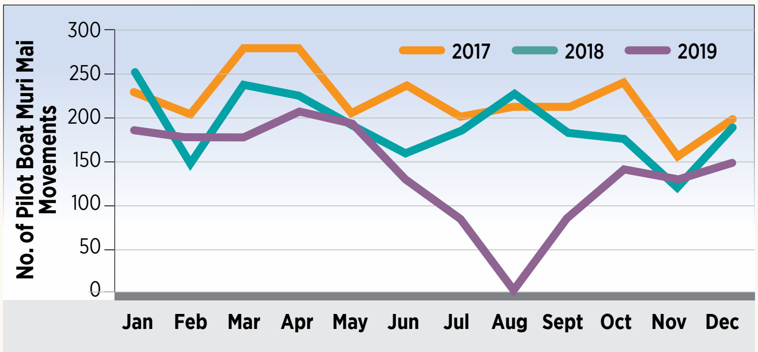
Port of Suva Piloting Movements for 2017, 2018 and 2019



Port of Suva Tug Movements for 2017, 2018 and 2019



Port of Suva Pilot Boat “Muri Mai” Movements for 2017, 2018 and 2019



Port of Suva Tug Movements for 2017, 2018 and 2019

Year	Tug Movements
2017	1,320
2018	1,149
2019	1,121
TOTAL	**3,590**

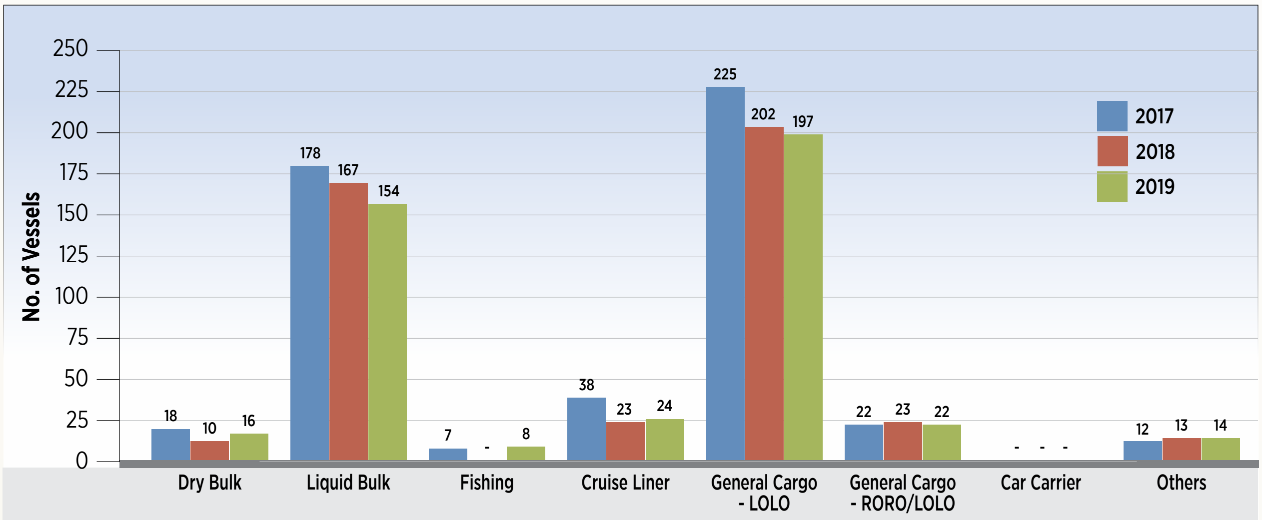
Port of Suva Pilot Boat “Muri Mai” Monthly Movements for 2017, 2018 and 2019

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2017	228	204	282	283	207	238	202	216	215	243	156	198
2018	249	146	240	226	191	159	186	228	185	177	119	187
2019	190	178	178	207	194	133	85	-	85	148	133	150

Port of Lautoka Vessels by Type for 2017, 2018 and 2019

Vessel Type	No. of Vessels			Total GRT (000’s)		
	2017	2018	2019	2017	2018	2019
Dry Bulk	18	10	16	408	223	345
Liquid Bulk	178	167	154	1,917	1,868	1,761
Fishing	7	-	8	0.7	-	4
Cruise Liner	38	23	24	3,253	1,681	1,669
General Cargo - LOLO	225	202	197	2,676	2,609	2,661
General Cargo - RORO/LOLO	22	23	22	386	394	388
Car Carrier	-	-	-	-	-	-
Others	12	13	14	5	11	35
Total	**500**	**438**	**435**	**8,646**	**6,786**	**6,865**

Port of Lautoka Vessels by Type for 2017, 2018 and 2019



Port of Lautoka Vessel Calls by Type for 2017, 2018 and 2019

YEAR	PASS	LOLO	RORO/LOLO	DRY BULK	LIQUID BULK	FISHING	NAVAL	OTHERS	TOTAL
2017	38	225	22	18	178	7	4	8	500
2018	23	202	23	10	167	-	-	13	438
2019	24	197	22	16	154	8	-	14	435

Notes:

There has been a 38% decrease in Passenger vessel arrivals over the last 3 years, a decrease of container vessels by 12%, a 3% increase in Oil and Gas tankers and, notably, 100% increase in fishing vessels.

For the period 2018 – 2019 alone, Dry Bulk vessels increased by 60%, following the commissioning of the Amex Berth, where Dry Bulk vessels have commenced loading iron concentrate.

Other types of vessels show a slight increase.

Port of Lautoka Piloting Movements for 2017, 2018 and 2019

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
FPCL Port Pilots	44	41	47	49	40	45	44	45	55	51	51	45
Sea Pilots	46	50	53	58	43	33	46	45	49	54	36	60
Total	**90**	**91**	**100**	**107**	**83**	**78**	**90**	**90**	**104**	**105**	**87**	**105**

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
FPCL Port Pilots	42	53	65	45	50	51	45	47	55	86	60	64
Sea Pilots	38	27	44	36	38	32	35	43	36	20	14	6
Total	**80**	**80**	**109**	**81**	**88**	**83**	**80**	**90**	**91**	**106**	**74**	**70**

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
FPCL Port Pilots	85	92	81	92	100	78	103	96	124	99	93	107
Sea Pilots	4	9	7	9	5	9	4	2	4	7	29	24
Transam Pilots	-	-	-	-	-	-	-	-	-	-	-	2
Total	**89**	**101**	**88**	**101**	**105**	**87**	**107**	**98**	**128**	**106**	**122**	**133**

Note:

Due to the capacity building of FPCL Pilots, Port Pilots attendance to vessels showed a major increase to 90.91%, compared with Sea Pilots attendance of 8.93%.

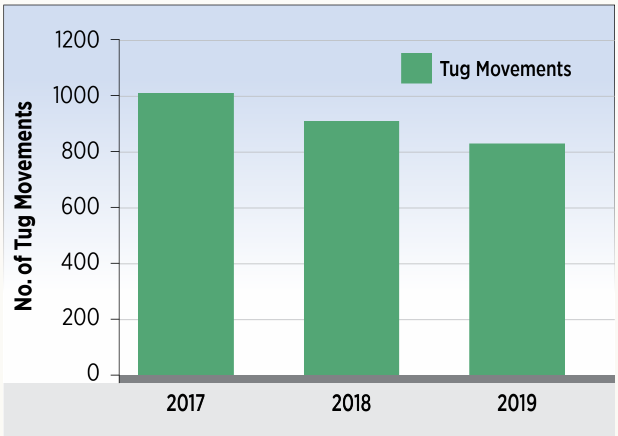
Port of Lautoka Tug Movements for 2017, 2018 and 2019

Year	Tug Movements
2017	1,018
2018	897
2019	834
TOTAL	**2,749**

Note:

As per FPCL Tug Regulation 2009, all vessels of 3000GT and above shall engage a tug. All Medium Range Tankers at the Vuda Oil Terminal moorings are to engage 2 tugs.

Port of Lautoka Tug Movements



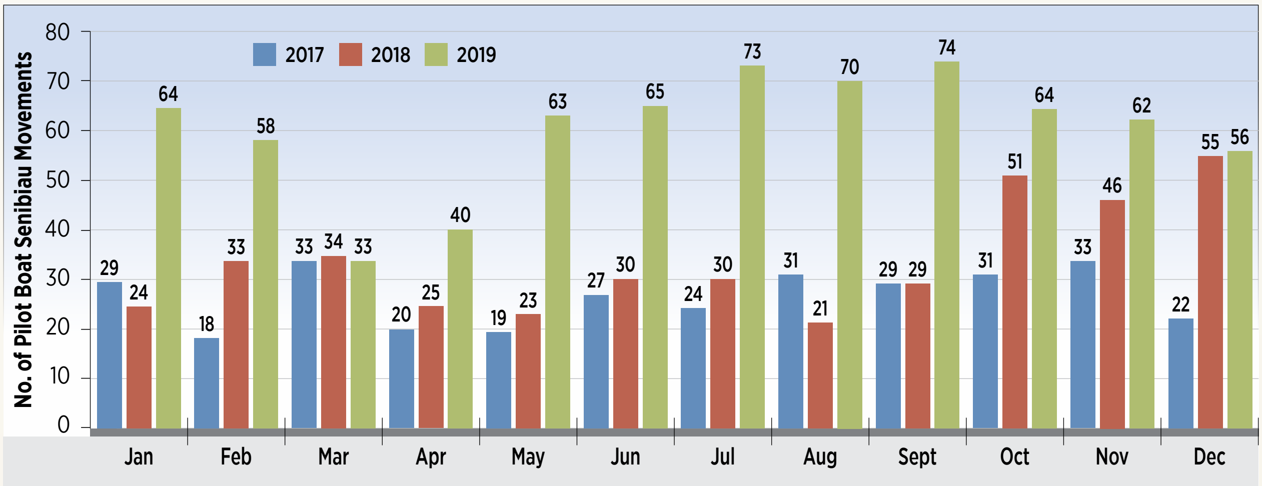
Port of Lauotka Monthly Pilot Boat "Senibiau" Movements for 2017, 2018 and 2019

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2017	29	18	33	20	19	27	24	31	29	31	33	22
2018	24	33	34	25	23	30	30	21	29	51	46	55
2019	64	58	33	40	63	65	73	70	74	64	62	56
TOTAL	**117**	**109**	**100**	**85**	**105**	**122**	**127**	**122**	**132**	**146**	**141**	**133**

Notes:

- *Pilot boat runs increased to 406 over the last 3 years, an increase of 128.5%. In 2019, there was an increase of 321 runs, or 80%, compared with 2018.*
- *The pilot boat runs increase was due to the pick-up and drop-off at Vuda OPL anchorage, and additional movements to Bligh Water Pilot Station.*

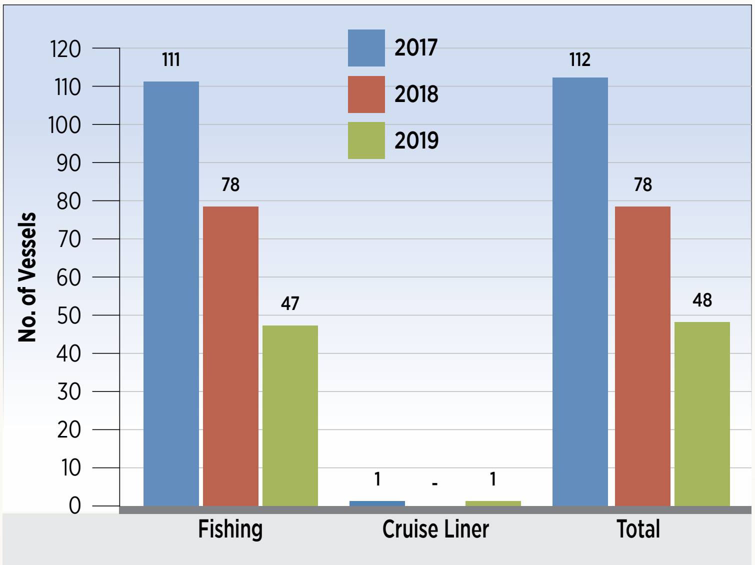
Port of Lauotka Pilot Boat "Senibiau" Movements for 2017, 2018 and 2019



Port of Levuka Vessels by Type for 2017, 2018 and 2019

Vessel Type	No. of Vessels			Total GRT (000's)		
	2017	2018	2019	2017	2018	2019
Fishing	111	78	47	35	26	20
Cruise Liner	1	-	1	2	-	4
Total	**112**	**78**	**48**	**37**	**26**	**24**

