Fiji Ports Corporation Limited

ANNUAL REPORT

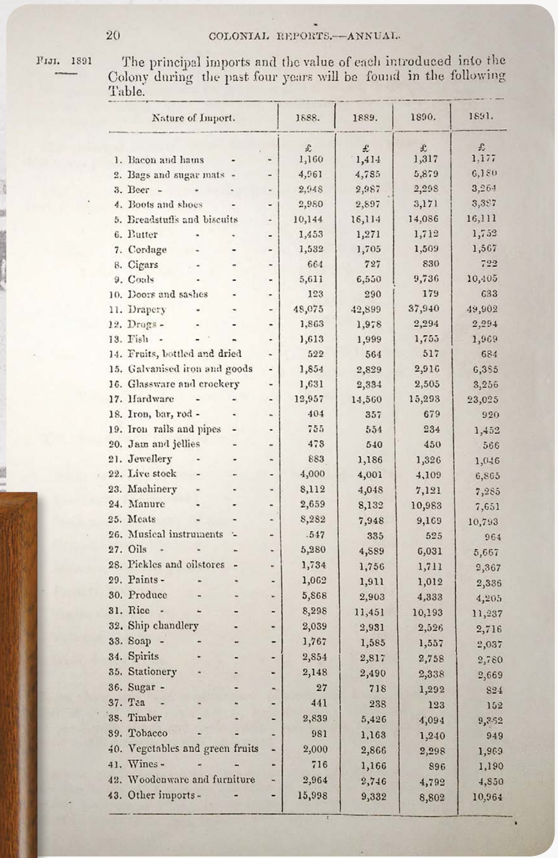
2017

Cover Page

We transport the nation's economy, importing the world into Fiji
and exporting Fiji to the world.

Our efforts impact all aspects of the lives of our customers, The People of Fiji.

Fiji Times Ltd



National Archives of Fiji

20 COLONIAL REPORTS.—ANNUAL.

FIJI. 1891

The principal imports and the value of each introduced into the Colony during the past four years will be found in the following Table.

Nature of Import.	1888.	1889.	1890.	1891.
	£	£	£	£
1. Bacon and hams - -	1,160	1,414	1,317	1,177
2. Bags and sugar mats - -	4,961	4,785	5,879	6,180
3. Beer - - - -	2,948	2,987	2,298	3,264
4. Boots and shoes - -	2,980	2,897	3,171	3,387
5. Breadstuffs and biscuits -	10,144	16,114	14,086	16,111
6. Butter - - -	1,453	1,271	1,712	1,752
7. Cordage - - -	1,532	1,705	1,509	1,567
8. Cigars - - -	664	727	830	722
9. Coals - - -	5,611	6,550	9,736	10,405
10. Doors and sashes - -	123	290	179	633
11. Drapery - - -	48,075	42,899	37,940	49,902
12. Drugs - - - -	1,863	1,978	2,294	2,294
13. Fish - - - -	1,613	1,999	1,755	1,969
14. Fruits, bottled and dried -	522	564	517	684
15. Galvanised iron and goods -	1,854	2,829	2,916	6,385
16. Glassware and crockery -	1,631	2,334	2,505	3,256
17. Hardware - - -	12,957	14,560	15,293	23,025
18. Iron, bar, rod - - -	404	357	679	920
19. Iron rails and pipes - -	755	554	234	1,452
20. Jam and jellies - -	473	540	450	566
21. Jewellery - - -	883	1,186	1,326	1,046
22. Live stock - - -	4,000	4,001	4,109	6,865
23. Machinery - - -	8,112	4,048	7,121	7,285
24. Manure - - -	2,659	8,132	10,983	7,651
25. Meats - - -	8,282	7,948	9,169	10,793
26. Musical instruments - -	.547	335	525	964
27. Oils - - - -	5,280	4,889	6,031	5,667
28. Pickles and oilstores - -	1,734	1,756	1,711	2,367
29. Paints - - - -	1,062	1,911	1,012	2,336
30. Produce - - -	5,868	2,903	4,333	4,205
31. Rice - - - -	8,298	11,451	10,193	11,237
32. Ship chandlery - -	2,039	2,931	2,526	2,716
33. Soap - - - -	1,767	1,585	1,557	2,037
34. Spirits - - -	2,854	2,817	2,758	2,780
35. Stationery - - -	2,148	2,490	2,338	2,669
36. Sugar - - -	27	718	1,292	824
37. Tea - - - -	441	238	123	152
38. Timber - - -	2,839	5,426	4,094	9,362
39. Tobacco - - -	981	1,163	1,240	949
40. Vegetables and green fruits -	2,000	2,866	2,298	1,969
41. Wines - - - -	716	1,166	896	1,190
42. Woodenware and furniture -	2,964	2,746	4,792	4,850
43. Other imports - - -	15,998	9,332	8,802	10,964

A list of the principal imports into Fiji during the years 1888 to 1891.

Fiji Times Ltd

Caines Jannif Ltd

Fiji Ports

Growing the nation through Ports

From the early 1800's the ports in Fiji began to evolve, with goods and services arriving from overseas and products like bech-de-mer, sandalwood and copra being exported.

In 1816, the wooden Queens Wharf was built at the Port of Levuka and in 1849, the Port of Suva was established, with the completion of the Kings Wharf taking place in 1912. In 1900, the Colonial Sugar Refining Company wharf was built at Lautoka, which was then declared a Port of Entry.

With the opening of these gateways into Fiji, and as the nation became more and more sophisticated, the demand for products grew and diversified. The correlation between the development of the Ports of Entry and Fiji's economic growth was established.

The crucial role played by our ports was recognised by Government and in 1976 the first Ports Authority of Fiji was formed. This has since evolved into today's modern company, Fiji Ports Corporation Limited (FPCL), still known colloquially as Fiji Ports.

It would be hard to find any aspect of our lives in Fiji that is not affected in some way by Fiji Ports.

Fiji Museum

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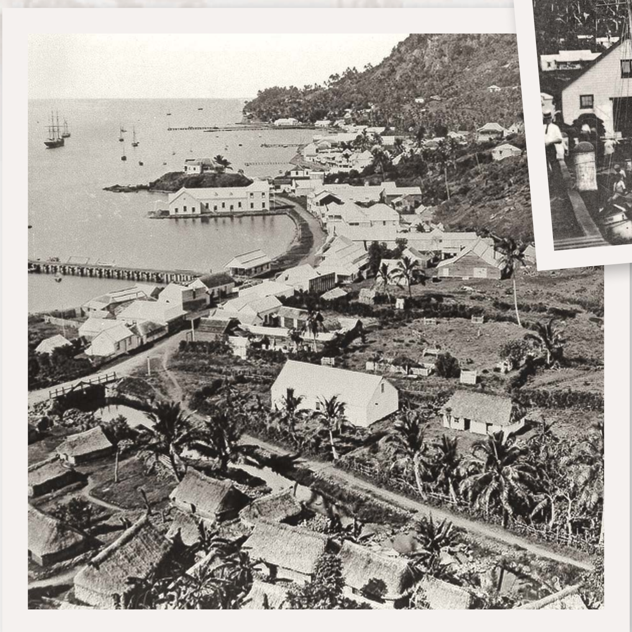
Levuka Wharf & Custom House.



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A view of Levuka, the old capital of Fiji, from Mission Hill.

The evolution of Fiji as a nation has always been intricately entwined with the evolution of our ports.

On Ovalau Island, Levuka developed as the first Port of Entry in Fiji, offering safe anchorage inside the reef for bech de mer, sandalwood and copra trading vessels.

The township itself had a well-earned reputation as wild and unruly in those early days until a consistent rule of law was introduced with the signing of the Deed of Cession that formally transferred Fiji as a Crown Colony to Great Britain on the 10th October 1874.

In 1875, the 6th Company of the British Royal Engineers arrived in the new capital to upgrade the town's infrastructure, including the completion of the Levuka Queens Wharf in 1880.

Following the turbulent early days on the beaches of Levuka, the 1800's were dominated by the export crops of sugar and copra that brought prosperity to the Port town of Levuka. Cotton also enjoyed a short-lived hey-day as a 'boom' crop as production was disrupted in the southern states of America during that country's Civil War, but production in Fiji could not be sustained.

Levuka and its Port flourished and was the site of many firsts. The site of Fiji's first capital following annexation, it also held Fiji's first local Government, from 1887; Levuka Public School, the first public school, was built in 1879; the first bank, the Bank of New Zealand, was established in 1876, and the nation's first newspaper began in 1869.

All of these developments depended upon the import of goods, building materials and equipment.

The physical limitations to Levuka's urban development saw the nation's Capital move from Levuka to Suva in 1882, with the Port of Suva becoming Fiji's main port of entry.

In 1881, the land reclamation work opposite Pier Street saw the first major harbour work in Suva, with the building of the then Queens Wharf.

In the 1880's there was easy access by road and horse-drawn tram or trolley line from the wharf to the general area of Thomson Street, the main waterfront street throughout the 1880's, which was also the site of the Thomson and Renwick businesses.

Tramways or railways have been in use in Fiji since 1876, with horse-drawn vehicles serving the sugar cane industry and, from the early 1800's, the transportation of cargo, to and from the wharves in both Suva and Levuka up until the end of the 1930's.

Over time in the sugar industry, the horse-drawn engines became steam-driven, and eventually, diesel-powered, with tracks and engines being imported.

With Fiji's 1891 census showing a total population of 121,180, at the same time a diverse range of goods was making its way across the sea to Fiji's ports.

Caines Jannif Ltd

Shipping bananas from the Suva Port.

Imports needed for the developing sugar industry, construction, and infrastructure development and basic foodstuffs such as meats, rice, breadstuffs and biscuits, showed a steady increase since 1888.

Caines Jannif Ltd

View of the Suva Harbour in the early 1900's.

Looking towards the Suva Harbour from the Cumming street, Renwick Road junction.

Fiji Times Ltd

The Colonial Annual Report for 1891 noted that over the preceding four years, the principal import increases were in the items of drapery, hardware, livestock, galvanized iron and goods, and timber.

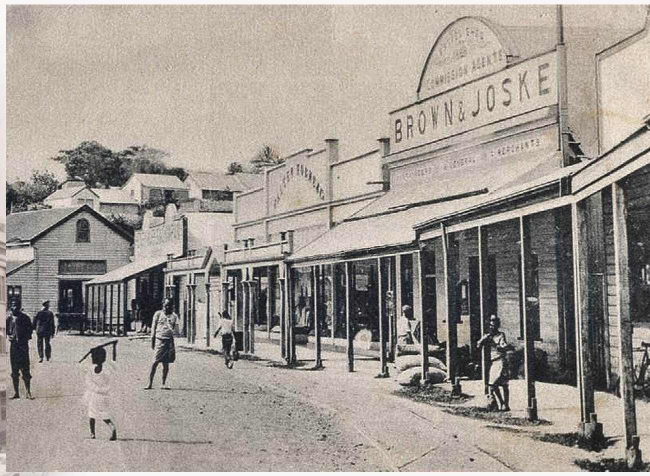
These were accompanied by a growing demand for luxury items, with increasing imports of items such as furniture and woodenware, jewellery, wines and musical instruments.

Exports also increased from 1890 to 1891, with increases in the total tonnage of sugar and copra, and the number of banana bunches leaving Fiji's ports.

Established in 1933, the Burns Philip building in Suva.

Fiji Times Ltd

Brown & Joske, Suva.



Carpenters Ltd

Carpenters Suva Motors Ltd, 1937.

Carpenters Ltd

Joske & Brown in Lau, 1930s.

Carpenters Ltd

The first car arrived in Fiji in January 1905, from Vancouver, Canada, brought here by its owner Mr Glidden, for a 10-day tour.

By 1914, eight cars had been imported by private individuals and companies. Compare this with the 128,000 registered motor vehicles in 2003 and the number of vehicles being imported today.

Trading companies developed in direct response to the business opportunities made possible by the development of Fiji's ports. Burns Philp was established in 1833, buying trochus shells for the button industry, beche-der-mer for export to China and copra for use in Europe as an edible fat.

Between the two World Wars, Burns Philp built up a major shipping line, retail stores, wholesaling, car sales and inter-island shipping interests.

Likewise, Morris Hedstrom was founded in 1902, taking over a business in Levuka owned by Miller Hedy that had been started by R. Bentley, and then in Suva, taking over the business begun by Arthur Joske.

Then in 1914, Carpenters was established, taking over Brown and Joske in 1936 and Morris Hedstrom in 1956.

With credit provided by the Bank of New Zealand and the Bank of New South Wales, these trading companies dominated in the marketing and distribution of goods as a result of the fast growing sugar industry, with Fiji surpassing the West Indies as producer in 1913.

Fiji's capacity to import rose tenfold between 1881 and 1913, from £0.9 to £10.2, as measured by real export earnings per capita, and was maintained throughout the 1930's. Through the 1920's the principal export items continued to be sugar, copra and bananas.

The United Kingdom was the main source of general imports, including sugar machinery, steam and oil

Fiji Times Ltd

Fiji Times Ltd

machines railway track, canning machinery, steel and metal bars, paints and oils, cement, hardware, hardware, cutlery and clothing.

Foodstuffs and coal were imported from Australia and New Zealand, petroleum products from America, and canned fish, motorcars and tyres from Canada.