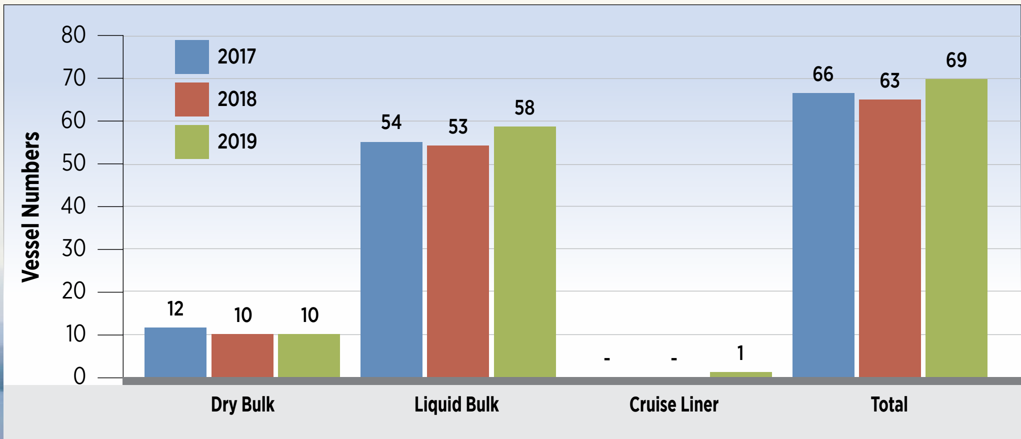
Port of Levuka Vessel Calls by Type 2017, 2018 and 2019

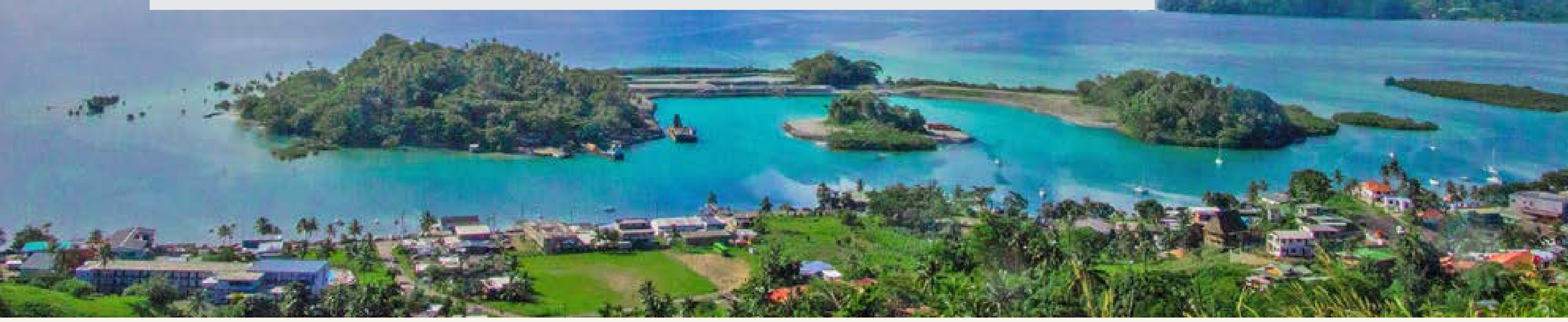


Ports of Malau, Wairiki & Savusavu - Vessels by Type for 2017, 2018 and 2019

Vessel Type	No. of Vessels			Total GRT (000's)		
	2017	2018	2019	2017	2018	2019
Dry Bulk	12	10	10	394	331	335
Liquid Bulk	54	53	58	220	232	270
Cruise Liner	-	-	1	-	-	4
Total	**66**	**63**	**69**	**614**	**563**	**609**

Ports of Malau, Wairiki & Savusavu - Vessels Calls for 2017, 2018 and 2019





FPCL is supplying marine services to the Port of Savusavu.

Safety, Security & Technology

With recent upgrades and developments taking place at wharves, FPCL continued to improve safety of Port users by implementing separation schemes for the pedestrians and vehicular traffic. A Traffic Study was conducted and based on its recommendations, the facility's improvement budget was submitted for the Board's approval.

FPCL continues to take safety as a top priority and ensures that all staff and Port users are well - protected at all times. In 2019 saw the further inception of workplace safety culture relating to the good safety practices for the use of Personal Protective Equipment (PPE). In 2019 the Company embarked on a project plan for the development and implementation of OHS policies, procedures and audit practices leading to ISO 45001:2018.

ISPS Code Compliance

Ports' security and ISPS compliance is a critical aspect relating to both national and international requirements. As such in 2019, FPCL invested considerable resources towards the review and updating of Company's International Ships & Ports Security (ISPS) Code compliance requirements, including conducting of internal audits in line with FPCL's Port Security Plan.

The Ports' Security Department has reviewed the CCTV coverage, security patrol practices to ensure both site security and ISPS are in compliance, which also includes broader security practices. FPCL continued with its commitment in improving cooperation with the border security agencies by conducting regular meetings and developing and implementing high-level strategies for collaboration.

Numerous technology-based initiatives were also implemented to enhance boarder security from FPCL's end and was incorporated into an interim ISPS plan, submitted to the Board.

Occupational Health & Safety

Occupational Health & Safety (OHS) initiatives included the launch of the use of Safetyhub online OHS training methodologies, which provides FPCL staff with up-to-date Australian Occupational Health and Safety practices and standards.

In close collaboration with the Natural Disaster Management Office, FPCL conducted the first tabletop natural disaster management exercise at FPCL Head Office, Muaiwalu House.

The Ports' Security Department has reviewed the CCTV coverage, security patrol practices to ensure both site security and ISPS are in compliance, which also includes broader security practices.

Smart Port Initiative

As a major initiative of the Smart Port Project, FPCL has plans to implement a Vessel Traffic Management System (VTMS) in 2020. Due to the complexity of the project, the Company has appointed an overseas Consultant to provide advisory services and has appointed a reputable Supplier with extensive experience in development and implementation of VTMS.

FPCL representatives have attended a two day workshop on the use and application of the proposed system. It will have an Automatic Identification System (AIS), a radar system and communication links, all of which will enable the operator to manage vessel traffic, monitor the harbour basin and support the boarder control and other requirements of key stakeholders.

The VTMS will consist of:

- Radar;
- Coastal surveillance and tracking system;
- VTMS software;
- AIS base station;
- VHF system;
- CCTV system;
- Voyage data recording and replay system for search and rescue;
- Communication links;
- Marine weather station;
- Electrical power system, including UPS,
- LAN hardware system.

Mua-i-Walu II Digital Vehicle Access Control System

Installation of the Digital Access Control System for vehicle entry at Mua-i-Walu II meant that vehicle operators and drivers are charged for the actual time spent parked in the wharf area, aiming at reducing traffic congestion within the wharf area.

The system not only prevents the congestion within the wharf area but has ensured the safety of public within the wharf area by asserting a control on the number of vehicles movements within the busy wharf area. Further the system also provides reliable and accurate data on number of vehicles entered into the wharf that can be considered for any upgrading, future infrastructure development and wharf maintenance programmes.

Information & Communications Technology - Migration Towards Cloud

FPCL is transitioning its operations online with the introduction of MS Office 365. This is a cloud-based subscription solution provided by Microsoft that offers the distinct MS Word, PowerPoint, Excel, and email services as opposed to the traditional in-house software that organisations normally use to conduct their business.

MS Office 365 allows FPCL users to access the system anywhere, any time, as a complementary app installed on the computer makes it easily accessible offline. This system is also secure and protects users from potential hackers.

The implementation of MS Office 365 was done in collaboration with a local mobile communication service provider. In 2019, FPCL installed the system and strategically rolled it out to the other departments. The Company using the software benefits from the additional features of MS Office 365:

- Intranet system integration;
- Team collaborations (live chats and team meetings) all done online from the comfort of their offices;
- Sharing and saving of documents;
- Less risk of data loss (software has 90-day backup),
- Cost effectiveness.

Improvements to Communication Systems

As part of delivering efficient and uninterrupted service, FPCL has moved towards the Host Cloud Telephony system, which does not require any hardware or up-front investment, thereby saving significant communication substantial costs to the Company while increasing coverage. The system is network-based and can be used in any FPCL office location or anywhere the service provider's internet link is available.

Apart from low call costs, other main benefit includes FPCL not being required to maintain the system and availability of softwares updates which are cascaded down by the vendor without additional cost.

Microsoft Training

Microsoft Excel training was held to upskill staff, to be better prepared to produce timely and accurate reporting, along with an enhanced ability to analyse data that is required for decision-making. Staff were taught how to work with advanced formulas, create input data tables and format charts. They were also introduced to Pivot tables and charts, as well as acquiring hands-on skills for the process of importing and exporting data.

Staff were also trained in the use of Microsoft Project, to capture, plan and manage various projects that are currently on-going within FPCL.

These training sessions were conducted with the assistance of the Training and Productivity Centre of Fiji National University.

Corporate WIFI at Head Office

The installation of Wi-Fi access points throughout the Head Office was carried out late last year. With this implementation, staff are able to access the local network wirelessly, enhancing their productivity at the work place. To improve security, users need to provide their local domain credentials to sign into the wireless network and are only allowed access to resources for which they are authorised.

Wireless Presentation Gateways

As part of introducing new technologies, all meeting rooms have been equipped with smart digital TV and wireless presentation gateways that allow users to present from their devices wirelessly and removes the need for projectors and projector screens.

Strategic Priorities

These initiatives are part of Information Systems Strategic Plan 2019-2024 to be the business enabler on the digital frontier.

8 Key Challenges

The FPCL ICT team has developed strategic priorities in eight (8) thematic areas as follows:

1.	Enhanced IT Border Security Infrastructure. Monitoring and Response
2.	Incorporate Business Continuity of Information System with Organisational Continuity Plan
3.	Organisational-wide IT Policies and Procedures
4.	Professional Services Automation Systems and Processes
5.	Quality, Integrity, and Meaningful Representation of Data
6.	Unification of Systems
7.	Learning/Knowledge Management
8.	International Best Practices Certification

The ICT Manager, with the guidance of the FPCL Project Management Office (PMO), will complete these priorities through rolling out action plans, starting in the final quarter of 2019. The timeline for realising these goals is as follows:

2019	2020			
Fourth Quarter	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
ICT Vulnerability Assessment VTMS Project Initiation Remote Site Connectivity	Patch Management Periodic review of network and security policies VTMS Project Digital Berthing Application Remote Site Connectivity	Review of Office 365 access policies Implementation of monitoring and reporting for network and system issues VTMS Project Identify Business critical Infrastructure ICT Policy review Data Cleansing Audit of Data Sources Identify and implement relevant industry security tools	Formulation of security and change management committee Assess and implement High Availability for infrastructure Ensuring policies are available on relevant portals Identify requirements and develop/source relevant applications Dashboard and customized reporting Learning Management Systems - Requirements gathering	Upgrade backup application and test restoration of backup on cloud infrastructure Consultation with Navision Vendor Ensuring policies are available on relevant portals Identify and implement relevant technology for unification of systems Dashboard and customized reporting API identification and integration Policy enforcement

2021			
First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Network Backbone Upgrade Policy enforcement Smart Security Implementing of Learning Infrastructure	Test Accessibility of restored servers and services from user Policy enforcement Process review and realignment Implementing of Learning Infrastructure Develop course contents	Test accessibility of restored servers and services form user User training guides, manual and videos Process review and realignment	Upgrade backup application and test restoration of backup on cloud infrastructure User training guides, manual and videos Process review and realignment Scope ISO standards Reverse restore to Date Centre and test for data integrity

2022			
First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
ISO 20000 - Service Management ISO 27001 - Information Security Management ISO 22301 - Business Continuity Collaborate with business units and develop BCP and restoration test	ISO 20000 - Service Management ISO - 27001 - Information Security Management ISO 22301 - Business Continuity Collaborate with business units and develop BCP and restoration test Penetration Testing	ISO 20000 - Service Management ISO - 27001 - Information Security Management ISO 22301 - Business Continuity	ISO 20000 - Service Management ISO - 27001 - Information Security Management ISO 22301 - Business Continuity

Environment & Sustainabilty

Green Port Initiative

As part of FPCL's Green Port Initiative a number of key projects rolled out in 2019.