Investment in health, infrastructure and communications ensued. In 1923 the Colonial War Memorial (CWM) Hospital was built and opened as a 108-bed facility, employing a medical staff of 27. This replaced the old Colonial Hospital that had provided medical training for Fijian students since being established in 1873.

Fiji Museum

The Colonial War Memorial Hospital in the 1930s.

By 1928, there was a residential Central Medical School, with places for 40 students, and by 1931, the CWM Hospital included a bacteriological laboratory, an X-ray plant and a Nurses Training School.

In 1928, with budget surpluses recorded, investment in infrastructure development accelerated, making future economic development possible. But all this was dependent upon the existence of Fiji's ports.

As well as the new medical school, construction of new Government buildings began, road and bridge construction took place, Suva was supplied with water and electricity and. a new wharf was built at Levuka.

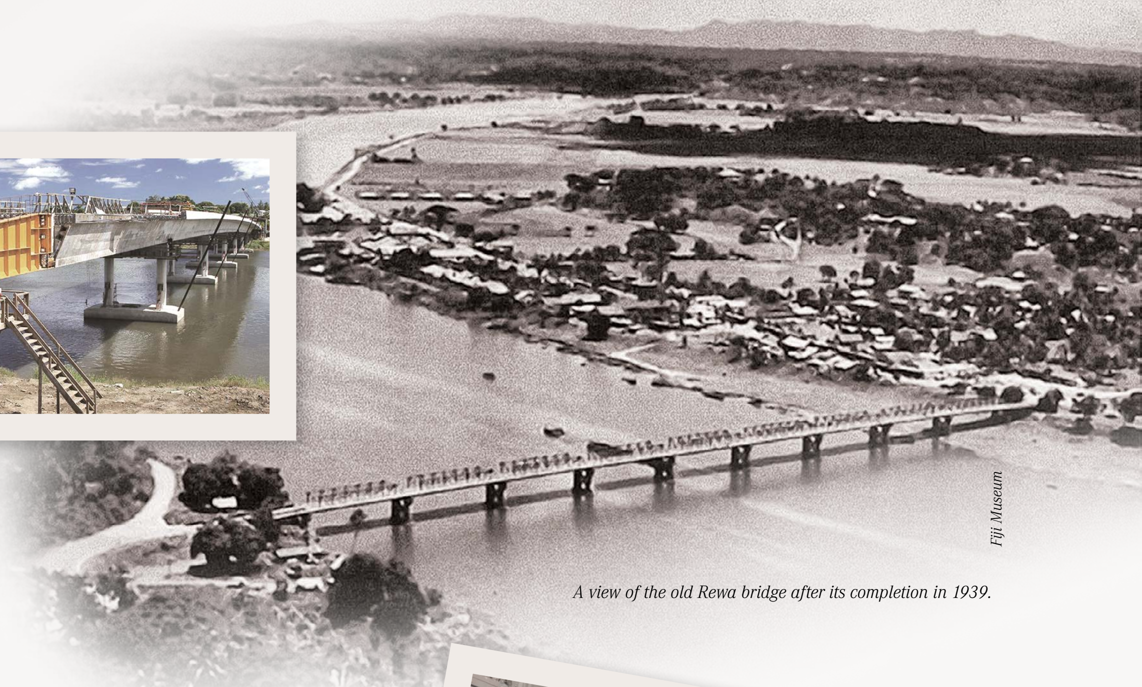
There were hospitals in Lautoka, Labasa and Levuka, several provincial hospitals and dispensaries and, serving the Pacific region, a Leper Station on Makogai Island.

The supply chain was also expanding. Two Government-subsidised steamers transported people and goods between Suva and Lautoka, Savusavu, Taveuni, Nabouwalu and Labasa, while a daily motor launch plied the Rewa River from Nausori to Vunidawa.

A daily motor vehicle service ran between Suva and Nausori, a weekly service travelled between Suva and Korovou in Tailevu, and twice weekly, from Ellington Wharf (seven miles east of Rakiraki) to Lautoka, with stops at Rakiraki, Tavua and Ba.

FSHIL

The 40 tonne steel bridge box girder casting mould fabricated by FSHIL, which was used in the construction of the new Rewa bridge completed in 2006.



Fiji Museum

A view of the old Rewa bridge after its completion in 1939.

Telecommunications had also developed. Gone were the days when carrier pigeons plied the airways between Suva and Levuka in order to convey messages and breaking news.

There were now telephone exchanges at Suva, Lautoka, Nausori, Navua, which became automatic in 1956, and a submarine cable linking the exchange at Levuka. Wireless stations were also maintained throughout the country and telegraphic communications beyond Fiji were provided by the submarine cable operated by Cable and Wireless.

By 1936, sugar remained the high earner with an export value of £1,331,701 for 140,864tons, followed by 34,582tons of bananas earning £406,393 and the now well-established mining industry produced 17,107ounces of gold bullion, with an export value of £131,884.

Fiji Times Ltd

The Vatukoula Goldmine.

This growth of imports and exports though the Ports of Suva, Levuka and Lautoka was instrumental in the continuing development of Fiji as the thriving economy we see today.

Fiji Times Ltd

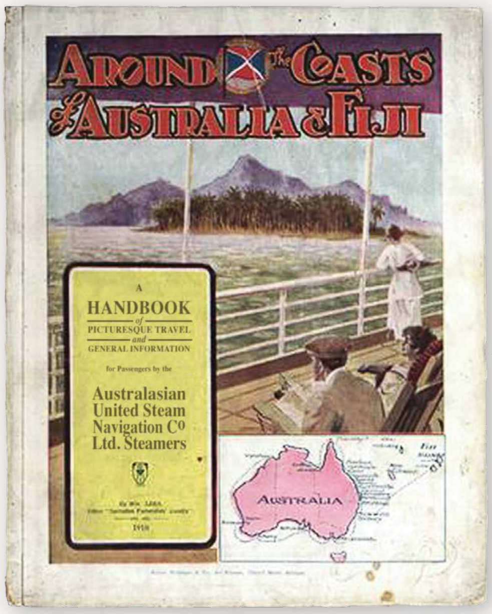
Radio broadcasting station in Fiji during the 1930's.

In 1935, broadcasting began Suva, from Station ZJV, and in 1939 the new Government buildings were opened and the first Rewa Bridge was completed and opened; developments made possible by Fiji Ports importing materials and equipment.

When the new Rewa Bridge was built, beginning in 2003 and completed in 2006, Fiji Ports again played a vital role, not only facilitating necessary imports for the project, but also taking an active role in construction through subsidiary company, Fiji Ships & Heavy Industries Ltd (FSHIL).

FSHIL was responsible for the fabrication of the 40 tonne steel bridge box girder casting mould, which was used in the pouring of the concrete support piles on the Rewa bridge construction.

In 1939, the airstrip at Namaka, Nadi, was built, using equipment that came in through Fiji's ports. This later became the Nadi International Airport. The airstrip was extended in 1942 and following the attack on Pearl Harbour, American troops replaced the 40,000 New Zealand soldiers who had been stationed in Suva, Nadi and Nausori.



Australian National Maritime Museum

The war years saw import duty charges removed from items such as aircraft equipment, parts and fuel. But shortages also impacted the then colony. Financial Secretary, A.R. W Robertson, in Notice to Importers No.3 of 1942, warned of the impending shortage of matches as markets in Hong Kong and Malaya had been cut off because of the war.

Australian National Maritime Museum

Australia would be able to supply about one quarter only of Fiji's normal annual requirements, "so the greatest economy" needed to be practiced. In fact, sales were rationed to three boxes of matches to people ''living in town or near a store'', implying that those living more remotely might purchase larger quantities at a time.

Of course, border security was of paramount importance. Wharf Areas (Amendment) Order, 1942, under Defence Regulations 1939, provided Naval, Military and Air Force personnel, on duty in the wharf areas or aboard ship, with permits and with photo I.D., while temporary passes were available for visiting personnel.

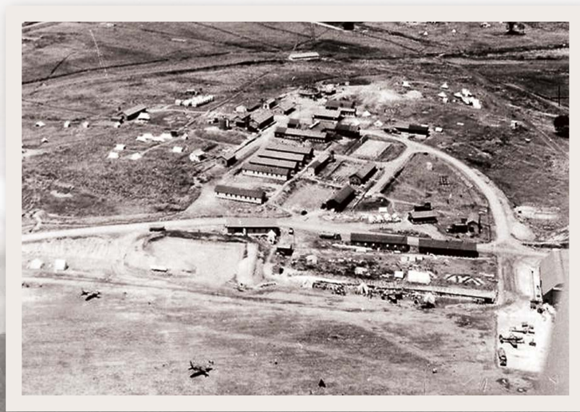
The presence of overseas Navy and Military personnel from 1942 to 1946 boosted the development of Cumming Street's tourist trade, selling filigree jewellery, and wares made of locally-sourced tortoise shell and ivory imported from India.

Tourists and tourism were not new to Fiji. In 1918, William Lees published '*Around the Coast of Australia and Fiji: A handbook of Picturesque Travel and General Information for Passengers by the Australasian United Steam Navigation Co Ltd Steamers'.*

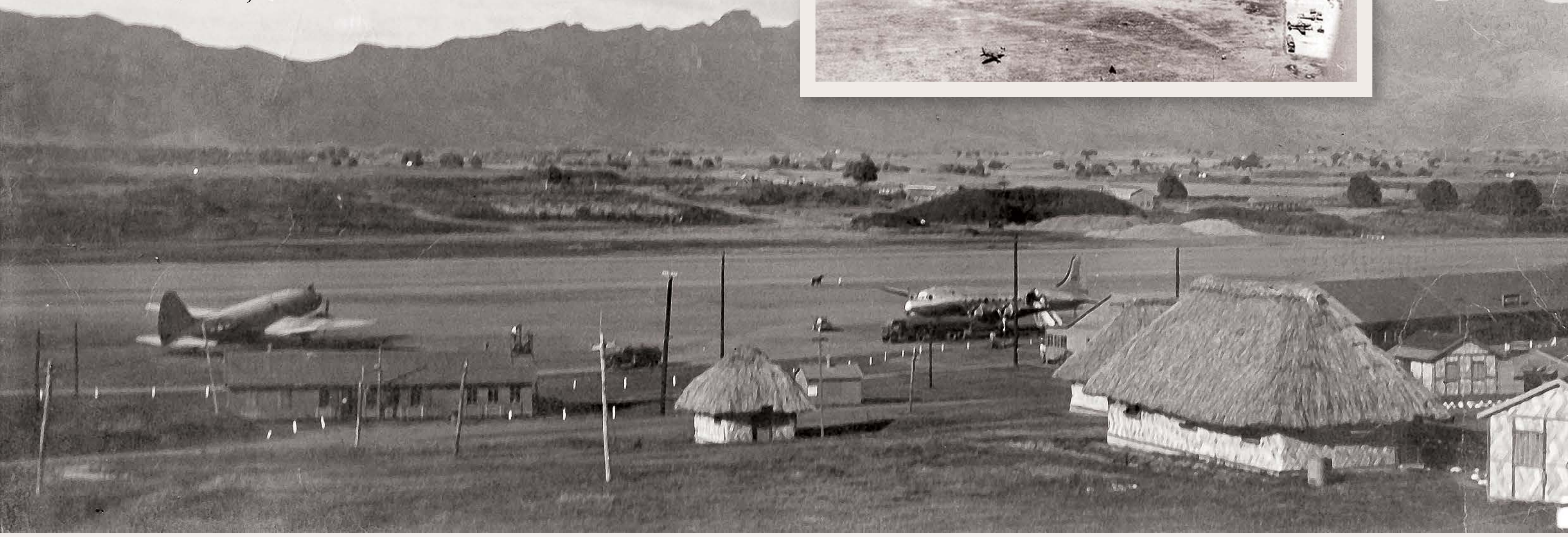
The 17 pages Mr Lees devoted to Fiji provided photos and meticulously detailed information about the country and what the traveller might expect. The A.U.S.N. company's twin-screw steamer T.S.S. Levuka "with extensive promenade deck" was specially designed for the 19-day Sydney-Fiji-Sydney round trip.

The New Zealand Union Steamship Company also provided regular voyages to Fiji. From 1908 till 1932, the S.S. Tofua, carrying 39 passengers and with a GRT of 4,349.99 after the second of her later two refits, was primarily engaged in collecting bananas from Fiji and other Pacific Island countries.

Nadi Airfield 1942.


Fiji Museum

1946 Nadi Airfield.


Fiji Museum

Fiji Times Ltd

The Union Steamship Company's island vessel MATUA was given the honour of being the first ship alongside the new Suva wharf, The MATUA performed sterling service for Fiji during the war years and had been running regularly to the islands for a quarter of a century.

Aerial view of the Fiji Ports wharf in Lautoka with the Lautoka Sugar Mill in the background.

Fiji Times Ltd

In 1936 she was replaced by the M.V. Matua, in service until 1968, with a GRT of 4,395 and carrying 101 passengers. The M.V. Tofua II was in service from 1952 until 1973, with a GRT of 5,299 and carrying 73 passengers.

Compare these with the Orient Steam Navigation Company's cruise liner Oriana, launched in 1957, with a passenger capacity of 2,000 and a GRT of 41,910, which first visited the Port of Suva in 1961, and demonstrated the use of side propulsion to aid berthing.