Background

2011 FPCL attended a Green Ports conference in Japan as Environmental Sustainability is a concern to the organisation.

2016 Energy Audit conducted with funding support by South Pacific Community (SPC).

2017 & 2018 Support for Energy Management by Maritime Technology Cooperation Centre in the Pacific (MTCC-Pacific).

- o Management of hazardous and non-hazardous waste generated by the Port.
- o Upgrading of Muaiwalu House internal lighting to LED has reduced the energy consumption by an estimated 40% and a reduction of 62 tonnes of Green House Gas (GHG) emissions per year (2016).
- o Energy Policy and Energy Management Action Plan developed (2018).
- o Energy tracker for electricity and fuel consumption - (2017).
- o Office air conditioning upgrade (end 2018).

2019 Launching FPCL's 2019-2023 Green Port Masterplan Timeline and Sustainability Guidelines for Procurement.

Installation of new Electric Incinerator

Conforming to FPCL's Green Port Initiative and Company's commitment towards the reduction of emissions, the new electric powered incinerator was installed and commissioned by the Engineering Team with the engagement of an Engineering Consultant of the overseas supplier at a cost of FJ$630K.

Protection of Port and Harbour Areas

FPCL understands and works on protecting the areas adjacent to port lands and operational areas from the impact of increasing urbanisation, with the attendant pressures on air quality, noise pollution, and waste and traffic management issues. FPCL's commitment to addressing these issues saw the completion of the Port Waste Reception Facility for the collection of sludge, oil and similar waste generated by vessels in FPCL's ports, and shipping agents informed of the availability of the facility.

Conforming to the international requirements, five unmanned vessels were removed from Suva Harbour and one from Lautoka Harbour in 2019.

Conforming to FPCL's Green Port Initiative and Company's commitment towards the reduction of emissions, the new electric powered incinerator was installed and commissioned by the Engineering Team with the engagement of an Engineering Consultant of the overseas supplier at a cost of FJ$630K.

Launching of 2019-2023 Green Port Master Plan and Sustainability Guidelines for Procurement

The Ports encompassed by these initiatives are Suva, Lautoka and Levuka.

From FPCL's perspective, a Green Port

- Is clean
- Contributes to the achievement of the Sustainable Development Goals (SDGs):
  Goal 3 - Health and Wellbeing;
  Goal 7 - Affordable and Clean Energy;
  Goal 9 - Industry, Innovation and Infrastructure;
  Goal 13 - Climate Action;
  Goal 14 - Life Below Water;
  Goal 15 - Life on Land,
  Goal 17 - Partnerships for Goals.
- Measures and achieves year-on-year reductions in its environmental impact in the following areas:
  - GHG Emissions;
  - Air pollution;
  - Marine pollution,
  - Waste reduction through Reuse and Recycling.
- Engages with stakeholders and port users to help reduce its environmental impact.
- Has healthy green space within its boundary.

Sustainable Procurement Guidelines

The Guidelines cover procurement and civil works undertaken by FPCL, to ensure that they are implemented in a sustainable way, to the greatest extent possible.

Green Port Master Plan Strategy and Objectives

This Green Port Master Plan aligns with this mission through reducing environmental impact, which directly and indirectly contributes to Fiji's economic growth and prosperity. Focusing on stakeholders, taking actions to reduce Environmental impact and ongoing assessment of its performance (SEA) FPCL's green port actions that will contribute to the achievement of these objectives. Highlighted below are few of these objectives;

2019 — Green Development
Major redevelopment or construction to adopt Green Port Guidelines.

2020 — Stakeholder Engagement
By 2020 committed to be fully engaged with stakeholders.

2021 — Reporting
By 2021 FPCL to be producing twice-yearly reports.

2021 — ISO 50001
By 2020 / 2021 implement Environmental Management System in line with ISO 14001.

2022 — Water Use Management
By 2022 to have smart water metering.

2023 — Water Pollution
By 2023, comparative reporting on reduction of oil spill and contamination in harbour areas.

2023 — Carbon Footprint
By 2023, FPCL to become carbon neutral with respect to its electricity use.

2023 — Clean Wharfs
By 2023, waste going to landfill from port areas will have reduced by 30% and the port will be perceived as cleaner.

Fiji Ships & Heavy Industries Limited

2019 Highlights

- ✓ Quality Management System - first training workshop for ISO 45001:2018 Occupational Health & Safety Management systems commenced
- ✓ 500 tonne slipway new creedal fabrication project commenced
- ✓ 200 tonne slipway upgrading project commenced
- ✓ Four employees achieve professional membership with Royal Institution of Naval Architects (RINA)
- ✓ National Fire Authority conducted trainings
- ✓ Green Space Initiative - corporate garden established

Financial Performance

FSHIL has recorded a net profit of FJ$112k for the 2019 Fiji Ships & Heavy Industries Limited (FSHIL) has recorded a net profit of FJ$112k for the 2019 Financial Year. Total income exhibited a decrease by FJ$819k, or 12.5%, compared to 2018. This decline resulted from the challenges encountered due to aging slipway infrastructure. Expenses increased by FJ$730k, or 15.04%, over 2018 and this increase is mainly attributed to repairs and maintenance of infrastructure.

NPAT has decreased by FJ$1.22million, or 91.62%, compared with 2018. Despite this, the balance sheet has remained strong, with a healthy cash balance of FJ$2.4million, term deposit of FJ$1million and a low gearing of 0.10.

The Dividend paid in 2019 with respect to the 2018 Financial Year increased. This was due to higher profits made from project-based works in 2018 when compared to 2017.

Client Base

FSHIL's client base continues to include Pacific Island countries, such as Kiribati, Vanuatu, Tonga, Solomon Islands, Tuvalu, Marshall Islands, Nauru, and Samoa, as well vessels owned by Fiji-based overseas fishing companies and Fiji registered vessels.

Customer Focus

During the year in review, FSHIL continued to promote and maintain the customer focused business culture that reinforces the reputation of the Company.

FSHIL's continuing track record of reliability, quality and on-time delivery meeting and exceeding customer requirements was maintained in 2019 despite the challenges caused due to aging infrastructure.

FSHIL is committed to acquiring, retaining and developing the right people with the right skills, and prides itself on having a stable, professional and well-qualified workforce that adheres to national and international codes of Occupational Health and Safety.

Quality Management

Following the 2018 certification of FSHIL for ISO 9001:2015, for the provision of services related to ship repair works, ship repair services, slipway facilities and heavy industry services, the FSHIL team embarked upon their first training workshop for ISO 45001:2018 Occupational Health & Safety Management systems.

The two-day workshop conducted by the certification body Sri Lanka Standards Institution (SLSI) was also attended by FCPL staff.

Protecting the Environment

FSHIL has introduced control measures to manage ships' bio fouling, to minimise the transfer of invasive aquatic species. The Company's improved water recycling system captures, filters and recycles the water used in operating the Company's water blaster. The process means that FSHIL is not discharging paint or chemical-laden water into the surrounding marine environment. This is of vital importance as FSHIL's business and the livelihoods of the nearby communities depend upon the continued health of the marine environment.

Green Space Initiative

A system was developed to use recycled water within the Company and it was also used to water FSHIL's Green Space.

The newly established FSHIL's Green Space provides a welcoming shady avenue for anyone entering into the premises and seating space for staff to take their lunch and tea breaks.

Core Function

In 2019 FSHIL continued to provide high-level services in the area of Slipping of marine vessels and Ship Repairs and Maintenance. The Heavy Industry and Engineering works section provided services in the area of building and fabrication.

Slipways

- 200tonne slipway (to be upgraded to 500tonne for 46metre vessels with 11metre beams)
- 500tonne slipway (46metre vessels with 11metre beams)
- 1,000tonne slipway (65metre vessels with 13metre beams)

Heavy Industries

FSHIL continued providing services for marine and other industry customers in Fiji by undertaking steel, engineering, electrical, timber and technical works.

The Company has the capacity for steel fabrication work up to 300tonnes, making it possible for FSHIL to design multipurpose, roll-on, roll-off vessels, specifically for inter-island trade and transport.

Steel Section

Work includes steel and aluminum ship construction and repairs, industrial fabrication and heavy machinery welding.

Engineering Section

Engineering includes general pipework, machining and turning stern gear servicing, installation and repair of deck machinery and valve and pump repairs.

Electrical Section

Work includes marine electrical services, industrial electrical services, servicing and repair of electrical generators and motors, and auto electrical services, including marine, industrial and heavy mobiles, and the rewinding of generators and motors.

Timber Section

Work includes ship repair outfitting, wooden boat building, machining and installation of timber decking, marine and industrial painting, fibreglassing, building construction, office renovation and furniture making.

Technical Section

Work includes boat designing, ship calculations, conducting of inclining experiments, compiling of visibility data, hull ultrasonic gauging and general estimating.

Fibreglass Boat Manufacture

FSHIL manufactures two sizes of fibreglass boats using the WR 23D and 23SR hull designs, with redesigned internal structures, which meet the compliance and approval of the Maritime Safety Authority of Fiji (MSAF).

All FSHIL fibreglass boats are fitted with grabbers, in case of capsising, and equipped with a Safety of Life at Sea compliant kit of oars and rowlocks, flares, life jackets and a first aid kit. Each boat goes through a swamp test conducted by MSAF officials, in compliance with ISO 12217-2 Boat Building Standards of the International Classification Society (IACS) of which Fiji is a member.

Specialised Services

FSHIL also offers other specialised services that include:

- Vessel conversion, upgrading and reconstruction;
- Diving services;
- Berthing;
- Garbage disposal;
- Three-ton crane hire;
- Pontoon hire,
- Gangway hire.

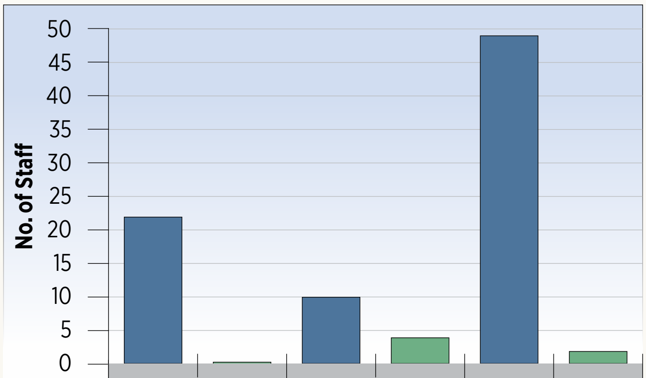
Departments

The FSHIL Functional and Operational Departments and Sections consist of:

Workforce

FSHIL is committed to acquiring, retaining and developing the right people with the right skills, and prides itself on having a stable, professional and well-qualified workforce that adheres to national and international codes of Occupational Health and Safety.

Workforce Availability by Contract Type/Gender for 2019



	Permanent Male	Permanent Female	Contract Male	Contract Female	Project Male	Project Female
Gender	22	0	10	4	48	2

Training

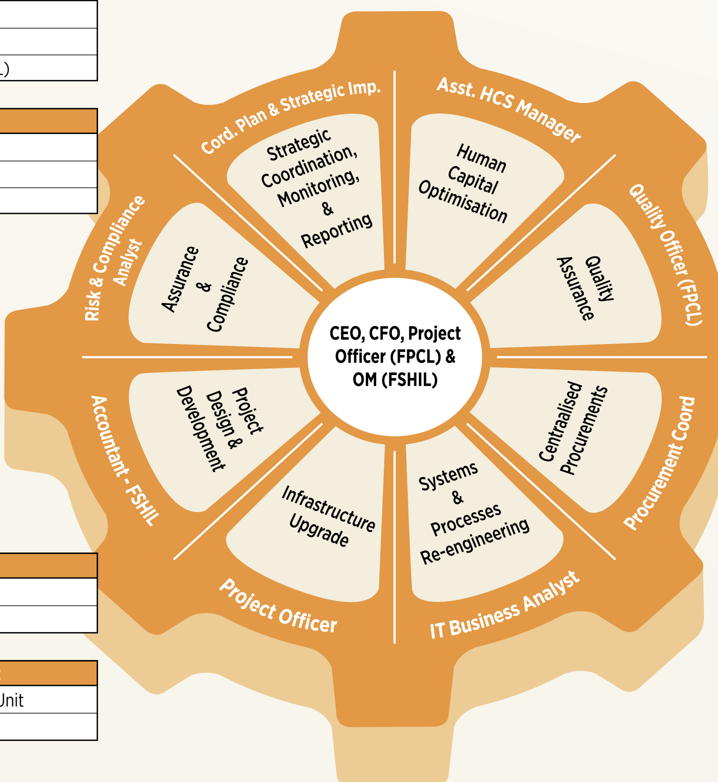
FSHIL recognises that training and development of its staff is fundamental to the ongoing improvements at FSHIL and striving towards strategic goals. FSHIL's investment in training recognises the imperative need to both maintain the standard of service delivery to customers with a skilled and professional workforce and supports staff in their professional development. The 2019 training expense utilised was FJ$33,106.