During the 1950's, imports included machinery and transport equipment, aircraft parts, and engines, private cars and taxis, motor lorries and chassis, tractors and tractor parts and rubber tyres.

With the growing need for petroleum products to fuel these imports, diesel oil, kerosene, bunker oil were imported and in the mid-1950's, the Vuda Point petroleum terminal was developed by the Shell petroleum company.

In 1961 the new Fiji Ports wharf opened at Lautoka, next to the CSR wharf that had served the town for many years, the rebuilding of the Suva Wharf was completed in 1963 and in 1965, Levuka Wharf became a base for Japanese fishing operations.

By the mid-1960's, the Fiji's economic growth supported four branches and seven agencies of the Bank of New South Wales, one sub-branch and three agencies of the Bank of New Zealand, two branches and one agency of the Australia and New Zealand Bank, two branches of the Bank of Baroda and Post Office Savings Bank facilities were available throughout the country.

In 1963, Suva became a link in the Compac cable chain, which transformed overseas telephone services and in 1968, the University of the South Pacific was founded.

There were privately owned power supplies in Levuka, Nadi, Sigatoka, Labasa, while Suva City Council Suva had Fiji's first public electricity supply, provided by a gas driven 65 Kw generator.

Fiji Times Ltd

35tonne dump trucks, the first of their kind imported into Fiji for carrying out works at the construction of the Monasavu Hydro plant.

Fiji Museum

The Fiji Ports headoffice in Flagstaff.

Fiji Times Ltd

Imported into Fiji by Fiji Electricity Authority for the installation of power poles, this 3tonne crane was also the first of its kind in Fiji.

Fiji Museum

With a lifting capacity of a massive 65,000lb, these were the first of their kind container handling equipment ordered by Ports Authority of Fiji to meet the large number of containers then coming into Fiji.

In 1966, the Fiji Electricity Authority was established as a statutory body, renamed Energy Fiji Limited in 2018.

Imports, economic growth and infrastructure development were not slowed by Fiji's successful move to Independence from Britain in 1970.

There was a growing demand for electricity, which led to the construction of the Monasavu Hydro electric scheme, beginning in May 1978 and commissioned in 1983.

This multi-million-dollar project required the importing of earth moving machines, tunneling devices and heavy construction machinery, as well as the Pelton turbine-generators that would provide electricity for Viti Levu.

During the 1970's a new highway was built between Suva and Nadi and 885km of rural roads were constructed.

The 1970's were of great significance for Fiji Ports as 1976 saw the inception of the Ports Authority of Fiji and the taking over stevedoring operations in Suva and Lautoka to consolidate the overseas cargo handling operations.

The following year Fiji Ports purchased cargo handling equipment, which included forklifts, tractor, trailers and a crane, constructed a single-span bonded warehouse in Suva, purchased office accommodation in Honson Street, Flagstaff, to be used as a headquarters, and in 1978, reconstruction began on the Port of Levuka.

The construction of a modern office block on the Flagstaff site was completed in 1980 and contracts were signed for the rehabilitation and upgrade of the Port of Suva, with construction beginning in 1982 and completed in 1984.

The contract for the construction of buildings and other facilities at Suva Port was signed in 1985, with the project reaching completion in 1987 and in 1988 the Port Security Unit was established.

In 1989, Fiji Ports signed a contract for the upgrading of the Lautoka Wharf, a new 30tonne forklift was purchased for Suva. New regulations for the maintenance, control and management of Ports were approved by Government and property was purchased for a container development, which opened in February 1990 as the Rokobili container terminal.

Expansion work on the Suva Kings Wharf in full swing during the 1980s due to the increased demand for container storage space as well as the increase in the number of vessels visiting the Port.

Fiji Times Ltd

Phase 1 of the Lautoka redevelopment began in January 1990, and in September, property in Walu Bay was purchased and consultants were engaged for the second phase of the Lautoka redevelopment. There were also plans to develop the Lami jetty at the Bay of Islands as a designated fishing jetty. In June 1990 it was announced that Savusavu would be declared a Port of Entry.

The Government Shipyard, the precursor of Fiji Ships & Heavy Industries Limited, began work on the first of its shipbuilding contracts; to supply three vessels, worth $10milllion, for the Australian company Sea Management Corporation Ltd.

Fiji Times Ltd

The then Government owned shipyard, Shipbuilding Fiji Ltd, which later became known as Fiji Ships & Heavy Industries.

The development of the Fiji Ports and its facilities went hand-in-hand with the growth of the economy in the 1980's. In 1989, it was reported that the Fiji economy for that year had risen by 12.6 per cent with a real GDP of $814million, tourism had earned an estimated

Fiji Times Ltd

The Lautoka Jetty (Queen's Wharf) with sailing ships and tourist vessels.

$280million and more than 87,000 people were in paid employment, with the manufacturing sector showing the greatest increase.

The formation of Fiji's tax-free zone in 1987 had seen a corresponding expansion of the garment industry and 7,000 people were employed by 82 companies by 1989. Between inception and June 1990, exports totaling $75million had been produced, reaching a record $150million in 2002. Machinery for this growth was all imported through Fiji Ports.

Again, investment in infrastructure took place in 1990, with the Savusavu jetty being extended, the upgrading of the Nadi backroad, and a $50million water pipelaying project, expected to be completed by 2006, began in Suva.

Plans were drawn up for the expansion of the CWM Hospital and the Fiji School of Medicine (FSM), the latter taking advantage of the enormous technological advances becoming available. For the first time, the FSM library could access the international medical database at the National Library of Australia, Canberra, using hardware imported from England.

Notable for Fiji Ports in 1991 was the establishment of the Tropik Wood Wairiki Port for exporting wood chips and the visit to Suva of the then second largest cruise liner in the world, the Queen Elizabeth II. This was commemorated on the front cover of Fiji Ports' first ever, in-house publication, a 22-page magazine dated March/April 1991, and called, appropriately enough, FIJI PORTS, Gateway to the World.

Fiji Museum

The 20th century ended with Fiji importing goods in 1999 at a value of $1,838,250,672. As Fiji Ports moved into the 21st century, recognition of the need for further reform saw Fiji Ports Corporation Limited registered as a company in 2004, to operate under the Seaport Management Act of 2005. In 2005, upgrades of $31million at the Port of Suva and $21million at the Port of Lautoka were completed,

In August 2013, FPCL entered a Public Private Partnership with Aitken Spence PLC, in associate Company, Fiji Ports Terminal Limited. This was followed in 2015 by the FPCL Divestment of Shares Agreement, with 41 per cent of FPCL shares Fijian Government–owned, 39 percent owned by the Fiji National Provident Fund and 20 percent held by Aitken Spence PLC.

FPCL continues to serve the people of Fiji.

With Fiji's population now at 884, 887*, and with the total value of imports for the year 2017 in the vicinity of FJ$49,77532million**, Fiji Ports continues to import goods that help to improve the lives of all Fijians.

Today, it would still be hard to find any aspect of our lives in Fiji that is not affected in some way by Fiji Ports.

* *2017 Census*
** *Fiji Bureau of Statistics*

Fiji Ports Today

Who we are

Fiji Ports Corporation Limited is a commercial port management company that operates the two main ports of entry into Fiji – Kings Wharf, Suva and the Queens Wharf, Lautoka. FPCL leases and operates Levuka Wharf, Ovalau.

What we do

The Company oversees the operations and International Ship and Port Facility Security (ISPS) requirements for Fiji's secondary ports of Malau Wharf, Labasa, Vanua Levu (owned by Fiji Sugar Corporation); Rotuma Port, Rotuma (owned by Rotuma Council); Wairiki Wharf, Nabouwalu, Vanua Levu (owned by Tropik Woods Industries Ltd); and Vuda, Viti Levu (owned by multinational oil companies).

FPCL also oversees and operates a range of port facilities, including local interisland, and fishing, and local and international barge port facilities located at Muaiwalu I and II, Walu Bay, Suva, and in Lautoka adjacent to the Queens Wharf, through the provision of Ports infrastructure and related services delivered in a manner that meets industry safety and security standards.

Given Fiji's strategic location in the centre of the South Pacific, these Ports continue to face an ever increasing demand on services. FPCL's overall operational objective is to progressively upgrade all Port facilities and services in ways that will bring benefit to clients, stakeholders and customers, while improving productivity and efficiency levels.

VISION

To be the maritime gateway in the Pacific region through facilitating waterborne transport, trade and commerce.

MISSION

To develop, maintain and improve key seaport and ship repair facilities to enhance the economic growth and prosperity of Fiji.

OUR VALUES

- Professionalism
- Commercial Stewardship
- Strategic Innovation
- Progressive Leadership
- Corporate Citizenship
- Employees' Well Being, Diversity

OUR CORPORATE CULTURE

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

The cruise vessel and tourism industries provide livelihoods for many Fijians.

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Chairman's Message

An outstanding year

Fiji Ports Corporation Limited (FPCL) remains committed to yielding a solid financial return, while continuing to provide services that benefit the people of Fiji as well as servicing the wider regional maritime community.

In this regard, I am pleased to report that the Company performance for the 2017 Financial Year represents a very positive outcome, with the FPCL Group recording a remarkable Return of Invested Capital of 36% and current liquidity at 5.5. These strong financial results are reflected in the Group's KPI's.

The Group's Balance Sheet remains strong, with a sound cash balance of $27million and zero external borrowings and the group holds $22million in term deposits.

This year being the fourth full year of operations after the 2013 partial divestment of shares and transfer of the control of, previously subsidiary, now associate company, FPTL, the financial performance for the Fiji Ports Group 2017 reflects a consistent and resilient outcome.

The Group Net Profit After Tax (NPAT) of $26.35m represents a 0.3% increase over the 2016 reported NPAT of $26.26m. This is attributed to the increase in vessel numbers and cargo throughput, as well as the prudent cost control by management.

With the positive growth in volumes handled, the Group operating revenue showed an increase of 8 % over 2016. Also attributable to the increase in cargo throughput is the 9% increase in the share of profits from associate company Fiji Ports Terminal Limited (FPTL).

Shaheen Ali
Chairman

There has been an increase in total expenses by 15%, which is derived from the increase in employee expenses, major repairs to and maintenance of shore cranes, and the increase in direct cost relating to core income.

Record dividend

In the year under review, the total dividend paid by FPCL in respect of the prior year, 2016,was a record $16,082,198 dividend from operating profits and represents a 217% increase from the previous year.

FPCL financial performance

The reported NPAT showed a marginal decline of 5%, attributable to the one-off gain from the asset sale recorded in 2016.

There were a number of factors contributing to the increased core operating income by 13% in 2017, compared with 2106. With the increased number of vessels with larger Gross Registered Tonnage (GRT) visiting our Ports, the income from Marine Service not only remained strong it also increased by 23%.

While the increase in the Dockage revenue stream increased by 15 %, due in part to the number of overseas vessels with greater GRT visiting the ports in 2017, this is also attributable to the improvements to overall port efficiencies.

The organic growth in the volumes of other income streams also contributed to the increased 2017 income, although, as expected, there was a decline in the Other Income stream in 2017 compared with 2016. This 33% decline is mainly attributable to the one-off gain, recorded from the asset sale in 2016.

FSHIL profit recorded

Fiji Ships & Heavy Industries Limited (FSHIL), a subsidiary of FPCL, has recorded a profit of $1.2m for the 2017 financial year. The operating income exhibited an increase by $619k, or 11%, largely due to the increase in the value of project-based works. In 2016, an income of $1.3million was generated from project works, whereas $1.8m was generated in 2017.

For the 2017 financial year, FSHIL recorded increased income from the revenue generated by the Heavy Industries Division and there was also an increased rental income stream, with revenue increasing by 221%.

The FSHIL NPAT has increased by $185k, or 18%, in comparison with the results for 2016. This increase

is due to greater revenues generated by both project-based and heavy industries work.

The FPCL Board of Directors remains cognizant of the important role the Company plays in supporting the continued development of the economic health of the country and the resulting social and material benefits that accrue for local and regional ship owners and operators.

Landlord port

FPCL is maturing into its role as a Landlord Port since the PPP in 2013. As a Landlord Port, FPCL is responsible for Port Planning, as well as 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. This process is still to be completed.

Within a very short period of time, the transition to PPP showed the noticeable benefits of increasing cargo throughput and a commensurate reduction in berthing delays. Longer-term benefits accruing include increasing efficiency and productivity of cargo operations, the ongoing reduction of ship and shore crane moves and of ship turnaround time.

Global logistic networks

The Board and management of FPCL are conscious of the importance of reliable logistics, which remain key to the economic development of any country. 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.

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

Our concerns and challenges may be perceived as local, but our decisions and performance contribute to the global maritime and port networks and are of international significance.

Mitigating climate change

2017 was the year in which the Prime Minister of Fiji, Hon. Voreqe Bainamarama, was the President of the COP23 (23rd Conference of the Parties to the United Nations Framework Convention on Climate Change - UNFCCC). It is fitting that we are seeking and implementing ways to reduce our carbon footprint by reducing greenhouse gas emissions in our operations.

The contribution that international ports can make to mitigating the effects of climate change is one of the most pressing issues under discussion at international, high–level conferences and symposiums.

We cannot ignore these issues, discussions and their outcomes, as these lead to consensus-based regulatory initiatives, promulgated by the highest, international maritime bodies and organisations.