2019 Trainings Conducted	No. of Staff
Working at Heights and Confined Space	20
Training of Trainers Modules I & II	2
Gas Detector	8
OHS Management Systems	30
Occupational Health & Safety	6
Management System & Standards	4
First Aid Training	10
Six Sigma White Belt	1
Fire Warden and Fire Fighting	25
Mechanical Engineering Industry Skills	1
Microsoft Office Excel 2016	6
Doggers & Riggers	6

FSHIL Organisation Structure & Change Management Steering Team

Governance
FPCL Executive Management
Legal Unit (FPCL)
Risk & Compliance Unit (FPCL)

Financial
Finance Department
Business Information Unit
Procurement



Infrastructure
Asset Management (FPCL)
Projects Unit

Sustainability & Environment
Environmental Management Unit
Energy Management Unit

OM	General Management
Production Department	
HR Department	
Technical & Estimation Department	
Quality Assurance Department	

WM	Slipway Operations
Slipway	
Steel	
Water Blasting/Painting/Boatbuildings	
Carpentry and Joinery	
Engineering	
Heavy Industries	

HRC	Organisation
Skills & Knowledge Development	
Motivation, PMS and Capacity Building	
Startegic Goals, KPI, Monitoring and Check and Balance Control System.	

SE	Technical & Estimation
Onboard Assessment Survey Report	
Quotation & Invoice Template	
Ship Design, Workshop Drawings & Drafting Works/Ship Repair & Heavy Industries.	

QAO	Quality Systems
ISO 9001:2015 / ISO 14001:2018	
Standard Operaton Procedures (SOP)	
Quality Checklist/IACS/MSAF Reg. Risk Management .	

ACC	Finance & ITC
Budget Income Forecast	
CAPEX/OPEX/Finance Risks Check & Balance / Financial Report, P&L Statement.	
Stores & Transport	

Fiji Ports Corporation Limited

Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019

Contents

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity consisting of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") as at 31 December 2019. Financial comparisons used in this report are of results for the year ended 31 December 2019 compared with the year ended 31 December 2018.

The historical financial information included in this Directors' Report has been extracted from the audited Financial Statements accompanying this Directors' Report.

Information in this Directors' Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company and the Group, and whether the Company and the Group are a going concern.

Principal activity

The principal activity of the Company is providing and managing the port infrastructure and services within declared ports. The principal activity of the subsidiary trading as "Fiji Ships and Heavy Industries Limited" is the provision of ship repair and slipway services. There has been no significant change in these activities during the year.

Review and results of operations

The operating Group profit for the year was $26,500,505 (2018: $28,041,359) after providing for income tax expense of $5,664,291 (2018: $5,725,731). The operating profit for the Company for the year was $28,035,714 (2018: $27,065,479) after providing for income tax expense of $5,620,759 (2018: $5,369,473).

Our values

In financial year 2019 and looking forward in 2020, we have been progressively working towards delivering results for our key priorities as identified within our strategy. These key priorities are:

At Fiji Ports Corporation Limited and its subsidiary, we have 6 key values that are the core of our business, as listed below:

- Professionalism - We are guided by the highest level of honesty and integrity in everything we do and will always demonstrate fair, open, honest and ethical business practices. We aim to treat our people, customers and stakeholders with respect. Our people and our conduct is a measurement of high standards of professional integrity;
- Commercial Stewardship - We will manage our business and activities in a commercial manner and ensure that competitive and compensatory financial returns provide for a long and prosperous future for the organisation. We will commit to being accountable to effective business planning, and reward our people for achieving success;
- Strategic Innovation - Through our people and our development strategy, we will challenge the status quo of the maritime transportation and logistic sector and become recognised leaders in the industry by being responsive to the changing needs of maritime and industrial sectors, and by bringing value to our customers through being an effective link in the supply chain;
- Progressive Leadership - We will promote a proactive and creative environment that supports a work culture of collaboration and teamwork, and aim to develop leaders who enthusiastically embrace achievement and innovation. We will encourage the continuous learning, training and development of our people. We will always try to do better;
- Corporate Citizenship - We will integrate corporate citizenship and social responsibility into every aspect of our operations. We recognize that it is a privilege to share the marine and land assets of Fiji Ports with the community, and the people in the various associated regions, and that we have responsibility to the community to communicate openly with residents, participate in, and support development, and ensure that our actions protect the environment and Fiji culture; and
- Employees Well Being Diversity - As a company we hold advancing the health, safety and well being of our workforce as an absolute priority. It's a commitment that encompasses the environments in which employees work, and the communities in which they live. We aim to be a leader in diversity aiming always to be non-discriminatory in respect to culture, race, sex or age, and consequently providing a fair and accepting workplace.

Our strategy

Fiji Ports Corporation Limited (FPCL) aims to be the Smart Green Gateway for Trade in the Pacific Region. The 5 Year Strategic Plan (2019- 2023) is a cornerstone of the overall alignment of the Port to an increasingly dynamic and competitive business environment. Through the Strategic Plan, the Port will meet key challenges and leverage opportunities to achieve its goals. The Plan addresses the physical, operational, economic, environmental and recreational requirements of the company. It forms the basis for the strategic policy for effective resources utilization and efficient service delivery.

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2019

Our strategy *continued*

The company implemented 5 Year Strategic Plan commencing from 2019 – 2023. The strategic goals is adopted from previous strategy which had nine goals and only six goals have been adopted for 5 – Year Strategic Plan. These goals are targeted to the challenges that lie ahead as well as reflecting the nature of the ownership model of FPCL. The six strategic goals include:

Strategic Goal 1 - Governance
Protect Shareholders integrity and transparency while achieving a balance between commercial and social deliverables.

Strategic Goal 2 - Infrastructure
Invest strategically to ensure necessary availability of fit for purpose facilities while investigating future asset options for long term efficiency and productivity.

Strategic Goal 3 - Financial Performance
To spearhead the Commercial and Financial stewardship of FPCL and to ensure that shareholder value is enhanced, in the midst of implementing capital intensive projects.

Strategic Goal 4 - Organisation/ Capacity
Align organisational structure to objectives and capacity requirements, while promoting gender equality and retention.

Strategic Goal 5 - Environment
Implement Port Sustainability Guidelines and Energy Management Initiatives to become a Green Port in the Pacific.

Strategic Goal 6 - Safety, Security and Technology
Adopt Smart Port initiatives to achieve best practice in international Port Security and safe working environment.

Our priorities this year

In financial year 2019 and looking forward in 2020, we have been progressively working towards delivering results for our key priorities as identified within our Strategy. These key priorities are:

- Launching of 5-year Green Port Master Plan and Timeline.
- Launching of Sustainable Procurement Guidelines.
- Commissioning of new electric powered incinerator at Port of Suva to support our smart/green port initiative.
- Opening of Cruise Passenger Lounge at Port of Suva.
- Condition inspections of international wharfs, to determine condition of the wharf structures, load ratings and prepare risk matrix for rehabilitation work.
- Investigate and Develop computerised Asset Management and or Maintenance Management System.
- Conduct feasibility studies to increase port capacities.
- Start preparatory work for implementation Vessel Traffic Management from 2020.
- Review tariff structure for local wharves.
- Installation of the access system for vehicle entry at M2.
- Upgrade pilot boats to meet the international standards.
- Conduct feasible studies on revenue automation process and provide recommend to management.
- Improve capacity building and recruitment process.

Key statistics

	Group	Company
Number of employees	251	157
Dividend per share	$ 0.22	$ 0.22
Total Income	$ 59,252,320	$ 59,225,921
Net Assets	$ 140,540,289	$ 136,091,316

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2019

The future

Major future strategies of the Group are:

- Implement Vessel Traffic Management System.
- Implement automated revenue system and integrated with Vessel Traffic Management System. - Installation of solar system at Local Wharf.
- Lautoka Yard 3 development to increase port capacity.
- Review tariff structure for International Wharves.
- Commence rehabilitation at various wharves based on the risk matrix.
- ISO 14000 Certification.
- Procure second pilot boat to align to international standards.
- Develop marketing strategies and invest in business development to build key throughputs and revenues. Identify regional trade and market share opportunities, interface with industry groups including shipping forums and regional commissions.
- Enterprise training [enterprise value and thinking].
- Initiate Information Systems and Strategic Plan.
- Review International Ship Port Facility Security (ISPS) compliance.
- Revamp Environment Management Program.

Dividends

On 15th March 2019, the Directors resolved to pay a dividend of twenty-two cents per share ($0.22) for the 2018 financial year. Dividends paid out during the year were as follows:

Dividend	Date resolved	Date paid	Dividend per share	Total dividends
Final Dividend	15/03/2019	25/03/2019	$ 0.22	$ 16,239,287

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company and the Group during the year ended 31 December 2019.

Events occurring after the end of the financial year

Subsequent to the end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2019

Details of Directors and executives

Directors of the Company and the Group during the financial year and up to the date of this report were:

- Shaheen Ali (Chairman)	Reappointed 18th November 2018
- Tupou Baravilala (Director)	Reappointed 28th April 2018
- Vijay Maharaj (Director)	Reappointed 3rd July 2018
- Vilash Chand (Director)	Appointed 3rd July 2017
- Tevita Kuruvakadua (Director)	Appointed 16th November 2015
- Sashi Singh (Director)	Appointed 16th November 2015
- Joseph Brito (Director)	Resigned on 18th March 2019
- Dr Parakrama Dissanayake (Director)	Appointed 18th March 2019
- Iqram Cuttilan (Director)	Appointed 1st July 2017

None of the directors had shareholding in the Company as at 31 December 2019.

Board and Committee meeting attendance

Details of the number of meetings held by the Board and its committees during the financial year ended 31 December 2019, and attendance by Board members, are set out below:

Directors	Board		Committees					
			Board Finance Audit, Risk and Management Sub-committee		Board HR Sub Committee		Board Technical and Infrastructure Development Sub-committee	
	A	B	A	B	A	B	A	B
Mr Shaheen Ali	3	3						
Mr Vijay Maharaj	3	2			3	2		
Mr Vilash Chand	3	3	3	3	3	2	3	2
Ms Tupou Baravilala	3	3						
Mr Tevita Kuruvakadua	3	1	3	2				
Mr Sashi Singh	3	3			3	2	3	3
Mr Iqram Cuttilan	3	3			3	3	3	3
Mr Parakrama Dissanayake	3	2						

Column A: number of meetings held while being a member
Column B: number of meetings attended

Auditor independence

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Fiji Ports Corporation (Fiji) Limited on page 7.

For and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 22nd day of April 2020.

Director

Shaheen Ali
Director

Directors' Declaration

FOR THE YEAR ENDED 31 DECEMBER 2019

This Directors' Declaration is required by the Companies Act 2015.

The Directors of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") have made a resolution that declared:

a) in the Directors' opinion, the financial statements and notes of the Company and the Group for the financial year ended 31 December 2019:

   i) give a true and fair view of the financial position of the Company and the Group as at 31 December 2019 and of the performance of the Company and the Group for the year ended 31 December 2019.

   ii) have been made out in accordance with the Company and the Group of Companies Act 2015.

b) they have received declarations as required by section 395 of the Companies Act 2015.

c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Dated this 22nd day of April 2020.

Director

Director

EY
Building a better working world

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

Auditor's Independence Declaration to the Directors of Fiji Ports Corporation Limited

As lead auditor for the audit of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group") for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fiji Ports Corporation Limited and the entities it controlled during the financial year.

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

22 April 2020

EY
Building a better working world

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

Independent Auditor's Report

To the members of Fiji Ports Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fiji Ports Corporation Limited ("the Company") and its subsidiary (collectively "the Group"), which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 25 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 25, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors and management for the Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the Directors and management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and management are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company and the Group or to cease operations, or have no realistic alternative but to do so.

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

EY
Building a better working world

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

Independent Auditor's Report *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Building a better working world

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

Independent Auditor's Report *continued*

Report on Other Legal and Regulatory Requirements

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

a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b. the Company and the Group has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

22 April 2020

Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Operating revenue	2(a)	57,607,628	55,816,679	52,251,199	49,585,436
Other revenue	2(b)	1,644,692	4,604,877	6,974,722	9,970,912
Total income		**59,252,320**	**60,421,556**	**59,225,921**	**59,556,348**
Depreciation		(6,130,423)	(6,379,223)	(5,472,969)	(5,762,259)
Employee benefit expenses	3(a)	(8,310,509)	(8,031,031)	(6,158,434)	(5,896,476)
Property expenses	3(b)	(2,359,241)	(2,899,713)	(2,359,241)	(2,899,713)
Marine service charges	3(c)	(10,803,427)	(9,001,745)	(10,803,427)	(9,001,745)
Operating expenses	3(d)	(6,547,535)	(7,428,165)	(3,768,841)	(5,321,847)
Total expenses		(34,151,135)	(33,739,877)	(28,562,912)	(28,882,040)
Profit from operations		**25,101,185**	**26,681,679**	**30,663,009**	**30,674,308**
Finance income	3(e)	3,009,436	1,762,243	2,994,958	1,762,891
Finance costs	3(f)	(1,494)	(2,247)	(1,494)	(2,247)
Share of profit in associate	19	4,055,669	5,325,415	-	-
Profit before income tax		**32,164,796**	**33,767,090**	**33,656,473**	**32,434,952**
Income tax expense	4	(5,664,291)	(5,725,731)	(5,620,759)	(5,369,473)
Net profit for the year		**26,500,505**	**28,041,359**	**28,035,714**	**27,065,479**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year, net of tax		**26,500,505**	**28,041,359**	**28,035,714**	**27,065,479**

The accompanying notes form an integral part of this Statement of Profit or loss and Other Comprehensive Income.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Share capital					
As at 1 January		73,154,852	73,154,852	73,154,852	73,154,852
At 31 December	17(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings					
As at 1 January		57,124,219	44,309,365	51,140,037	39,301,063
Operating profit after income tax		26,500,505	28,041,359	28,035,714	27,065,479
Dividends	17(b)	(16,239,287)	(15,226,505)	(16,239,287)	(15,226,505)
At 31 December		67,385,437	57,124,219	62,936,464	51,140,037
Total shareholders' equity		**140,540,289**	**130,279,071**	**136,091,316**	**124,294,889**

The accompanying notes form an integral part of this Statement of Changes in Equity.

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Assets					
Current assets					
Cash and cash equivalents	16	26,916,064	23,408,479	24,501,932	20,498,183
Trade and other receivables	5	4,317,845	4,434,032	3,248,858	3,268,870
Financial assets	6	47,000,000	37,000,000	46,000,000	36,000,000
Inventories	7	1,526,544	1,422,285	1,360,744	1,235,589
Other assets	8	1,239,795	1,804,923	1,089,553	1,150,570
Loan to subsidiary	18(e)	-	-	130,172	125,076
Income tax asset		642,989	21,910	538,124	21,910
Total current assets		81,643,237	68,091,629	76,869,383	62,300,198
Non-current assets					
Trade and other receivables	5	4,788,382	6,769,883	4,788,382	6,769,883
Property, plant and equipment	9	53,195,784	55,068,961	46,417,910	48,722,216
Intangible asset	11	-	631	-	-
Right of use asset	10	25,499	44,624	25,499	44,624
Investment property	12	24,654	20,396	24,654	20,396
Loan to subsidiary	18(e)	-	-	844,405	974,577
Investment in subsidiary		-	-	6,660,000	6,660,000
Investment in associate company	19	12,623,597	12,042,619	10,511,536	8,950,230
Deferred tax assets	4	8,161,998	7,730,364	7,967,956	7,597,674
Total non-current assets		78,819,914	81,677,478	77,240,342	79,739,600
Total assets		**160,463,151**	**149,769,107**	**154,109,725**	**142,039,798**
Liabilities and equity					
Current liabilities					
Trade and other payables	13	4,081,596	4,302,554	3,191,662	3,594,939
Lease liability	10	20,016	19,233	20,016	19,233
Provisions	14	4,165,077	3,294,028	4,165,077	3,294,028
Employee benefit liability	15	952,366	886,386	843,635	782,633
Income tax liability		-	6,934	-	-
Total current liabilities		**9,219,055**	**8,509,135**	**8,220,390**	**7,690,833**
Non-current liabilities					
Deferred income	23	10,298,949	10,523,246	9,414,286	9,619,316
Lease liability	10	6,852	26,868	6,852	26,868
Employee benefit liability	15	398,006	430,787	376,881	407,892
Total non-current liabilities		10,703,807	10,980,901	9,798,019	10,054,076
Total liabilities		**19,922,862**	**19,490,036**	**18,018,409**	**17,744,909**
Net assets		**140,540,289**	**130,279,071**	**136,091,316**	**124,294,889**
Shareholders' equity					
Share capital	17(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings		67,385,437	57,124,219	62,936,464	51,140,037
Total shareholders' equity		**140,540,289**	**130,279,071**	**136,091,316**	**124,294,889**

The accompanying notes form an integral part of this Statement of Financial Position.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Operating Activities					
Receipts from customers		62,257,820	56,691,808	56,490,622	49,966,278
Payments to suppliers and employees		(27,446,288)	(27,815,437)	(23,262,277)	(23,137,314)
Interest paid		(1,494)	(2,247)	(1,494)	(2,247)
Interest received		490,763	958,284	515,473	987,890
Income tax paid		(5,946,524)	(6,767,454)	(5,771,524)	(6,397,454)
Income tax refund		-	401,014	-	352,546
Net cash provided by Operating Activities		**29,354,277**	**23,465,968**	**27,970,800**	**21,769,699**
Investing Activities					
Acquisition of property, plant and equipment		(4,672,112)	(3,620,858)	(3,584,156)	(2,233,220)
Proceeds from sale of property, plant and equipment 47,944		1,767,583	47,944	1,767,583	
Placement of Term deposits		(15,000,000)	(23,000,000)	(14,000,000)	(22,000,000)
Redemption of Term deposits		5,000,000	8,000,000	4,000,000	7,000,000
Dividend from investment in associate		5,035,997	5,078,398	5,702,606	5,682,753
Proceeds from repayment of borrowings by related parties		-	1,669,072	125,076	1,789,251
Net cash (used in) Investing Activities		**(9,588,171)**	**(10,105,805)**	**(7,708,530)**	**(7,993,633)**
Financing Activities					
Payment of special and final dividends	17 (b)	(16,239,287)	(17,397,407)	(16,239,287)	(17,397,407)
Repayment of lease on right of use asset		(19,234)	(18,480)	(19,234)	(18,480)
Net cash (used in) Financing Activities		**(16,258,521)**	**(17,415,887)**	**(16,258,521)**	**(17,415,887)**
Net increase/(decrease) in cash and cash equivalents		**3,507,585**	**(4,055,724)**	**4,003,749**	**(3,639,821)**
Cash and cash equivalents at the beginning of the year		23,408,479	27,464,203	20,498,183	24,138,004
Cash and cash equivalents at the end of the year	16	**26,916,064**	**23,408,479**	**24,501,932**	**20,498,183**

The accompanying notes form an integral part of this Statement of Cash Flows.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019

1.0 Corporate Information

Fiji Ports Corporation Limited was incorporated under the Fiji Companies Act and is domiciled in Fiji. Till 12 November 2015, Fiji Ports Corporation Limited was a Government owned entity incorporated as a Government Commercial Company under the Public Enterprises Act of 1996. The Minister for Public Enterprises, via a gazette on 13 November 2015, declared Fiji Ports Corporation Limited ("the Company") and Fiji Ships and Heavy Industries Limited (collectively "the Group") a Re-organisation Enterprise under the Public Enterprise Act 1996. This facilitated the changes under the privatisation and divestment initiative of the Government.

The registered office of the Company is located at Muaiwalu House, Walu Bay. The principal place of business is Suva Kings Wharf, Port of Suva, Fiji.

The consolidated financial statements of the Company and the Group for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 22 April 2020.

1.1 Basis of preparation

The consolidated financial statements of the Group have been drawn up in accordance with the provisions of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared primarily on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

The consolidated financial statements provide comparative information in respect of the previous financial year. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the previous year.

Several other amendements and interpretations apply for the first time in 2019, but do not have an impact on the financial statements. The group has not early adopted any standards, interpretations or amendments that have been issued but not effective.

1.2

a) Company financial statements

The financial statements prepared are separate (non-consolidated) financial statement of Fiji Ports Corporation Limited. As permitted by IAS 27 Consolidated and Separate Financial Statements, the financial statements have not been consolidated to account for the Company's investments in either its associates, joint ventures or subsidiaries. The Company has elected to account for the investment in subsidiaries and its associate at cost. The Company applies the same accounting for each category of investments. Dividends from subsidiaries and associates are recognised in the profit or loss in the separate financial statements prepared when its right to receive the dividend is established.

b) Principles of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary and are drawn up to 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee) - Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.2 Principles of consolidation *continued*

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

From 1 August 2013, Fiji Ports Terminal Limited was assessed to be an associate company and is accounted for using equity accounting.

1.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's and the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments
In the process of applying the Company's and the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Estimations and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year.

Impairment of non-financial assets
The Company and the Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Application of IFRS 16 - Leases
The application of IFRS 16 requires the Group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, management must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure liabilities.

Provision for expected credit losses (ECL) of trade receivables
The Company and the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company and the Group's historical observed default rates. The Company and the Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company and the Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.3 Significant accounting judgments, estimates and assumptions *continued*

Performance obligations
The performance obligation from provision of port related services, which are detailed in note 2(a), is satisfied upon provision of these services and payment is generally due within 30 to 90 days from delivery. In the event of sale of assets, performance obligation is satisfied when the buyer obtains control of the asset.

Methods, inputs and assumptions used in allocating transaction price to performance obligation is determined after considering factors identified in note 1.4(z).

1.4 Summary of significant accounting policies

(a) Functional and presentation currency

These financial statements are presented in Fiji dollars ("FJD"), which is the Company's and the Group's functional currency. Except as indicated, financial information presented in FJD has been rounded to the nearest dollar.

(b) Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance date. All differences are taken to the statement of comprehensive income. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

(c) Revenue recognition

Income comprising sales revenue from providing port services and managing port infrastructure is brought to account on an accrual basis as services are provided. Details of revenue recognition criteria is outlined in note 1.4(z).

The following specific recognition criteria must also be met for the subsidiary (Fiji Ships and Heavy Industries Limited) before revenue is recognised:

<u>Slipway charges</u>
Some slipping charges are received in advance. The revenue is recognised in the statement of comprehensive income when the vessels actually come on the slipway.

<u>Ship repair charges</u>
Revenue is recognised when work on the vessel has been performed. Billing is performed/done upon completion of work on stages.

(d) Expense recognition

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Wharves	5%-20%
Buildings	5%-20%
Motor vehicles and motorised equipment Plant and equipment	10% - 33%
Office equipment	10% - 33%
Furniture and fittings	10% - 33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Summary of significant accounting policies *continued*

(f) Impairment of non-financial assets

The Company and the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company and the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

For assets, an assignment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company and the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of comprehensive income.

(g) Taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax
Deferred income tax is provided, using the liability method, on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 **Summary of significant accounting policies** *continued*

(g) **Taxes** *continued*

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Value Added Tax
Revenue, expenses and assets are recognised net of the amount of Value Added Tax (VAT) except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(h) **Cash and cash equivalents**

Cash and cash equivalents comprises of cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) **Financial assets**

Initial recognition and measurement
Financial assets within the scope of IFRS 9 are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and the Group has applied the practical expedient, the Company and the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and the Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and the Group commits to purchase or sell the asset.

Subsequent measurement
Financial assets at amortised cost
This category is the most relevant to the Company and the Group. The Company and the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company and the Group's financial assets at amortised cost includes trade receivables, and loan to subsidiary and associate companies.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Summary of significant accounting policies *continued*

(i) Financial assets *continued*

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company and the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company and the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and the Group has retained.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes: - Disclosures for significant assumptions (note 1.3)

The Company and the Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company and the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company and the Group applies a simplified approach in calculating ECLs. Therefore, the Company and the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company and the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle. The cost of the inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(k) Trade and other receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recognised at original invoice (inclusive of VAT where applicable).