Strengthening key relationships

We believe that FPCL must continue to strengthen international and regional relationships while remaining abreast with worldwide developments in the port and related maritime industries sectors. The FPCL Board and Management welcomes the opportunities to participate in the formulation and implementation of international regulations, legal requirements and controls to protect and promote the role of Ports as the interface between the sea-going vessels and the land-based players in the international and national supply chains.

Our continued cooperation and communication with our key stakeholders agencies such as the Maritime Safety Authority of Fiji (MSAF), Fiji Revenue and Customs Services (FRCS), 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 same vein, we continue to ensure that we disseminate information and exchange knowledge with all other essential stakeholders, such as shipping lines and their agents, importers and exporters and cruise line operators.

Global trends

The international marketplace continues to be as competitive as ever, if not more so, and the Board recognises that FPCL will always be challenged by shifting global economic trends and changes within the industry such as the need to adopt technological and operational innovations for greater energy efficiency and economic competitiveness.

Within the regional context, there are challenges specific to FPCL as the Landlord Port of a small, island nation.

These include constraints of scale and isolation with the attendant, cascading effects of larger container vessels and cruise ships visiting our Ports.

With the largest container vessels currently more than 9,000 TEU capacity, already there are restrictions in width and draft in international ports' navigation channels and seaport infrastructure. Yet there are shipping lines ordering 21,000 TEU capacity vessels in their search for further economies of scale.

Whether such savings actually accrue is a matter under discussion within the global maritime and associated industries sector. This continuing trend impacts on port management companies who face increasing costs in providing higher gantry cranes, stronger wharves and increased dredging depths at berths.

Automation and 'smart ports'

Cooperation between the public and private sectors is essential to the success of the so-called 'smart ports', with the latest intelligent IT systems and the latest cargo handling equipment being utilised to meet the growing needs of shipping lines.

With the increasing demands placing a growing emphasis on delivering improvements through innovation and automation, we are aware that technology is no longer the exclusive preserve of large, green-field ports. Smaller Ports of Entry can take advantage of technological advances to create 'smart' systems. For example, congestion or adverse impacts upon normal processes could be remedied, at a reasonable cost and effort, through the use of electronic systems to track container and vehicle movements.

Improving efficiency

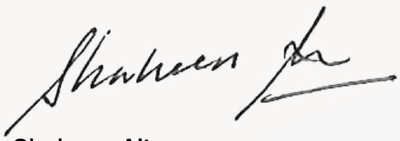
Fiji's economic dependence upon maritime trade requires that we meet the challenges and opportunities to continue to improve upon the efficiency and effectiveness of the company's operations. This includes catering to the growing cruise ship industry, facilitating transshipment trade into the region and improving the cumulative benefits of labour and machine productivity, combined with the optimum utilisation of available space provided by FPCL's infrastructure.

The FPCL Board and the management team continue to keep a balance between the Company's economic role, environmental stewardship and social responsibility. We seek to build a resilient and adaptable company that proactively plans a future that will provide the best for FPCL, our shareholders, our staff and Management, our customers, and for the whole of Fiji and its citizens.

Appreciation

I wish to thank and acknowledge the leadership provided by the CEO and the Executive Management and the hard work of all the staff of FPCL, subsidiary FSHIL, and associate company FPTL, for their commitment and dedication throughout the 2017 financial year. Your efforts have been commendable.

I also wish to acknowledge the invaluable support of my fellow Directors, for their continued dedication and contribution through the year. FPCL is benefitting from your combined business acumen. The experience that you bring to an industry facing enormous changes and challenges is greatly appreciated. I wish to thank the Fiji Government, and specifically, the Attorney General's office and the Ministries of Public Enterprises and Finance for your continued support.



Shaheen Ali
Chairman

CEO's Report
A year of consolidation

The year under review is the fourth year in which Fiji Ports Corporation Limited has fulfilled its role as Landlord and provider of maritime and port infrastructure development services.

As such, 2017 has been a year in which FPCL has focused on establishing the necessary consolidation to build a solid foundation. This has been necessary for FPCL to prepare for future phases of development.

Vajira Piyasena
Chief Executive Officer

International Profile

During the year, the Company's profile continued to be raised on local and international platforms. As the major Pacific link in the global supply chain, the Company's presence was notable at the 30th International Association of Ports and Harbours (IAPH) World Ports Conference in Bali, Indonesia; Port Expert Conference, held in Busan, South Korea and the Regional Workshop on Energy Management in Ports, held in Auckland, New Zealand.

Our continued presence at international forums provided FPCL the opportunity to engage in the high level dialogues taking place amongst key maritime industry stakeholders on the global stage on issues impacting FPCL and our Ports.

These symposiums are held where consultative process is the precursor to internationally adjudicated regulations and standards that FPCL must remain cognizant of in order to make informed decisions for the future of the company that meet the regulations and standards required by international maritime regulatory bodies

Our participation and representation in regional forums ensured that FPCL continued to be informed about important new and changing trends, to maintain our position as the premier provider of regional seaport services.

In the local business arena, we continued to share our experiences and best practices in aspects of quality and productivity, in our achievements of sustained competitiveness and relevance in a rapidly changing business environment, as part of our commitment to the modernisation and transformation of FPCL.

Benchmarking With International Standards

One of the key aspects of our vision is the establishing and ongoing adherence to international standards in all areas of our operations and service delivery.

Port Security

FPCL plays a vital role in the development of Fiji's economy. FPCL handles 95% of the nation's imports and exports, our continued role in support of the nation's economy depends on our ability to meet and maintain the rigorous standards as determined by the International Ships and Ports Facility Security (ISPS) Code.

Following the 2016 security evaluation and report conducted by the U.S. Coastguard, a complete re-evaluation of the contracted security company took place, and in response to the altered security landscape the Ports of Suva and Lautoka, access procedures and cargo handling procedures have been strengthened during 2017, with the U.S. Coastguard conducting a successful ISPS Code assessment of the Suva and Lautoka Ports.

Emergency Response

Our ability to appropriately respond with alacrity in times of emergency was put to the test with the capsizing and subsequent sinking of M.V. Southern Phoenix at the south end of the Suva Kings Wharf. The rapid response emergency plan proved its effectiveness when FPCL Operations staff took swift action to oversee and assist during the crisis.

The ability of the FPCL Operations staff to react promptly and appropriately to a major emergency situation is a testament to the quality of our personnel as well as to the priority FPCL places upon planning, training and practicing emergency response drills, and having well-maintained and readily accessible equipment

Strategic Planning

Strategic planning is crucial in order that this inspirational commitment to modernisation and transformation may be

realised, for the future benefit of FPCL and for the economic growth of Fiji. This was the impetus driving the decision to make changes in our strategic perspective.

In the more recent past, strategic planning has entailed an annual, locally facilitated, in-house workshop, where comprehensive aims, objectives, KPI's and timeline targets have been established and supported by accompanying documents such as the Annual Corporate Plan, the Human Resources Plan and the annual Statement of Corporate Intent.

In order to benchmark against international standards and in recognition that FPCL strategic planning should take place within a global context, suitably qualified and experienced international contractors were identified. This change of direction also acknowledges the need to outsource strategic planning in order to facilitate the data collected.

The successful applicant has met with the FPCL Board of Directors and Executive Management. A preliminary draft of an overarching strategic plan is expected in 2018.

Our links with the past supports our growth today.

Infrastructure Assessment

The comprehensive assessment of the condition of all FPCL infrastructure that took place during 2017 was imperative if the Company is to engage in a realistic and achievable planning partnership with the strategic planning contractors.

The infrastructure analysis is also key to planning decisions that must be made in the coming year for interim solutions, as well as long-term, into the future.

After a period of enormous change, contingent upon FPCL's changed role in 2013 to being a Landlord Port, 2017 has seen the strengthening of the company's commitment to meeting and maintaining recognised, world-class standards of business excellence.

Management Systems

We recognise that a commitment to establishing management systems and processes is necessary to ensure standards of business excellence are achieved and maintained. It also requires that this commitment is whole-heartedly embraced by all at FPCL, from Executive Management through to the grass-roots level.

To create a more robust quality management system, in 2017, the journey began towards achieving the required standards as specified by ISO 9000: 2015.

This is part of the consolidation process that took place throughout 2017, in which FPCL sought to foster and encourage a corporate culture that epitomises the commitment to excellence, through training and awareness sessions.

Job Evaluation Exercise

To encourage and cultivate a positive workplace environment, it is also incumbent upon FPCL to ensure that employees are valued and recognised, and that they are aware of management's appreciation.

In this regard, the completion of the Job Evaluation Exercise by the Human Resources Department in 2017 was a milestone achievement, which ensured that all employees are paid on the Upper Quartile of 80% of the PwC (PricewaterhouseCoopers) Market Fixed Remuneration.

I am pleased to report that Phase one of this exercise was implemented in December 2017, with 100% of the Support Staff receiving a pay increase that was backdated to 1st January 2017.

Pilotage Review

This follows the timely review in 2016, and implementation in 2017, of increased and improved salaries and benefits for members of the Piloting Division that has resulted in FPCL being perceived as an employer of choice by members of the piloting (sea) fraternity. The reinvigoration of this Division is key to a commensurate increase in the ability of FPCL to capture increased piloting revenue.

FPCL is aware that the Port pilots are essential components of the global maritime industry, and supports their professional development through overseas attachments and workshop attendance.

I am also pleased to report that our internal audit, governance and compliance frameworks have been strengthened and proper policies and procedures are in place to ensure this.

Environmental Stewardship

FPCL continues to incorporate good energy management principles into the policies governing FPCL and FSHIL and strives to maintain its lead role in environmental stewardship.

In 2017 following recommendations contained within the energy audit conducted by an overseas consultant in partnership with the Pacific Community (SPC), the Company began an implementation process of LED lighting throughout all FPCL premises and the installation of metal-halide lighting in the container sections at the Ports of Suva and Lautoka. FPCL expects to recoup the expense of the initial outlay for this exercise within three to four years.

Strong Balance Sheet

FPCL Group maintains a strong balance sheet, with a sound cash balance of $27million and zero external borrowings. The 2017 financial performance for the Fiji Ports Group shows a steady, consistent outcome. The Group Net Profit After Tax (NPAT) of $26.35million reflects the reported increase in vessel numbers and cargo throughput, with a 0.3 percent increase over the 2016 reported NPAT of $26.26million.

Fiji Ships & Heavy Industries Limited

Our subsidiary company, Fiji Ships & Heavy Industries, also demonstrated a strong balance sheet for the 2017 Financial Year with a convincing cash balance of $3.3million, a term deposit of $1million and a low gearing of 0.12.

An income of $1.8million was generated by project works for 2017, compared with the $1,3million in 2016. This increase of $619k or 11 % is, was primarily due to the increased value of the project-based works.

I am pleased to report that there was also an increase in the reported income generated by the Heavy Industries Division of FSHIL, and other income from rental properties increased by 215% in 2017, compared with 2016.

Throughout 2017, FSHIL continued to explore new avenues for increasing revenue through expanding its portfolio of services, utilising the Company's existing, comprehensive experience and skill sets.

Acknowledgements

As we conclude a stimulating and interesting year, I wish to offer my thanks and appreciation to our Chairman and the Board of Directors, for their leadership and guidance, as well as their abiding commitment to FPCL and its staff during the year in review.

I would like to acknowledge the contribution made by the Executive management team, department heads, supervisors and all the hard working staff. Their significant contributions have played a key role in the success of the Company.

I wish to take this opportunity to express my gratitude to our colleagues at the Ministry of Public Enterprises and the Ministry of Infrastructure and Transport for their enduring support and guidance in a period of change and adjustment.

With the ongoing support of our key stakeholders and valued customers FPCL plans to improve and upgrade the infrastructure to consolidate its position as an important regional link of the international supply chain.

Vajira Piyasena
Chief Executive Officer

Our imports continue to help build the nation.

Our Corporate Profile

A better Fiji Ports under law

Fiji Ports Corporation Ltd (FPCL) celebrated its fourth year of operations as the Landlord/Port Regulator. The Corporation has successfully transitioned from operating as a 'process-based' organisation and has matured into its new role with an increased focus on the development of port facilities.

FPCL continues to work towards meeting expectations as a 'supervisory body' for 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 remans vital to FPCL moving forward.

Obligations Under Law

Fiji Ports Corporation Limited has significant and growing international and national obligations under law and treaties. The principle legislation under which FPCL is governed by is the Sea Ports Management Act 2005. However, as a partially Government-owned commercial company, Fiji Ports also has broad responsibilities under the Public Enterprise 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. Managing the processes, on behalf of the Minister, of declaring of new ports and approaches to ports;
  b. Responsibility for management of Fiji's Ports;
  c. Taking action in the event of an emergency;
  d. Acquiring land required for Port operations;
  e. 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 Ports issues;
  m. Removal of derelict and dangerous vessels;
  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

Fiji Ports Corporation Limited operates as a port Landlord and Regulator. Strategically situated in the centre of the South Pacific region, Fiji Ports 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 (FPTL), Fiji Ports relinquished freight and storage operations to the associate company, but continues to operate cruise and other vessel operations from the Kings Wharf, Suva and the Queens Wharf, Lautoka.