(l) Other assets

Other assets include insurance and other prepayments, Energy Fiji Limited and other deposits, and VAT receivable.

(m) Investment property

Investment property is stated at cost less depreciation and impairment losses. When an item of property, plant and equipment becomes an investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognised directly in equity if it is gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in the statement of comprehensive income immediately.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 **Summary of significant accounting policies** *continued*

(n) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Company and the Group are assessed to be finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

(o) **Trade and other payables**

Liabilities for trade payables and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

(p) **Employee entitlements**

Provisions are made for wages and salaries, incentive payments, annual and long service leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

(q) **Deferred income**

An unconditional grant related to assets is recognised in statement of comprehensive income as other income when the grant becomes receivable.

Other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in the statement of comprehensive income as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are recognised.

(r) **Provisions**

Provisions are recognised when the Company and the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Company and the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(s) **Financial liabilities**

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified at initial recognition, as loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 **Summary of significant accounting policies** *continued*

(s) **Financial liabilities** *continued*

Subsequent measurement *continued*

The measurement of financial liabilities is described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(t) **Dividend distribution**

Dividends are recorded in the Company's and the Group's financial statements in the year in which they are paid. Dividends paid during the year are subject to the provisions of the Fiji Income Tax Act 2015.

(u) **Leased assets**

Previously, the Company determined at contract inception whether an arrangement is or contains a lease. Under IFRS 16, the Company assesses whether a contract is or contains lease based on definition of a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

(u) **Leased assets** *continued*

Company and the Group as a lessee

Leases classified as operating leases
Under IFRS 16, the Company recognises right-of-use assets and lease liabilities i.e. these leases are on-balance sheet.

Rights-of-use assets are measured at either:

- their carrying amounts as if IFRS 16 had been applied since the commencements date, discounted using lessee's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments.

The Company applied the second approach.
The Company used the following practical expedients when applying IFRS 16 to lease previously classified as operating leases under IAS 17:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- adjusted the right-of-use assets by the amount of onerous contract provision immediately before the date of initial application, as an alternative to an impairment review;
- applied the exemption not to recognise the right-of-use assets and liabilities for leases with less than 12 months of lease term; - excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Leases previously classified as finance leases
For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 July 2017 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date. The Company had no finance leases under IAS 17.

Company and the Group as a lessor
The Company and the Group as a lessor classifies each lease as an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

Upon lease commencement, the Company recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The Company recognises finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

For leases classified as operating lease, the Company was not required to make any adjustments on transition to IFRS 16, except for a sub-lease. The Company had accounted for its leases in accordance with IFRS 16 from date of initial application.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Summary of significant accounting policies *continued*

(v) Comparative figures

Where necessary, comparative information has been re-classified to achieve consistency in disclosure with current financial year amounts.

(w) 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 and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

(a) Industry segment
The Company and the Group operates predominantly in the shipping industry.

(b) Geographical segment

The Company and the Group operates predominantly in Fiji and has therefore one geographical area for reporting purposes.

(x) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'share of profit in associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(y) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Summary of significant accounting policies *continued*

(y) Current versus non-current classification *continued*

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(z) Revenue from contracts with customers

The Group is in the business of providing and managing the port infrastructure and services within declared ports, as well as provision of ship repair and slipway services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer.

Sale of equipment

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

(z) Revenue from contracts with customers *continued*

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

IFRS 15 requires that an entity considers the effects of all of the following in determining the transaction price:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract - Non-cash consideration
- Consideration payable to a customer

The Group did not incur any consideration payable to a customer. Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

(aa) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.5 Changes in accounting policies and disclosures

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements include:

- an amendment to IFRS 3 Business Combination on the definition of a business; and
- amendments to IAS 1 and IAS 8 in the definition of "material" to ensure the definition is aligned across the standards.

The Group intends to adopt these amendments when they become effective. The amendments will not have any material impact on the Group.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
		$	$	$	$
2	REVENUE				
(a)	**Operating revenue**				
	Dockage	11,300,895	10,947,155	11,300,893	10,947,155
	Licence fees	317,590	232,502	317,590	232,502
	Marine services	22,157,364	19,017,994	22,157,366	19,017,994
	Other service income	6,571,675	6,192,355	6,571,675	6,192,355
	Ship repair and heavy industries	3,902,926	4,113,407	-	-
	Slipway	1,453,504	2,117,836	-	-
	Wharfage	11,903,674	13,195,430	11,903,674	13,195,430
		57,607,628	55,816,679	52,251,198	49,585,436
(b)	**Other revenue**				
	Release of deferred income	224,297	224,297	205,030	205,030
	Dividend income	-	-	5,702,606	5,682,753
	Gain on sale of assets	13,429	3,001,604	13,429	3,001,604
	Management fees	72,000	72,000	72,000	72,000
	Other income	78,180	65,179	-	-
	Rent income	1,256,786	1,241,797	981,657	1,009,525
		1,644,692	4,604,877	6,974,722	9,970,912
3	EXPENSES				
(a)	**Employee benefit expenses**				
	Allowances	239,162	246,932	35,043	41,726
	Annual leave	256,242	226,990	195,726	169,256
	FNPF and FNU levy	778,011	748,330	600,134	573,414
	Fringe benefit tax	45,467	46,032	33,097	27,619
	Long service leave	61,931	35,137	60,011	32,416
	Medical expenses	384,454	310,717	315,853	239,710
	Retirement benefit	126,626	112,183	126,626	112,183
	Salaries and wages	5,468,009	5,440,893	3,992,896	3,994,713
	Sick leave	211,554	216,829	155,270	162,734
	Staff incentive pay	370,206	325,403	324,322	273,594
	Staff welfare	205,888	118,019	187,603	98,017
	Staff training	162,959	203,566	131,853	171,094
		8,310,509	8,031,031	6,158,434	5,896,476
(b)	**Property expenses**				
	Cleaning and sanitation	194,601	191,212	194,601	191,212
	Electricity	731,402	792,356	731,402	792,356
	Property rates	125,104	120,706	125,104	120,706
	Repairs and maintenance	421,139	729,819	421,139	729,819
	Water	828,360	1,015,096	828,360	1,015,096
	Mini assets replacement cost	58,635	50,524	58,635	50,524
		2,359,241	2,899,713	2,359,241	2,899,713
(c)	**Marine service charges**				
	Tug/pilot/lines boat hire	8,728,146	8,263,132	8,728,146	8,263,132
	Linesman hire	209,552	164,433	209,552	164,433
	Pilotage service - external	1,379,158	99,380	1,379,158	99,380
	Security hire	486,571	474,800	486,571	474,800
		10,803,427	9,001,745	10,803,427	9,001,745

Notes to the Consolidated Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
		$	$	$	$
3	**EXPENSES** *continued*				
(d)	**Operating expenses**				
	Advertising and publicity expense	137,247	106,447	116,171	95,608
	Auditors' remuneration	56,430	91,282	31,090	58,492
	Direct material cost	985,159	804,353	-	-
	Directors fees	71,499	60,500	71,499	60,500
	Movement in expected credit loss	(43,497)	120,561	(252,645)	39,322
	Insurance expense	1,554,312	1,587,103	1,396,047	1,442,386
	Professional legal fees	127,661	139,089	119,636	123,057
	Repairs and maintenance - cranes	103,936	1,151,606	103,936	1,151,606
	Repairs and maintenance - others	728,763	626,069	240,479	181,114
	Other expenses	2,826,025	2,741,155	1,942,628	2,169,762
		6,547,535	7,428,165	3,768,841	5,321,847
(e)	**Finance income**				
	Interest income on term deposits and inter-company loans	3,009,436	1,762,243	2,994,958	1,762,891
(f)	**Finance costs**				
	Interest charges on borrowings	1,494	2,247	1,494	2,247

4 **INCOME TAX**

The major components of income tax expenses for the years ended 31 December 2019 and 2018 are:

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Operating profit before tax	32,164,796	33,767,090	33,656,473	32,434,952
Prima facie tax thereon at 20%	6,432,959	6,753,418	6,731,295	6,486,990
Under-provision from prior years	(20,233)	(5,265)	(17,876)	(6,025)
Adjustment to statement of tax account	(4,449)	1,506	-	622
Restatement of deferred tax balances	(10,010)	(30,082)	(8,550)	(27,891)
Tax effect of items treated as non-deductible difference	(733,976)	(993,846)	(1,084,110)	(1,084,223)
Income tax expense reported in the statement of comprehensive income	5,664,291	5,725,731	5,620,759	5,369,473

Current tax asset

Current tax asset as at 31 December relates to the following:

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Balance at the beginning of the year	14,975	435,647	21,910	384,936
Current tax provision	(5,698,983)	(5,787,235)	(5,647,185)	(5,402,766)
Deferred tax expense	(455,937)	(1,535,228)	(361,732)	(1,535,228)
Net payments made during the year	5,946,524	6,767,454	5,771,524	6,397,454
Credits transferred from VAT account	424,523	-	412,438	-
Provisional and Withholding tax credits	391,654	172,111	323,293	172,111
Other adjustments	-	5,291	-	-
Under/(over) provision in the prior year	20,233	(43,065)	17,876	5,403
Income tax asset	642,989	14,975	538,124	21,910

Deferred tax assets

Reflected in the statement of financial position as follows:

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Deferred tax assets	8,161,998	7,730,364	7,967,956	7,597,674

Net deferred tax assets at 31 December relates to the following:

Deferred tax assets

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Doubtful debts	183,524	192,224	72,975	123,504
Employee entitlements	270,074	263,434	244,103	238,105
Lease liability	5,363	-	5,363	-
ROU assets	(5,100)	-	(5,100)	-
Legal claims	18,752	18,752	18,752	18,752
Decelerated depreciation for tax purposes	7,689,385	7,255,954	7,631,863	7,217,313
	8,161,998	7,730,364	7,967,956	7,597,674

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
5	**TRADE AND OTHER RECEIVABLES**				
	Current				
	Trade receivables	1,785,526	2,566,982	1,185,098	1,686,378
	Less: Allowance for expected credit losses	(681,545)	(725,042)	(301,867)	(554,512)
		1,103,981	1,841,940	883,231	1,131,866
	Staff advances	2,564	14,218	2,564	14,218
	Shore crane sale receivables	804,343	804,343	804,343	804,343
	Other receivables	2,535,438	1,943,886	1,510,167	1,310,678
	Receivable from associate [note 18(d)]	44,587	2,713	44,587	2,713
	Receivable from subsidiary [note 18(d)]	-	-	3,966	5,052
	Allowance for expected credit losses on accrued income	(173,068)	(173,068)	-	-
		4,317,845	4,434,032	3,248,858	3,268,870
	Non-Current				
	Shore crane sale receivables	4,788,382	6,769,883	4,788,382	6,769,883
	Total trade and other receivables	**9,106,227**	**11,203,915**	**8,037,240**	**10,038,753**

For terms and condition relating to related party receivables, refer to Note 19.
Trade receivables are non-interest bearing and are generally on terms of 30 days.

The information on credit exposure is disclosed in note 24.