Fiji Ports 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 Ltd) and
- Vuda, Viti Levu (owned by oil companies).

FPCL continues to oversee and operate port facilities located at Mualiwalu 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, Fiji.

The number of cruise vessels in our ports increases every year, bringing more tourists to our shores.

OBLIGATIONS IN PARTNERSHIP

FPCL works with Maritime Safety Authority of Fiji (MSAF) with respect to Fiji's Port obligations 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. Issues under the heavily regulated Global Cruise industry is a continuing responsibility for FPCL, given that the number of cruise ships in our ports continues to increase each year. Any country whose ports, or waters, are visited by cruise ships has authority to examine and take measures to ensure compliance with relevant laws, regulations and international treaties. The cruise industry is subject to the International Ship and Port Facility Security (ISPS) Code, which requires that access to ships and port facilities be tightly controlled.

Our People's Obligations

Fiji Port's 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 world-class infrastructure, and
- Acting, at all times, in concert with FPCL's corporate values.

Obligations to the Community and Our Environment

In addition to carrying out its corporate obligations, FPCL works to maintain its commitment to the community, through social activities, with direct and indirect benefit to the broader community and to those in need. Of importance to the Corporation is its role in environmental protection. Where possible the Corporation's staff and management generate stakeholder awareness regarding land and sea pollution as part of their daily activities and duties.

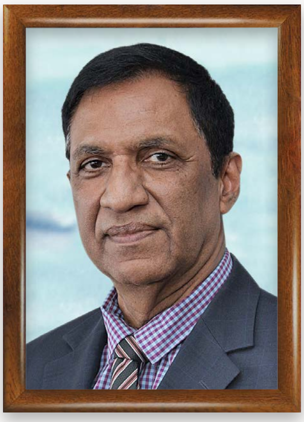
The growth of the mining industry in Fiji brings new responsibilities. Carrying solid bulk cargoes involves serious risks, which must be managed carefully to safeguard the crew and the ship. These risks include reduced ship stability, and even capsizing, due to cargo liquefaction, fire or explosion due to chemical hazard, and damage to ship structures due to poor loading procedures.

Board of Directors

Helping build a better Fiji

Government Representatives


Shaheen Ali
Chairman


Vijay Maharaj
Director


Vilash Chand
Director


Tupoutua'h Baravilala
Director

FNPF Representatives


Tevita Kuruvakadua
Director


Sashi Singh
Director


Sanjay Kaba
Director

Aitken Spence PLC Representatives


J.M.S. Brito
Director


Iqram Cuttilan
Director

Corporate Governance

Our fundamental principle

The purpose of Corporate Governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the Company.

Good Governance is a fundamental principle of Fiji Ports Corporation Limited (FPCL). The Board of FPCL is aware of the responsibilities of setting the Company's strategic aims, providing the leadership to put them in effect, supervising the management of the business and reporting to Shareholders on their stewardship.

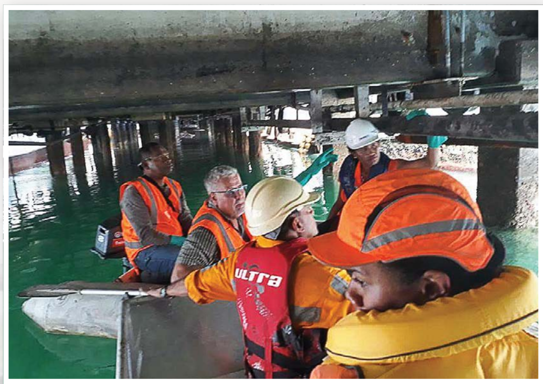
For Corporate Governance the Board of FPCL sets the values of the Company, and this is distinguished from the day-to-day operational management of the company by Executive Management.

Sub Committee functions

Sub Committee	Meeting Chaired by	Number of Meetings held
Finance, Audit & Risk Management	Vilash Chand	2
Human Resources	Vijay Maharaj	2
Infrastructure & Technical	Sashi Singh	2

Board and Committee Meetings

Director	Number of Meetings entitled to attend	Number of Meetings attended
Shaheen Ali	3	3
Vijay Maharaj	3	2
Vilash Chand	3	3
Tupou Baravilala	2	2
Tevita Kuruvakadua	3	1
Sashi Singh	3	3
Sanjay Kaba	3	3
Joseph Brito	3	2
Iqram Cuttilan	2	2



Executive Management Team

The driving force

Vajira Piyasena *MBA, MSc, PG Dip Management (Prod & Tech), 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 Ltd (FPCL) in 2011 as the CEO to head the then state-owned entity and its two subsidiary companies, Ports Terminal Ltd (PTL) and Fiji Ships and Heavy Industries Ltd (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 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 a Hub Port in the South Asian region.

He has received Executive Training from Harvard Business School and Goizueta Business School. In addition, he is also a member of the MBA Advisory Committee of 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 Financial Officer

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

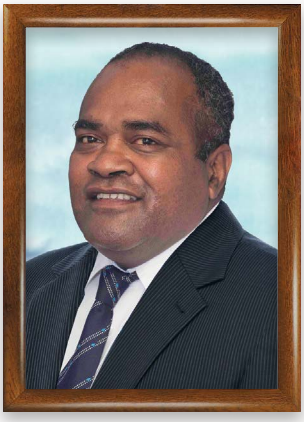
He is passionate about enhancing value in organisations by focusing and improving key business processors and value drivers. He is a former Group Accountant of New Zealand Post Group.

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.



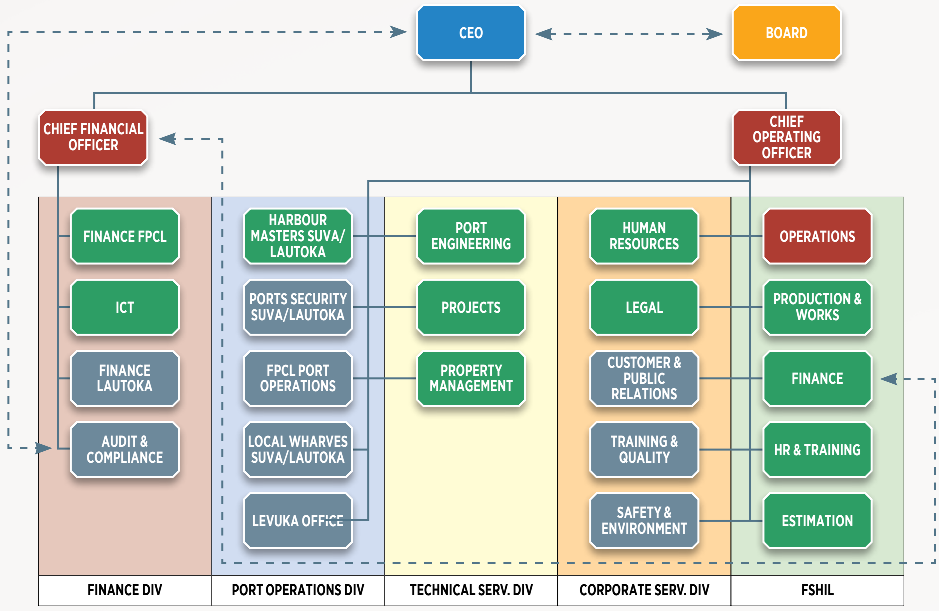
Capt. Laisiasa Gonewai *Master Mariner Class 2, FG COC (NZ)*

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.

Organisational Structure

The foundation



The Chief Executive Officer oversees FPCL operations carried out by the Corporation's two Divisions, Finance and Operations, led by their respective executive managers, the Chief Financial Officer and the Chief Operating Officer.

FPCL Finance Division

Governed by the Finance Policy and Procedures Manual.

Positioned in the centre of all business activities.

Responsible for financial activities of the whole the whole FPCL group, including:

- financial reporting,
- stock control and asset management,
- payroll processing,
- credit management,
- accounts payable and internal controls,
- operating and capital budget preparation,
- financial planning,
- tariff negotiations and
- investment analysis.

Responsible for Departments:

- Compliance
- Risk and
- IT and
- Financials of subsidiary company, Fiji Ships & Heavy Industries Ltd.

Operations Division

Includes

Port Operations:

- supporting the working operations of the ports,
- working with port service providers to provide customer service delivery in an efficient operating environment,
- managing harbour masters,
- pilots,
- docking,
- mooring,
- tug operations,
- security,
- emergency preparedness and
- local wharfs.

Technical Services:

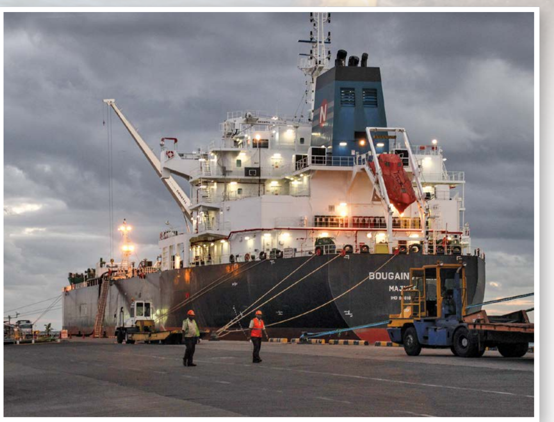
- Responsible for
- Engineering,
- Ports infrastructure and maintenance and
- Property management.

Corporate Services:

- Include Human Resources,
- Customer and Public Relations,
- Legal,
- Training and
- Health Safety and the Environment.

Fiji Ships & Heavy Industries Limited (FSHIL)

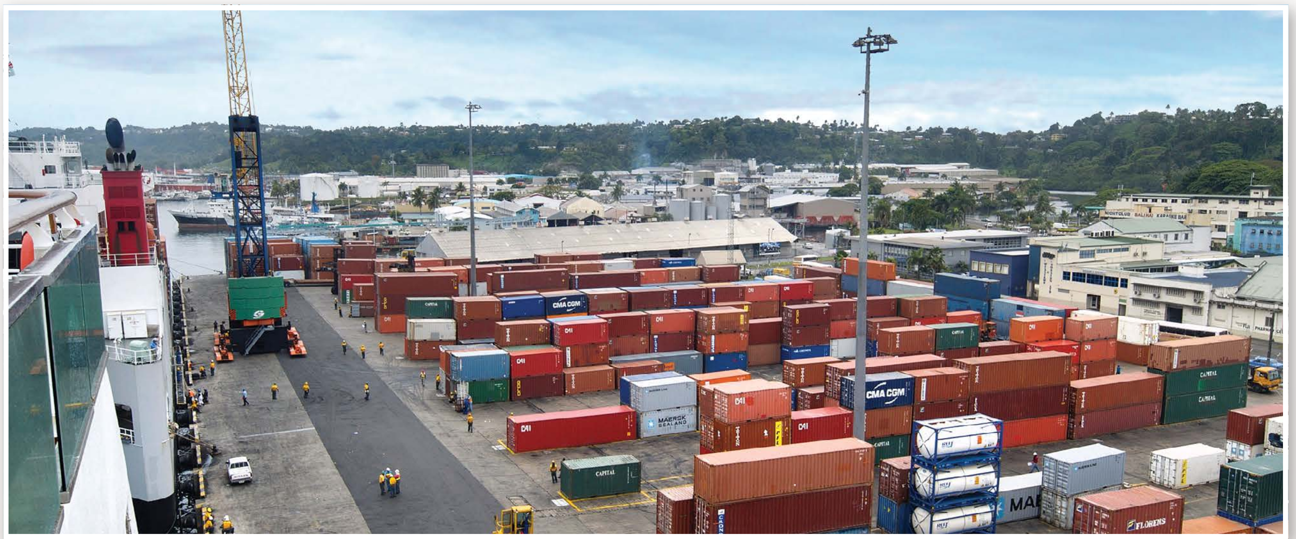
The FPCL subsidiary company, FSHIL operates as a commercial, self-funded company, specialising in ship repairs and heavy industry services.



2017 Highlights

The year in review

- FPCL underwent a Job Evaluation Exercise, after a lapse of 10 years, to ensure that all employees are paid on the Upper Quartile of 80% of the PwC Market Fixed Remuneration.
- FPCL Finance Department completed its accounting system upgrade and went 'live' in February 2017.
- Total vessel calls to all FPCL's Ports of Entry increased by 389 vessel arrivals over the previous year.
- NPAT of $26.39m, representing r a 1% increase from the reported 2016 NPAT of $26.26m.
- Record total dividend of $16,082,198 paid in respect of the prior year (2016), a 217% increase compared with the previous year.
- Marine service income increased by 23%, attributable to the increase in overseas vessels numbers with bigger GRT visiting our Ports of Entry.
- Dockage revenue increased by 15% due to port efficiency. The increase in this revenue stream is linked to the increased number of overseas vessels and vessels with larger GRT visiting the port in 2017.
- Successful oversight and management of rapid response to Southern Phoenix emergency at Port of Suva.
- Fiji Ships & Heavy Industries Limited recorded a profit of $1.2m for the 2017 Financial Year. FSHIL NPAT has increased by $185k, or 18%, compared with 2016.



Port Operations

Growing the economy

Maintaining our Port Operations is essential to FPCL's continued contribution to the nation's economic wellbeing.

Our Port Operations include the Harbour Masters Office, Piloting Movements, Tug Boats Movements and the Ports of Suva and Lautoka, and the Port of Levuka operations, the Local Wharf infrastructure management and all Ports' Security.

Port Users 2017

The dominant port user group continues to be service providers to vessels, which have shown a steady increase to 37% in 2017.

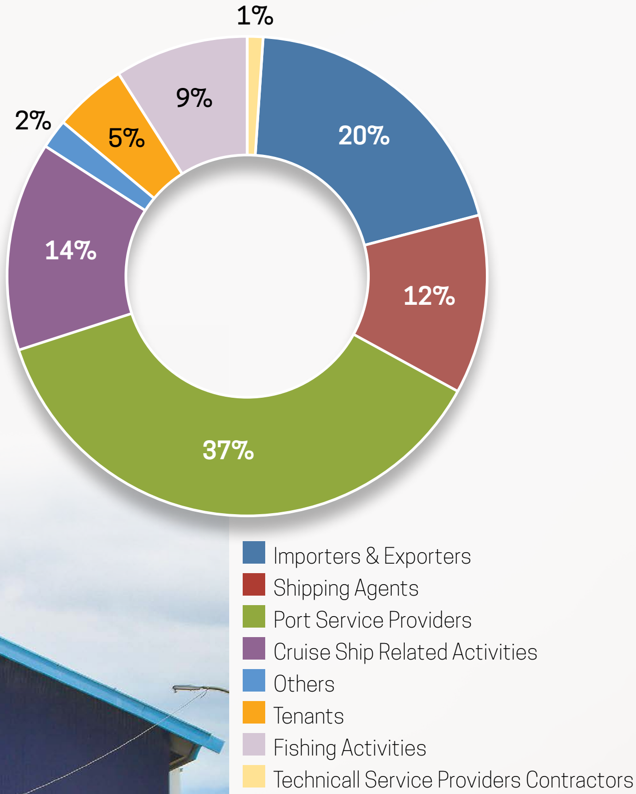
The second group, importers and exporters, have also shown a small increase to 20%.

The cruise-related activities group has also shown a slight increase over the past few years, comprising 14% in 2017.

Other groups have shown a slight percentage decrease with fishing activities coming in at 9%, tenants comprising 5%, and technical service providers and contractors making up 1% for 2017.

PUL Categories 2017	No#
Importers & Exporters	81
Shipping Agents	50
Port Service Providers	151
Cruise Ship Related Activities	57
Others	8
Tenants	21
Fishing Activities	34
Technical Service Providers Contractors	5
Total	**407**

Port Users by Category 2017



Vessel calls

These increased by 379 additional vessel arrivals to all FPCL's Ports of Entry, over the previous year.

RORO/LOLO vessels were down by three; car carriers, down by two and 'other' vessels, decreased by seven compared with 2016.

Cruise liners increased by 11, dry bulk vessels by 13, liquid bulk by a remarkable 46 and fishing vessels by an impressive 232. The latter indicates the continued international demand and increasing market value of fish.

The Gross Registered Tonnage (GRT) or cubic capacity of vessels increased, as well as the vessel numbers, at the Port of Suva and the Port of Lautoka. This indicates a change in the previous trend of the introduction of smaller to medium-sized vessels.

Increasing cruise vessel visitors

As the size of cruise vessels increase, so do the tourist arrival numbers, with cruise liners now staying as long as 48 hours in order to allow visitors time to travel further afield while in port.

Depending upon the size of the vessel, between 500 to 3,000 tourists, along with as many as 1,000 crew members, disembark at the multi-purpose Ports of Entry of Suva and Lautoka each time a cruise vessel calls.

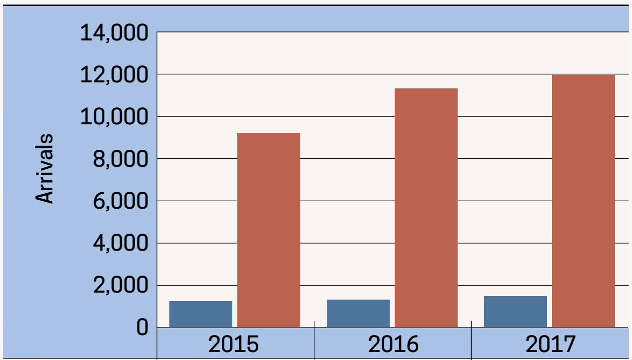
We welcome these visitors and our Port Facility Security Officers ensure that visitors remain within the designated safety zones and follow the walkways marked out for their safety and convenience.

We provide specialised training to the tour operators and vendors who qualify as licensed port users so they treat the visitors with courtesy, and remain in their safe, designated areas.

Types of Vessel Calls (All Fiji Ports) 2015 - 2017

	Dry Bulk	Liquid Bulk	Fishing	Cruise Liner	LOLO	RORO/LOLO	Car Carrier	Other	Total
2015	36	275	923	64	372	67	18	68	1823
2016	32	263	840	81	407	47	26	80	1776
2017	45	309	1072	92	496	44	24	73	2155

Port of Suva Vessel Arrivals 2015 - 2017

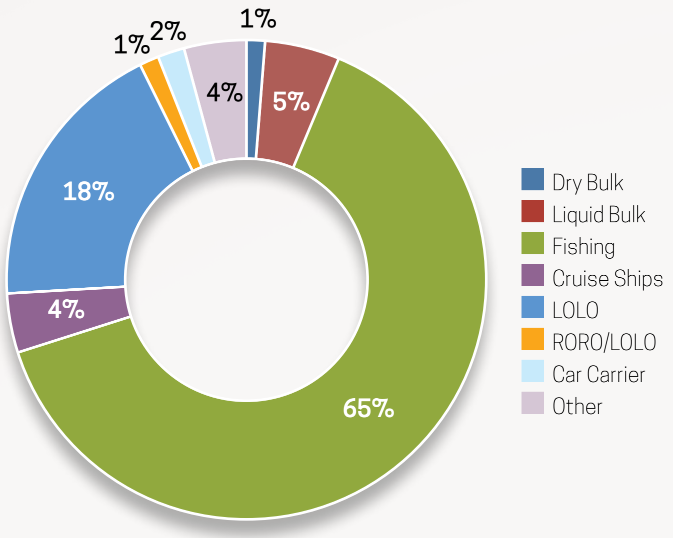


	2015	2016	2017
No	1,197	1,275	1,477
GRT (000's)	9,238	11,417	11,948

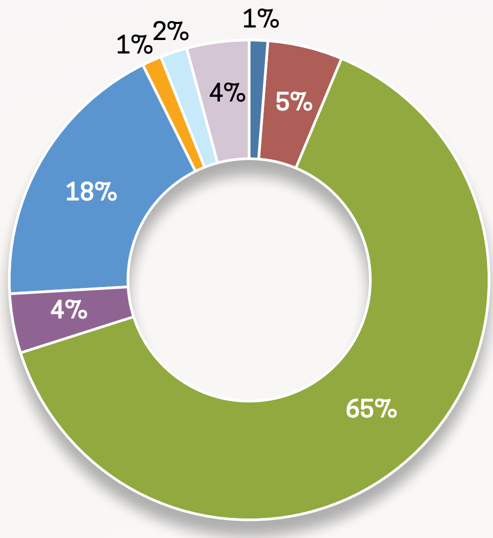
Port of Suva

DRY BULK	13
LIQUID BULK	77
FISHING	954
CRUISE SHIPS	53

Port of Suva Vessel Calls 2017



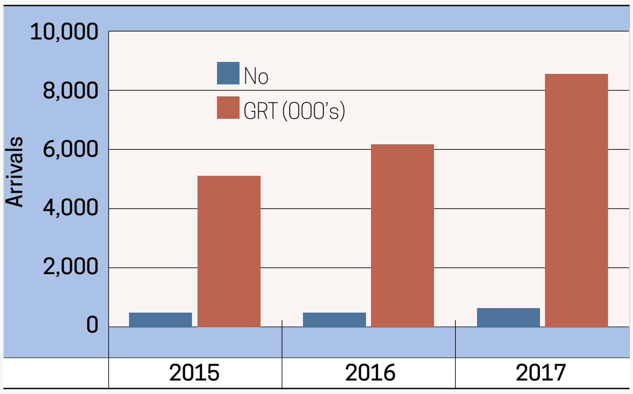
Port of Suva Vessel Calls 2016



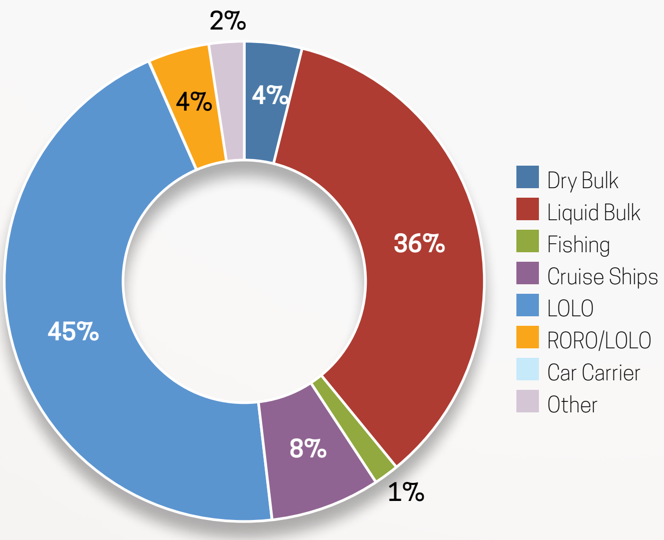
Port of Lautoka

DRY BULK	18
LIQUID BULK	178
FISHING	7
CRUISE SHIPS	38
LOLO	225
RORO/LOLO	22
Car Carrier	0
OTHERS	12

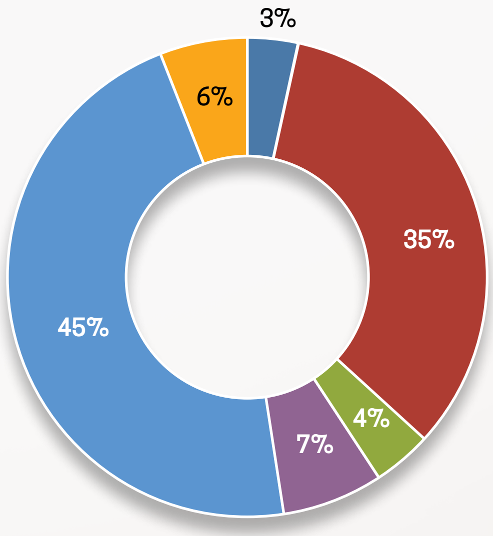
Port of Lautoka Vessel Arrivals 2015 - 2017



Port of Lautoka Vessel Arrivals 2017



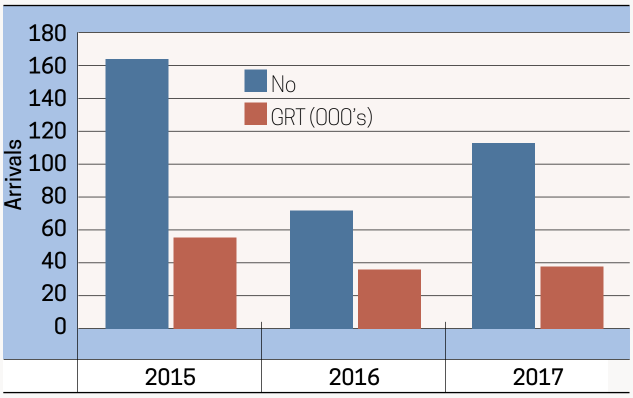
Port of Lautoka Vessel Arrivals 2016



Port of Levuka

	2015	2016	2017
No	163	71	112
GRT (000s)	53	36	37

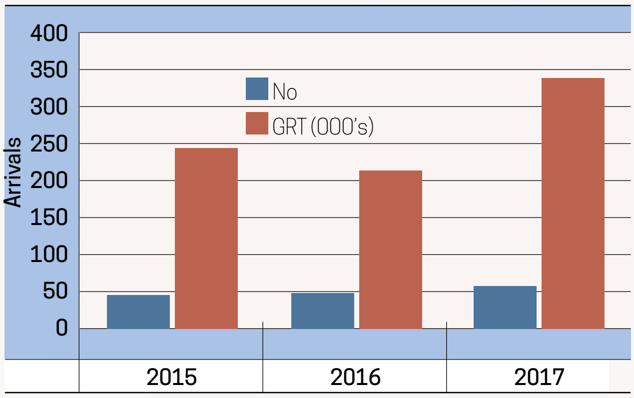
Port of Levuka Vessel Arrivals 2015 - 2017