Movement in the provision for impairment of receivables were as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at 1 January	898,110	777,549	554,512	515,191
Additional provision	446,994	348,723	138,908	165,052
Unused amount reversed	(490,491)	(228,162)	(391,553)	(125,731)
Balance at 31 December	**854,613**	**898,110**	**301,867**	**554,512**

At 31 December, the ageing analysis of trade receivables is as follows:

	Year	Total	Neither past due nor impaired	30 - 60 days	60 - 90 days	>90 days
		$	$	$	$	$
Group	2019	1,785,526	747,465	352,153	49,609	636,299
	2018	2,566,982	1,460,074	423,555	168,813	514,540
Company	2019	1,185,098	586,972	315,062	49,609	233,455
	2018	1,686,378	898,166	393,664	133,806	260,742

		Group 2019	Group 2018	Company 2019	Company 2018
6	**FINANCIAL ASSETS**				
	Term deposits	47,000,000	37,000,000	46,000,000	36,000,000
7	**INVENTORIES**				
	Parts	795,932	947,009	630,132	760,313
	Goods in transit	730,612	475,276	730,612	475,276
		1,526,544	**1,422,285**	**1,360,744**	**1,235,589**
8	**OTHER ASSETS**				
	Prepayments	638,666	1,198,485	544,505	585,601
	Less: Allowance for expected credit losses	(63,006)	(63,006)	(63,006)	(63,006)
		575,660	1,135,479	481,499	522,595
	Deposits	469,102	469,802	424,431	424,431
	VAT receivable	195,033	199,642	183,623	203,544
		1,239,795	**1,804,923**	**1,089,553**	**1,150,570**

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
9 PROPERTY, PLANT AND EQUIPMENT				
Land				
Cost:				
At 1 January	16,944,157	16,944,157	15,980,821	15,980,821
At 31 December	16,944,157	16,944,157	15,980,821	15,980,821
Depreciation, impairment and amortisation				
At 1 January	691,582	479,369	632,176	427,146
Depreciation charge for the year	224,297	212,213	205,030	205,030
At 31 December	915,879	691,582	837,206	632,176
Net book value	16,028,278	16,252,575	15,143,615	15,348,645
Building				
Cost:				
At 1 January	14,886,304	14,547,156	10,266,051	9,997,999
Additions	20,770	71,096	614	-
Transfers	289,370	271,623	289,370	271,623
Disposals	-	(3,571)	-	(3,571)
At 31 December	15,196,444	14,886,304	10,556,035	10,266,051
Depreciation and impairment				
At 1 January	10,728,885	10,265,327	8,578,647	8,358,770
Depreciation charge for the year	493,712	466,771	243,574	223,090
Disposals	-	(3,213)	-	(3,213)
At 31 December	11,222,597	10,728,885	8,822,221	8,578,647
Net book value	3,973,847	4,157,419	1,733,814	1,687,404
Wharves				
Cost:				
At 1 January	92,323,540	91,380,532	92,323,540	91,380,532
Additions	40,600	9,633	40,600	9,633
Transfers	47,319	933,375	47,319	933,375
	(174,718)	-	(174,718)	-
At 31 December	92,236,741	92,323,540	92,236,741	92,323,540
Depreciation and impairment				
At 1 January	65,241,868	60,957,469	65,241,868	60,957,469
Depreciation charge for the year	4,167,350	4,284,399	4,167,350	4,284,399
Disposals	(140,278)	-	(140,278)	-
At 31 December	69,268,940	65,241,868	69,268,940	65,241,868
Net book value	22,967,801	27,081,672	22,967,801	27,081,672
Plant and equipment				
Cost:				
At 1 January	10,658,464	10,002,347	3,358,435	3,094,332
Additions	556,483	547,382	140,215	208,082
Transfers	454,231	108,733	454,231	56,021
Disposals	-	-	-	-
At 31 December	11,669,178	10,658,462	3,952,881	3,358,435
Depreciation and impairment				
At 1 January	8,338,404	7,805,012	2,736,051	2,513,841
Depreciation charge for the year	596,551	533,392	253,272	222,210
At 31 December	8,934,955	8,338,404	2,989,323	2,736,051
Net book value	2,734,223	2,320,058	963,558	622,384

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Furniture and fittings				
Cost:				
At 1 January	363,911	329,835	224,774	210,820
Additions	41,045	34,076	39,990	13,954
Transfers	46,232	-	-	-
Disposals	(5,315)	-	(5,315)	-
At 31 December	445,873	363,911	259,449	224,774
Depreciation and impairment				
At 1 January	283,065	245,778	190,040	174,937
Depreciation charge for the year	35,793	37,287	15,530	15,103
Disposals	(5,242)	-	(5,242)	-
At 31 December	313,616	283,065	200,328	190,040
Net book value	132,257	80,846	59,121	34,734
Motor vehicles				
Cost:				
At 1 January	641,120	581,487	457,815	398,182
Additions	29,666	59,633	29,666	59,633
At 31 December	670,786	641,120	487,481	457,815
Depreciation and impairment				
At 1 January	394,737	309,767	211,432	126,462
Depreciation charge for the year	116,016	84,970	116,016	84,970
Disposals	-	-	-	-
At 31 December	510,753	394,737	327,448	211,432
Net book value	160,033	246,383	160,033	246,383
Cranes				
Cost:				
At 1 January	6,838,265	19,203,329	6,838,265	19,203,329
Disposals	-	(12,365,064)	-	(12,365,064)
At 31 December	6,838,265	6,838,265	6,838,265	6,838,265
Depreciation and impairment				
At 1 January	4,497,858	11,254,726	4,497,858	11,254,726
Depreciation charge for the year	298,470	566,732	298,470	566,732
Disposals	-	(7,323,600)	-	(7,323,600)
At 31 December	4,796,328	4,497,858	4,796,328	4,497,858
Net book value	2,041,937	2,340,407	2,041,937	2 ,340,407
Office equipment and software				
Cost:				
At 1 January	2,200,377	2,132,176	2,024,508	1,966,452
Additions	373,197	68,201	359,738	58,056
Transfer	53,434	-	53,434	-
Disposals	(15,726)	-	(15,726)	-
At 31 December	2,611,282	2,200,377	2,421,954	2,024,508
Depreciation and impairment				
At 1 January	1,990,429	1,842,747	1,851,564	1,735,255
Depreciation charge for the year	158,018	147,682	134,139	116,309
Disposals	(15,726)	-	(15,726)	-
At 31 December	2,132,721	1,990,429	1,969,977	1,851,564
Net book value	478,561	209,948	451,977	172,944

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Work in progress				
At 1 January	2,379,653	939,564	1,187,643	641,823
Additions	3,585,633	2,804,062	2,948,615	1,857,081
Transfers	(890,586)	(1,313,731)	(844,354)	(1,261,019)
Reversed	(395,853)	(50,242)	(395,850)	(50,242)
At 31 December	4,678,847	2,379,653	2,896,054	1,187,643
Net written down value at 31 December	53,195,784	55,068,961	46,417,910	48,722,216

As part of the share divestment agreement signed on 5th November 2015, the Group during the financial year 2018 transferred $963,336 worth of interests in two pieces of land recorded under Property, Plant and Equipment to a Government owned company ("Assets Fiji Limited") for $nil consideration. Both land pieces were required by the Group for its operational use. Thus, it was assigned to the Group from Assets Fiji Limited in form of Government grant. The opening balances of the statement of financial position and changes in equity were restated to effect these asset transfers on the date on which the share divestment agreement was signed.

As at 31 December 2019, the Group is yet to transfer 7 land titles of written down value $5,199,318 to Assets Fiji Limited.

Disposals of property, plant and equipment

In 2019, the Group sold plant and machinery, motor vehicles and furniture and fittings with a total net carrying amount of $34,515 (2018: $5,041,822) for a cash consideration of $47,944 (2018: $8,043,426). The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss and other comprehensive income.

10 LEASES

Group as a lessee

The Group has lease contracts for various items of plan, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 15 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintian certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use-assets recognised and the movements during the period:

	Motor vehicles ($)
As at 1 January 2018	64,582
Additions	-
Depreciation expense	(19,958)
As at 31 December 2018	44,624
Additions	-
Depreciation expense	(19,125)
As at 31 December 2019	25,499

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
10 LEASES *continued*				
Set out below are the carrying amounts of lease liabilities and the movements during the period:				
As at 1 January	46,101	64,582	46,101	64,582
Payments	(20,728)	(20,728)	(20,728)	(20,728)
Accretion of interest	1,495	2,247	1,495	2 ,247
As at 31 December 2018	26,868	46,101	26,868	46,101
Comprising:				
Current	20,016	19,233	20,016	19,233
Non-current	6,852	26,868	6,852	26,868
	26,868	46,101	26,868	46,101

The following are the amounts recognised in profit or loss:

	Group 2019 $	Group 2018 $
Depreciation expense of right-of-use assets	19,125	19,958
Interest expense on lease liabilities	1,495	2 ,247
Total amount recognised in profit or loss	20,620	22,205

The Group had total cash outflows for leases of $20,728 in 2019 ($20,728 in 2018). The Group also had non-cash additions to right-ofuse assets and lease liabilities of $Nil. The future cash outflows relating to leases that have not yet commenced are disclosed in the notes.

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
11 INTANGIBLE ASSET				
Cost				
At 1 January	45,349	45,349	-	-
At 31 December	45,349	45,349	-	-
Accumulated depreciation				
At 1 January	44,718	43,357	-	-
Depreciation charge for the year	631	1,361	-	-
At 31 December	45,349 4	4,718	-	-
Net book value at 31 December	-	631	-	-
12 INVESTMENT PROPERTY				
Cost				
At 1 January	588,835	588,835	588,835	588,835
Additions	24,718	-	24,718	-
At 31 December	613,553	588,835	613,553	588,835
Accumulated depreciation				
At 1 January	568,439	543,981	568,439	543,981
Depreciation charge for the year	20,460	24,458	20,460	24,458
At 31 December	588,899	568,439	588,899	568,439
Net book value at 31 December	24,654	20,396	24,654	20,396

Notes to the Consolidated Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
		$	$	$	$
13	**TRADE AND OTHER PAYABLES**				
	Trade creditors	774,127	730,330	574,987	560,183
	Payable to subsidiary [Note 18(d)]	-	-	2,285	2 ,977
	Payable to associate [Note 18(d)]	-	9,396	-	9,396
	Sundry creditors	3,307,469	3,562,828	2,614,390	3,022,383
		4,081,596	4,302,554	3,191,662	3,594,939

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions relating to related parties, refer to Note 18.
- For explanations on the Group's liquidity risk management processes, refer to Note 24 (c).

		Group 2019	Group 2018	Company 2019	Company 2018
14	**PROVISIONS**				
a)	**Legal Claims**				
	At 1 January	93,760	103,760	93,760	103,760
	Utilised during the year	-	(10,000)	-	(10,000)
	At 31 December	93,760	93,760	93,760	93,760

Provision for legal claim at balance date represents the legal claims brought against the Company and the Group by former employees. The provision is reflected in the statement of comprehensive income as an administrative expense. The Directors are of the opinion that the outcome of these legal claims will not give rise to any significant payments beyond the amounts provided as at 31 December 2019.

		Group 2019	Group 2018	Company 2019	Company 2018
b)	**Rental Income External**				
	At 31 December	4,043,179	3,006,092	4,043,179	3,006,092

Provision for rental income represents rental income (less property expenses) received by the Company for the year 2019 that will beremitted to a Government's asset company ("Assets Fiji Limited"). The net rental income received are from properties that have or will betransferred to Assets Fiji Limited as part of the share divestment agreements signed on 5 November 2015. The Directors are of theopinion that the outcome of these rental income remittance will not give rise to any significant payments beyond the amounts provided as at 31 December 2019.

		Group 2019	Group 2018	Company 2019	Company 2018
c)	**Job Evaluation Exercise**				
	At 31 December	28,138	194,176	28,138	194,176

Provision for job evaluation exercise at balance date presents the expected overall increase in staff salary due to Job Evaluation Exercise.

		Group 2019	Group 2018	Company 2019	Company 2018
	Total Provision as at 31 December	4,165,077	3,294,028	4,165,077	3,294,028
15	**EMPLOYEE BENEFIT LIABILITY**				
	At 1 January	1,317,173	1,084,834	1,190,525	970,275
	Arising during the year	1,101,947	971,806	1,027,755	893,809
	Utilised/reversed during the year	(1,068,748)	(739,467)	(997,764)	(673,559)
	At 31 December	1,350,372	1,317,173	1,220,516	1,190,525
	Analysis of employee benefit liability:				
	Current	952,366	886,386	843,635	782,633
	Non-current	398,006	430,787	376,881	407,892
		1,350,372	1,317,173	1,220,516	1,190,525

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks net of bank overdraft. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	Group 2019	Group 2018	Company 2019	Company 2018
Cash on hand	4,580	4,580	3,580	3,580
Cash at bank	26,911,484	23,403,899	24,498,352	20,494,603
	26,916,064	23,408,479	24,501,932	20,498,183

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
17 SHARE CAPITAL				
a) Issued and paid up capital				
73,154,852 ordinary shares	73,154,852	73,154,852	73,154,852	73,154,852

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company.

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
b) Dividends				
At 1 January	-	2 ,170,902	-	2,170,902
Add: dividends declared during the year	16,239,287	15,226,505	16,239,287	15,226,505
Less: special dividend paid to Government of Fiji from sale of land and building proceeds	-	(574,475)	-	(574,475)
Less: special dividend paid to Government of Fiji from Fiji Ports Terminal Limited loan repayment proceeds	-	(1,596,427)	-	(1,596,427)
Less: dividends paid during the year	(16,239,287)	(15,226,505)	(16,239,287)	(15,226,505)
At 31 December	-	-	-	-

18 RELATED PARTY TRANSACTIONS

Directors

The names of persons who were directors of Fiji Ports Corporation Limited and its subsidiary at any time during the reporting period were as follows:

Shaheen Ali (Chairman)	Reappointed 18th November 2018
Tupou Baravilala (Director)	Reappointed 28th April 2018
Vijay Maharaj (Director)	Reappointed 3rd July 2018
Vilash Chand (Director)	Appointed 3rd July 2017
Tevita Kuruvakadua (Director)	Appointed 16th November 2015
Sashi Singh (Director)	Appointed 16th November 2015
Joseph Brito (Director)	Resigned on 18th March 2019
Dr Parakrama Dissanayake (Director)	Appointed 18th March 2019
Iqram Cuttilan (Director)	Appointed 1st July 2017

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

Name	Title
Vajira Piyasena	Chief Executive Officer
Roshan Abeyesundere	Chief Financial Officer

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

18 RELATED PARTY TRANSACTIONS *continued*

Identity of related parties
The Company has a related party relationship with its subsidiary, Fiji Ships and Heavy Industries Limited (100% equity interest) and its associate, Fiji Ports Terminal Limited (49% equity interest).

Transactions with related parties
All transactions with related parties are made on normal commercial terms and conditions. The following transactions were carried out with related parties:

		Group		Company	
		2019 $	2018 $	2019 $	2018 $
(a)	**Key management personnel compensation**				
	Directors				
	Short-term benefits	71,499	60,500	71,499	60,500
	Management				
	Short-term benefits	708,877	602,712	708,877	602,712

The aggregate compensation of the key management personnel comprises only of salary and short term benefits.

		Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
(b)	**Sales of goods and services**				
	Management fees income from associate	72,000	72,000	72,000	72,000
	Rental income from associate	2 ,563,598	2 ,447,071	2 ,563,598	2,447,071
	Dividend income from associate	5,035,997	5,078,398	5,035,997	5,078,398
	Dividend income from subsidiary	-	-	666,609	604,355
	Sale of services to associate	-	83,436	-	83,436
(c)	**Purchases of goods and services**				
	Purchase of services from subsidiary	-	-	131,571	107,499
(d)	**Receivable from/(payable to) subsidiary/associate**				
	Fiji Ports Terminal Limited Associate	44,587	(6,683)	44,587	(6,683)
	Fiji Ships and Heavy Industries Limited Subsidiary	-	-	1,681	2 ,075
		44,587	(6,683)	46,268	(4,608)
	Disclosed as:				
	Receivable from associate (Note 5)	44,587	2,713	44,587	2 ,713
	Payable to associate (Note 13)	-	(9,396)	-	(9,396)
	Receivable from subsidiary (Note 5)	-	-	3,966	5,052
	Payable to subsidiary (Note 13)	-	-	(2,285)	(2,977)
		44,587	(6,683)	46,268	(4,608)
(e)	**Loan to subsidiary**				
	Beginning of the year	-	-	1,099,653	1,219,832
	Loan repayments received	-	-	(166,785)	(166,785)
	Interest charged	-	-	41,709	46,606
	End of the year	-	-	974,577	1,099,653
	Comprising:				
	Current	-	-	130,172	125,076
	Non-current	-	-	844,405	974,577
		-	-	974,577	1,099,653

The loan to the Subsidiary Company is unsecured and based on approval from the Board of the Company, subject to interest at the fixed rate of 4.0% per annum. This is repayable by monthly installments of $13,899. The repayment schedule is reviewed annually.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
18 RELATED PARTY TRANSACTIONS				
(f) Loan to associate				
Beginning of the year	-	1,571,011	-	1,571,011
Loan repayments received	-	(1,622,465)	-	(1,622,465)
Interest charged	-	51,454	-	51,454
	-	-	-	-
Comprising:				
Current	-	-	-	-
Non-current	-	-	-	-
	-	-	-	-

The loan to Fiji Ports Terminal Limited amounting to $4,000,000 was unsecured and subject to interest at the fixed rate of 4.0% per annum. This was repayable by monthly installments of $38,447 per month. In December 2018, the outstanding loan balance was fully repaid by the associate company.

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
(g) Receivable from associate - for sale of Shore Cranes				
Beginning of the year	7,574,226	-	7,574,226	-
Notional interest on related party note	(1,561,306)	-	(1,561,306)	-
Interest released to profit and loss for the year	384,148	-	384,148	-
Arising during the year	-	8,767,334	-	8,767,334
Payments received during the year	(804,343)	(1,193,108)	(804,343)	(1,193,108)
	5,592,725	7,574,226	5,592,725	7,574,226

The sale of shore cranes by the Company to FPTL is receivable over ten years at zero interest. Notional interest has been calculated on the interest-free loan at the FPTL's incremental borrowing rate of 4% per annum. The notional interest adjustment has been recognised as an increase in investment in associate.

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
(h) Other related parties				
Fiji National Provident Fund - member contribution	704,043	675,092	544,607	522,820

19 INVESTMENT IN AN ASSOCIATE

The Group has a 49% interest in Fiji Ports Terminal Limited at balance date, which is involved in terminal operations including stevedoring at the Ports of Suva and Lautoka. The Group's interest in Fiji Ports Terminal Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Fiji Ports Terminal Limited.

	2019 $	2018 $
Current assets	13,654,820	11,587,146
Non-current assets	33,796,542	16,610,688
Current liabilities	(5,444,180)	(3,197,470)
Non-current liabilities	(23,863,265)	(8,042,117)
Equity	**18,143,917**	**16,958,247**
Proportion of the Group's ownership	49%	49%
	8,890,519	8,309,541
Goodwill	3,733,078	3,733,078
Carrying amount of the investment	**12,623,597**	**12,042,619**
Revenue	35,111,667	37,580,985
Operating expenses	(23,340,291)	(23,872,578)
Finance costs	(1,045,395)	(51,454)
Finance income	334,557	27,469
Profit before tax	**11,060,538**	**13,684,422**
Income tax expense	(2,783,662)	(2,816,228)
Profit for the year	8,276,876	10,868,194
Group's share of profit for the year	**4,055,669**	**5,325,415**

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
		$	$	$	$
20	**CAPITAL COMMITMENTS**				
	Capital expenditure:				
	- approved by the Board and committed	4,088,511	1,901,516	3,309,968	1,122,973
21	**RENTAL INCOME COMMITMENTS**				
	Not later than one year	754,662	907,849	754,662	907,849
	Later than one year but not later than five years	435,922	791,165	435,922	791,165
	Later than five years	4,406,358	4,551,316	4,406,358	4,551,316
		5,596,942	6,250,330	5,596,942	6,250,330
22	**CONTINGENT LIABILITIES**				
	Guarantee given on behalf of the subsidiary company	-	800,000	-	800,000
	Bank guarantee for HM Customs and FEA bonds	81,000	83,900	81,000	83,900
	Bank guarantee for Ministry of Primary Industries	7,000	7,000	-	-
		88,000	890,900	81,000	883,900
a)	**FUTURE LEASE COMMITMENTS**				
	Not later than one year	20,017	19,233	20,017	19,233
	Later than one year but not later than five years	6,846	26,863	6,846	26,863
		26,863	46,096	26,863	46,096

23 **DEFERRED INCOME**

Deferred income represents assets assigned to the Group to use in its operations by the Government of Fiji through Assets Fiji Limited. The assets assigned to the Group are based on conditions that these would only be used for the operating activities of the Group.

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Opening balance	10,523,246	10,747,543	9,619,316	9,824,346
Less: Amortisation charges during the year	(224,297)	(224,297)	(205,030)	(205,030)
Closing balance	10,298,949	10,523,246	9,414,286	9,619,316
Movement in the accumulated amortisation are as follows:				
As at 1 January	691,582	467,285	632,176	427,146
Amortisation charge for the year	224,297	224,297	205,030	205,030
As at 31 December	915,879	691,582	837,206	632,176

24 **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The principal financial liabilities comprises of interest bearing borrowings, trade payables and other accruals. The financial liabilities is the result of the Group's operations. The Group has various financial assets such as trade receivables and cash, which also arise directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Risk management is carried out by finance executives and management of controlled entities of the Group. Management and finance executives identify, and evaluate financial risks in close co-operation with the Group's operating units. The Board provides direction for overall risk management covering specific areas, such as mitigating credit risks, and investment of excess liquidity.

(a) **Market risk**

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

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

24 **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *continued*

(a) **Market risk** *continued*

(i) Political climate

The Group operates in Fiji and changes to governments and the policies they implement affect economic situation and ultimately the revenues of the group. To address this, the Group reviews its pricing and product range regularly and responds to change in policies appropriately.

(ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group is exposed to currency risk through transaction in foreign currencies. These currencies include the Australian (AUD) and US (USD) dollar. As the currency in which the Group presents its financial statements is the Fiji dollar, the Group's financial statements are affected by movements in the exchange rates between these currencies and the Fiji dollar.

Sensitivity analysis

A strengthening/(weakening) of the Fiji dollar as at 31 December 2019, as indicated below, against the USD and AUD would have increased/(decreased) equity and the statement of profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018.

The following significant exchange rates were applied during the period:

Reporting date mid spot rate

	2019	**2018**
AUD	0.67	0.66
USD	0.47	0.46

Strengthening/(Weakening)
Statement of profit or loss and other comprehensive income

Effect in FJD		
31 December 2019		
AUD	+10%	49,153
	-10%	(49,153)
USD	+10%	935
	-10%	(935)
31 December 2018		
AUD	+10%	28,803
	-10%	(28,803)

(b) **Credit risk**

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

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are provided to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any one customer or group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The carrying amount of financial assets represents the maximum credit exposure.

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(b) **Credit risk** *continued*

	Notes	Carrying amount 2019 $	2018 $
Cash and cash equivalents	16	26,916,064	23,408,479
Trade and other receivables	5	4,317,845	4,434,032
Financial assets	6	47,000,000	37,000,000
		78,233,909	**64,842,511**

Ageing of trade receivables

The table below summarises the ageing of trade receivables as at 31 December based on contractual undiscounted payments:

Group	Total	0-30 days	31-60 days	61-90 days	Over 90 days
31 December 2019					
Expected credit loss rate	47.86%	0.00%	0.00%	0.00%	134.31%
Trade receivable	1,785,526	747,465	352,153	49,609	636,299
Expected credit loss	854,613	-	-	-	854,613
31 December 2018					
Expected credit loss rate	34.99%	0.00%	0.00%	0.00%	174.55%
Trade receivable	2,566,982	1,460,074	423,555	168,813	514,540
Expected credit loss	898,110	-	-	-	898,110

(c) **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2019	On demand $	< 1 year $	1 to 5 years $	> 5 years $	Total $
Trade and other payables	-	4,081,596	-	-	4,081,596
Lease liability	-	20,016	6,852	-	26,868
	-	**4,101,612**	**6,852.00**	**-**	**4,108,464**

31 December 2018	On demand $	< 1 year $	1 to 5 years $	> 5 years $	Total $
Trade and other payables	-	4,302,554	-	-	4,302,554
Lease liability	-	19,233	26,868	-	46,101
	-	**4,321,787**	**26,868**	**-**	**4,348,655**

Notes to the Consolidated Financial Statements *(Cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2019

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(d) Capital risk management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's objectives when obtaining and managing capital are to safeguard the Group's ability to continue as a going concern and provide shareholders with a consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowing (including 'current and non- current borrowing' as shown in the Group statement of financial position). Total capital is calculated as 'equity' as shown in the Group statement of financial position plus debt.

	Group	
	2019	**2018**
	$	**$**
Interest bearing borrowings	-	-
Debt	-	-
Equity	140,540,289	130,279,071
Capital and debt	140,540,289	130,279,071
Gearing ratio	0%	0%

25 EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

26 PRINCIPAL ACTIVITIES

The principal activity of the Company is providing and managing the port infrastructure and services within declared ports. The principal activity of the subsidiary trading as "Fiji Ships and Heavy Industries Limited" is the provision of ship repair and slipway services. There has been no significant change in these activities during the year.

Connecting Fiji Ports to the World

Fiji Ports Corporation Limited

Muaiwalu House, Walu Bay, Suva, Fiji.
GPO Box 780 Suva, Fiji.
T + 679 331 2700
www.fijiports.com.fj

2019
ANNUAL REPORT