Port of Malau

	2015	2016	2017
No	46	47	59
GRT (000s)	243	216	338

Port of Malau Vessel Arrivals 2015 - 2017

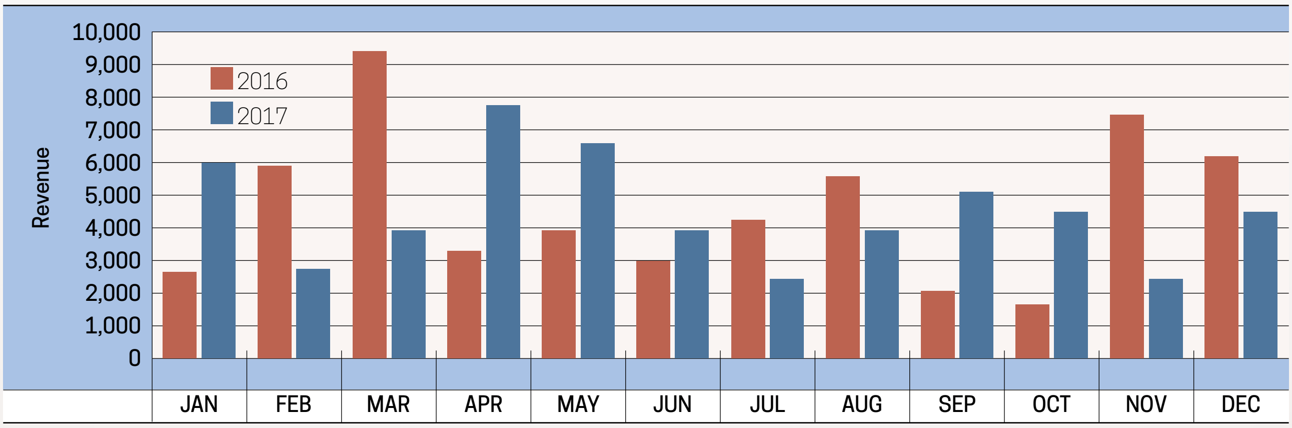


Piloting movements

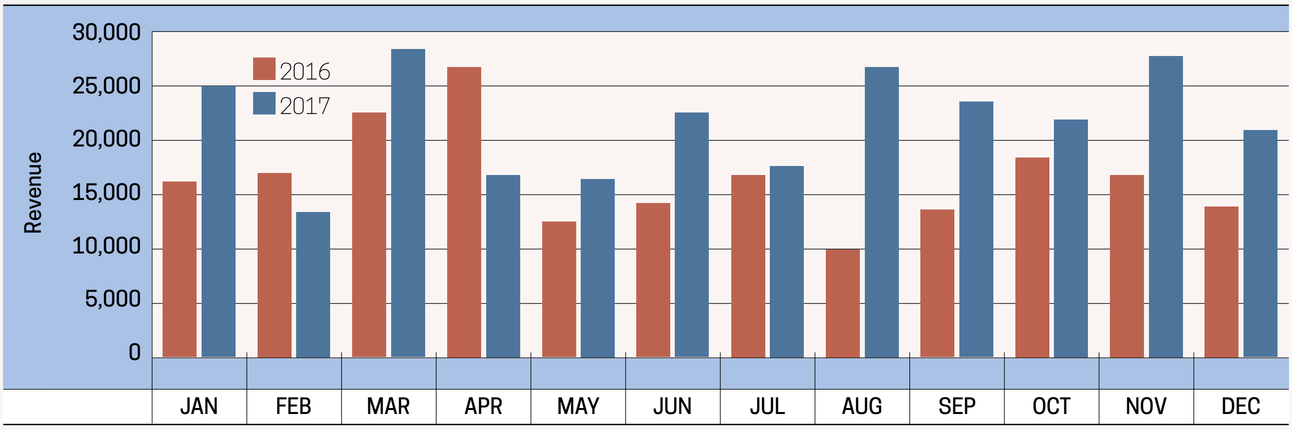
Pilotage and marine pilots are an essential element of the global marine industry. Pilots' responsibilities include ensuring and enhancing the commercial efficiency of the port, while ensuring the safety of navigation within ports, thereby protecting the port infrastructure, local marine environment and the safety of those living and working within the port and its waterways.

FPCL Pilots Department, which is based in the Harbour Masters office, shares pilotage on a 60/40 distribution, as ruled previously by the Fijian Competition and Consumer Commission (FCCC). With the increase in suitably qualified and experienced manpower, the Division is poised to capture a larger share of piloting revenue in the near future.

Total Ferrying Revenue Murimai, 2016 - 2017



Total Ferrying Revenue Senibiau, 2016 - 2017



Local Wharf

During the December 2016 - January 2017 holiday season, FPCL worked closely with the Land Transport Authority (LTA) to ensure that trucks intending to board local inter-island vessels met their designated weight restrictions and were weighed before entering the gates of the Narain Jetty.

Owners of local vessels plying the inter-island routes were called upon to provide and adhere to accurate loading and unloading schedules, to avoid congestion at the Narain Jetty.

FPCL's previous flexibility with local owners' requirements, along with practices such as carrying out ship repairs at the jetty, needed to come to an end if the efficient management of vessels and crowd control was to be improved upon.

Security – Safeguarding Our Borders

The Security Unit ensures that FPCL fulfills its obligation under the International Ship and Port Facility Security Code (ISPS) Code and continues to enhance the security of ships visiting the Ports of Entry and the facilities at those ports.

The ISPS Code prescribes the responsibilities of governments, port and port facility and shipboard personnel and shipping companies and their agents in the detection of security threats and the taking of preventative measures against security incidents affecting ships or port facilities used in international trade.

Over the past 12 years, security has been transformed from a single plan to cater for all Fiji's Ports of Entry, to individual, detailed plans appropriate for each Port; establishing and maintaining plans for ports as diverse as Suva, Lautoka, Malau, Vuda, Rotuma, Wairiki, and for smaller facilities such as the one at Rokobili for the discharge of bitumen and the Fiji Gas bunker point at Suvavou.

In the year under review, a changeover of security procedures for Muaiwalu 1 and 2 took place, in relation to the changing operating procedures for both the wharfs.

Security Highlights:

- A complete re-evaluation of the Port Security duties conducted by our contracted security company, Guard Force.
- New security landscapes created with the construction of the Stinson Bridge in close proximity to the Port of Suva security fence and the demolition of Shed 3 at Lautoka Port
- A major re-assessment of security to strengthen the access procedures and cargo handling procedures within Suva and Lautoka Ports
- Port facility security officers from around the country attended ISPS Code training and best practices conducted by representatives of United States Coast Guard and New Zealand Maritime, at the invitation of the Maritime Safety Authority of Fiji (MSAF), in collaboration with FPCL.

- Continual engagement with the United States Coast Guard, to conduct a follow-up external security audit at both the Suva and Lautoka Ports.
- Security drills and tabletop exercises were initiated and carried out by the FPCL Security staff, in conjunction with the FPCL Security Contractors and our partners at MSAF, Customs and the Ministry of Defense
- An increased area of responsibility, with the whole demarcated regulated Port Area to cover, with the beginning of joint harbour patrols by FPCL, the Fiji Navy and the Fiji Police Force.
- A major upgrade of all FPCL VHF and UHF radio communications systems, to enable Suva, Lautoka and Levuka to communicate with each other and provide a back-up communication system that can be used during times of natural disasters or emergencies.
- Major upgrade of the Closed Circuit Television (CCTV) to provide a clearer image, and an unbroken feed to our CCTV security monitors.
- The Public Address Systems upgrade for both major ports commenced in 2017. These systems are essential for addressing port users on matters relating to safety and in times of an emergency.
- Maritime Security Guard training and Maritime Security Awareness Training conducted by the Security Department
- Introduction and issuance of new ID Cards for Port users with follow-up campaigns.
- Continued enhancement of all safety and security requirements across all FPCL designated Ports, including signage upgrades, the use of Personal Protective Equipment (PPE)
- Enforcement of a No Smoking policy at all FPCL designated Ports.
- Continued collaborative training with MSAF for key staff on utilisation of oil spill equipment and emergency drills to ensure continuity amongst first responders.
- OHS, Safety and Security Training provided to more than 1,000 Port users in Suva, carried out at the Company's Level 2 Training Facility at Mua-i-walu House, undertaken in groups ranging between 20 and 60 people, in up to three sessions a day including weekends.
- Provided Outreach Training Programmes to accommodate companies that are unable to release their employees to attend the Mua-i-walu House training sessions.
- Continued issuing Port user ID cards, featuring up-to-the minute digital scanning technology, to commercial operators and their staff who use the Ports - a very broad category, including stall vendors, truck drivers, shipping agents and tour operators. Card security is strengthened by yearly changes to card features that make it unique to the year of issue.

Environmental Stewardship

Commitment to Climate Change Mitigation

As shipping remains the lifeblood of Fiji, and in the interest of mitigating against the impact of climate change, FPCL continues to work with the Maritime sector towards a cleaner, greener way of doing business and seeks to remain abreast of the latest green technological developments.

Our imports feed the nation.

Environmental Highlights:

- FPCL participation with Government of Fiji officials, and Maritime industry administrative and operational representatives in the First National Workshop on Energy Efficient Operations of Ships, 24th to 27th October 2017, facilitated by the Maritime Technology Cooperation Centre in the Pacific (MTCC-Pacific).
- LED lighting upgrade throughout FPCL office buildings to replace compact fluorescent or tube lights. The cost of replacement is expected to be recouped in within three to four years through savings made in the cost of electricity.
- Installation of metal-halide lighting at the Ports of Suva and Lautoka, replacing the high-pressure sodium lighting in the container sections of the two ports.

- FPCL produces 3,100 tonnes of CO2-e (Greenhouse Gas), FPCL's third highest expense, after labour and machinery, or approximately 25 kilogrammes of CO2-e per container. This is lower than the 30 kilogrammes of CO2-e per container reported by 42 ports, worldwide, in 2013. (FPCL 2016 Energy Audit).
- Continuing to implement an energy management system associated with short-term energy saving projects could result in an estimated reduction of 440 tonnes of CO2-e per year, with costs recovered within three to four years.
- FPCL representation at the Workshop on Energy Management in Ports, held in Auckland, New Zealand, in August, organised by the Maritime Technology Cooperation Centre in the Pacific (MTCC Pacific), with discussions on understanding energy consumption in ports and the tools and methods available to monitor and reduce energy consumption and greenhouse gas emissions from ports' operations. Directors, Chief Executive Officers and Managers represented nine Pacific Island countries' port organisations, endorsing the regional commitment to low-carbon, maritime transportation, in support of the sustainable development goals of Pacific Island countries and territories.

Derelict removal

Derelict removal does not form part of FPCL's core business, but in the interests of preserving the marine environment and keeping ship laneways safe for navigation, FPCL is empowered Under Part 8, Section 27, Subsection (1) of the Seaport Management Act (2005), to order the removal of derelict vessels from its harbour boundaries. The expense of such an undertaking may range from between $50,000 to $500,000, if not more, depending upon the specific vessel and the circumstances under which it was abandoned.

A derelict is defined as a vessel that has been abandoned in a port or harbour for 21 days with insufficient manpower on board to operate.

FPCL is bound to follow set procedures despite the obstacles often encountered in locating vessel owners to ensure they are fully aware of what is taking place. As owners are often situated overseas, the process can be complex, costly and time consuming, with difficulties intensified by language barriers.

FPCL exercises its powers under the Act with the issuance of a removal order to the owners, stating that the vessel will be auctioned within a month. It is not unusual for the mortgaging bank to request for the opportunity to find a buyer for the vessel. Should this be unsuccessful, FPCL may put the vessel up for tender.

During the year under review, the Company was able to successfully enforce its powers invested by the Seaport Management Act, with the removal of five derelict vessels from the Port of Suva precincts.

Rapid Response Tested – Protecting our Precious Marine Environment

If we fail to care for our precious Marine environment, we would fail to provide for the future development and wellbeing of Fiji and all its citizens.

The rapid response emergency plan, based on the Corporation's Risk Register and Standard Operating Procedures, saw FPCL staff taking swift action to oversee and assist when the Southern Phoenix capsized at the Kings Wharf, Suva.

The Southern Phoenix had been scheduled to depart at midnight, but the fully loaded vessel had begun to list heavily to the port side, soon after taking in bunkering for the next stage of its journey.

Request for assistance

At 1:20am, Saturday May 6th, FPCL Acting Chief Operations Officer, Captain Laisiasa Gonewai, responded to a call from the Harbour Tower, advising him of the request by the Master of the Southern Phoenix for a mobile crane to start unloading the ship's cargo. It was decided that the angle at which the vessel was listing made it too dangerous for the crew or stevedores to attempt any unloading operations.

Also in attendance at the wharf were the ship's agents and owners and representatives of the Fiji Fire Authority, the Fiji Police Force and the Maritime Safety Authority of Fiji (MSAF). Also on standby were the Fiji Navy and FPCL and Fiji Ports Terminal Ltd (FPTL) engineers.

It was established that all crew members were safely ashore and accounted for and that there was no positive 'up righting lever' to bring the ship to its upright position. Captain Gonewai gave the instructions to cut all mooring lines and to tow the Southern Phoenix away from the wharf to a safe, shallow area at South Anchorage, because of the ship's stability problems.

Unmanned vessel immobilised

The abandoned ship was cleared from the berth to prevent any damage to the Port infrastructure and also to keep the South Kings Wharf clear for use by cruise liners and tankers. It would also have been impossible to use a boom to contain any oil spill, if oil went underneath the wharf structure.

By 03:20am, tugboats had towed the sinking ship to its present location, in front of the Handicraft Centre. Divers from the Dive Centre assisted in the sealing off all fuel outlets and FPCL, together with MSAF, had the oil spill boom in place around the sunken ship. All floating debris and containers were salvaged and taken to the inner Princess Wharf.

While the emergency response was under way, from the centre of Kings Wharf the southern end was closed off, but the north end remained operational. By Sunday evening, the South Kings Wharf was cleared for normal operations.

Cooperative effort

The emergency and the cooperative effort by all stakeholders demonstrated the effectiveness of the FPCL Standard Operating Procedures with a quick response that ensured that the effects of the spill affecting the marine and foreshore environment surrounding it were minimised. FPCL, FPTL and MSAF continued to monitor the vessel with response teams on standby, should they be needed. FPCL issued the owners of the Southern Phoenix with the removal order.

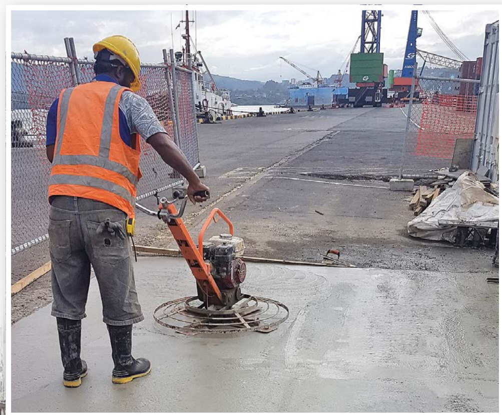
Technical Services

Linking the supply chain

As FPCL is a Landlord Port, the Technical Services Division is responsible for the management of the Company's significant property assets, leased back from Assets Fiji Limited, all FPCL engineering and for the development and maintenance of the Company's designated Ports. This technical support is essential to maintaining FPCL's essential role in the global supply chain.

Engineering Highlights

- Renovation begins of the Harbour Master Office in the Tower building on Kings Wharf, Port of Suva, expected to be completed by the end of February 2018.
- Relocation of the the Security Office to the newly re-furbished office at Shed 6, Kings Wharf, housing the Security staff, CCTV and the Safety Office, strategically positioned for easy daily access and during any emergency event. Members of the public may visit the office without having to first obtain a port access pass.
- The painting of the newly designated pedestrian walkway was completed inside the Suva Port premises.
- Installation of a standby generator for the building housing the Harbour Masters Office, to ensure that security and functionality are maintained during any emergency or extreme weather event that might interrupt the normal power supply.
- Work also began on replacing the steel drain covers at the Port of Suva. The completion of the project requires ongoing negotiations and discussions with associate company, FPTL to access the necessary space to proceed with these works, which will continue into the next financial year.
- Tenders were called for the removal of the now redundant 'Dynamite House', used in the past for the mooring, offloading and as the storage facility for dangerous goods. The tender was awarded to the successful applicant, but negotiations are continuing between the contractor and FPCL.
- The removal of dolphins from the Suva Harbour is undergoing negotiation between the contractor and the FPCL management.
- The beginning of the structural review of all FPCL assets, including the FPCL Headquarters at Mua-i-Walu House, Walu Bay, Suva, which will be completed in 2018.



- Replacement of the aging Mobile bunker pipelines, which run to their facility from the south berth towards Princess Wharf, was begun and will continue into 2018.
- A similar project to run a new Mobile bunker pipeline through the end of Princess Wharf is on hold until such time as the structural assessment report is completed by the consulting engineer.
- Project meetings were held to discuss the scope of works for the Total proposal to install twin 250mm diameter pipelines. Work is pending the finalisation of the Total assessment report to confirm that the works would not affect the structural integrity of the port facility.
- At the Port of Lautoka, FPCL is working with Erasito Consultants to upgrade Yard 3 to an asphalt paving finish and Yard 4 to a concrete finish. Instigated ramp widening and repair works are on a temporary hold until complications between the contractor and the consultant can be reconciled.
- At Lautoka Port, Shed 2 was successfully dismantled to increase container space by 2291.634square metres, in response to the growing demand for container space before export, especially to the United States of America,
- Lautoka local wharf deck rehabilitation work went to tender in 2017. It is expected that the tender will be awarded in 2018, with work to begin soon thereafter.

Infrastructure issues addressed

The assessments of the Kings Wharf in Suva, the Queens Wharf in Lautoka and the Mua-i-Walu local wharfs in Suva have revealed the need for infrastructure issues to be addressed.

It is intended that these be managed in the most cost-effective manner, whilst maintaining all necessary safety and security codes for all port users and FPCL employees to the highest international standards. It is proposed that a two-prong approach be brought to bear upon the necessary infrastructure upgrades.

The first phase of so-called short-term solutions will extend the viability of the wharves for the conservative estimate of a further five to ten years, while long-term solutions will provide for at least the next twenty-five years.

While the increasing number of cruise liners to visit our Ports encourages ideas of vessel-specific wharves, it should be remembered that for such an investment to provide reasonable rates of return, the berths would need to be maintained at full capacity, seven days a week, 52 weeks a year.

It has been suggested that a more realistic, efficient and cost effective solution would be to develop a multi-purpose berthing facility that would deliver a world-class arrival experience for the cruise vessel passenger that is combined with the unique features of Fiji, its cultural heritage and its environment. It would also supplement the berthing requirements of the cargo vessel shipping industry.

Communications have developed through our imports.

Dredging

FPCL has a Dredging Plan that operates on a three-year cycle as maintaining sufficient draft in the harbours of our Ports of Entry. With the recent closing of the only local supplier of dredging services, FPCL has been investigating local and overseas options in order to source the most cost-effective and efficient supplier to succeed them. Careful monitoring of the seabed levels in both harbours reveals that, to date, there is sufficient draft for the safe arrival and departure of the largest vessels that utilise our port facilities.

Property – Managing Our Assets

The Property Department is responsible for managing all issues related to FPCL's tenants, located across Fiji's three main Ports of Suva, Lautoka and Levuka, and ensures that cultural and environmental stewardship is exercised in a manner that contributes to the protection of Fiji's environment and heritage.

In the main, FPCL's tenants are comprised of fishing and engineering companies, shipping agents, fish processing companies, Fiji's only bitumen supplier, and for container storage. FPCL conducts regular audits to ensure that the Company's tenants are adhering to the Litter, Environment and Safety Decrees and Acts that are in place, as all FPCL tenants are obliged to comply with these Decrees and Acts.

Most FPCL tenancy agreements are for three to five years, creating an on-going process of tenancy renewals as they fall due. The renewal process has become more streamlined, but policy requires that an evaluation process takes place to ensure that all FCCC and Lands Department preconditions are met and that any necessary Stamp Duty has been paid. Due diligence is carried out on all prospective tenants before the signing of a lease agreement. However, in the unlikely event that it should become necessary, to do so, the Property Department assists the Finance Division in the collection of any overdue rent.

The traditional long-term leases at Rokobili were revised in 2015, from a maximum of 75 years to a maximum of 15 years. Options for renewal are dependent upon the type of operation being conducted by the tenant.

Revenue from Properties

The rental income from FPCL assets in 2017 over the three main Ports of Suva, Lautoka and Levuka totaled $911,631.94 from 65 tenancies.

Lautoka Port recorded a decrease in the rental income when compared with 2016. This is due to the relinquishment of the tenancy for Shed 3 by the tenant in May, which had a monthly rental of $7,253.53 VEP.

Shed 3 is situated within the Lautoka Port regulated area, hence it was not re-leased and is retained by FPCL for workshop and storage purposes.

Tenancy Variances for 2017

	SUVA	LAUTOKA	LEVUKA	TOTAL
New Tenancies	5	-	-	5
Renewals	6	-	1	7
Relinquish	6	1	-	7
Terminated	2	1	-	3

FPCL's Rental Income for 2017 and 2016

Port	No. of Tenancies 2017	Rental Income - 2017	Rental Income - 2016
Suva	49	$781,997.98	$726,881.57
Lautoka	12	$112,250.33	$160,830.63
Levuka	4	$17,383.64	$20,728.00
Total	**65**	**$911,631.94**	**$908,440.20**

Tenancy Income Comparison 2016 - 2017

	Kings Wharf	Muaiwalu 1 & 2	Lautoka Port	Levuka Port
2016	$206,931.96	$519,949.91	$160,830.63	$20,728.00
2017	$228,795.74	$553,202.24	$112,250.33	$17,383.63

International Forums - Forging Strong Relationships

The representation of FPCL at high-level symposiums and conferences within the international maritime sector is indicative of the Company's continuing and increased visibility on the global platform.

Conference Highlights

FPCL was represented by the Chief Executive Officer at the following:

- The 42nd Conference of the Pacific Maritime Transport Alliance, hosted by the Port of Auckland and themed 'Sustainability', reflecting the balance sought between economic health and environmental stewardship combined with their contribution to the communities they support, which followed immediately after the Workshop on Energy Management (See Page 35).
- The second Port Expert Workshop, held in Busan, South Korea, at the invitation of South Korea's Ministry of Oceans and Fisheries, where the CEO shared, with key stakeholders from Georgia, Vietnam, Ukraine and Pakistan, his experiences while formulating and implementing aspects of the Company's policy, development and management.
- The 30th International Association of Ports and Harbours (IAPH) World Ports Conference, 'Enabling Trade, Energising the World, 'which was hosted by Indonesia Ports Corporation, at the Bali Nusa Dua Convention Centre, Bali, Indonesia. Attended by more than 650 delegates, representing 50 countries, the main topics included Greenfield Port Projects and the Effect of Special Economic Zones on Ports' Growth; Hinterland Connectivity and Multimodal Logistics; The Evolution of Global Shipping and Shipping Routes; Maritime Transport Network and Port Innovation, and Collaboration Opportunities to Strengthen Cooperation and Sustainability among Ports.
- The IAPH AGM, held concurrently with the conference, voted to adopt two resolutions: the Resolution on "Contribution of Ports to the Mitigation of Climate Change and Its Effects" and the Resolution on "Planning Cyber Security Programme to Reduce Security Risks".
- FPCL CEO, Mr Vajira Piyasena, addressed the annual Fiji National University, Training & Productivity Authority of Fiji, (FNU, TPAF) Conference on Sustainable Organisational Excellence through Dynamic Leadership – the Modernisation of Fiji Ports, focusing on the benefits accrued by participating in the Fiji Business Excellence Awards (FBEA) process the previous year and the role that participation had played in his leadership of the ongoing programme to modernise FPCL and achieve sustained competiveness and relevance in a rapidly changing business environment.

Corporate Services
The human factor

Human Resources - Our People

Job Evaluation Exercise

As the last review for the FPCL pay band structure was done in 2006, the completion of the Job Evaluation Exercise in 2017 was a welcome milestone achievement for the Human Resources Department, as it ensured that all employees are paid on the Upper Quartile of 80% of the PricewaterhouseCoopers Market Fixed Remuneration.

Phase one, resulting from the Job Evaluation Exercise, was implemented in December 2017 when one hundred percent of the Support Staff received a pay increase that was backdated to 1st January of that year.

The FPCL Workforce

The total workforce employed by FPCL is 158, comprised of 87 contract staff and 71 support staff. The area of Port Operations employs the majority of personnel, with 48 contract staff and 47 support staff, followed by Technical Services, with a total of 29 personnel comprised of eight contract and 21 support staff.

The Corporate Services Department employs a total of 27 contract and two support staff members, while the Directorate and Executive Management account for four contract staff and one support staff member.

Employees by Contract

	Directorate & Executive Management	Port Operations	Technical Services	Corporate Services	Total
Contract Staff	4	48	8	27	87
Support Staff	1	7	21	2	71

There is still a disparity between the number of females (34) and males (124) employed by FPCL, which the company continuously strives to address. The majority of females employed by FPCL are engaged in administrative, secretarial, clerical or accounting positions, at the ports of Suva and Lautoka.

FPCL is confident that as attitudes change, more females will seek training and employment in traditionally male-dominated fields, as in the case of the trainee Engineer, who joined FPCL during the year.

ISO 1900:2015

The 2017 Financial Year saw the Human Resources Department initiate the first steps of the journey towards achieving the required standards as specified by ISO 900:2015 Quality Management Systems. FPCL is confident that the accreditation for ISO 9001:2015 Quality Management Systems will be achieved in the very near future.

Executive appointments

July 2017 saw the appointment of the new Chief Financial Officer, Mr Roshan Abeyesundere, a welcome addition to the FPCL Executive Management team.

Prior to his appointment, this position was filled in an Acting capacity by Mr Kirtan Lal, since the departure of Mr Shyman Reddy in mid-2016. FPCL wishes to thank Mr Lal for his competent handling of these responsibilities, additional to his already demanding role as Manager Finance, while the search for a suitable CFO was completed.

FPCL farewelled the incumbent Chief Operating Officer, Mr Eranda Kotelawa, at the close of 2016. In the interim, the position of (Acting) COO has been ably filled by Port of Suva Harbour Master, Captain Laisiasa Gonewai. During 2017, the position of Senior Port Facility Security Officer passed to Mr Neumi Radobui from Captain Jeke Vakarawara.

The management positions of Manager I.T., Port Engineer and Manager H.R. remain unfilled, following the departure during 2017 of Mr Akeef Khan, Mr Ronald Sue and Mr Jiovilisi Biukoto, respectively, to pursue further career opportunities or for reasons of ill-health. The Corporation appreciates the invaluable contributions made by each of these managers during their terms of employment with FPCL.

Succession Planning

The initiative begun in 2016 by the Harbour Master's Office to attract and retain suitably qualified piloting personnel bore fruit in 2017 with the engagement and training of three pilots, who subsequently passed their examinations and are performing piloting duties for the Port of Suva.

It is expected that in 2018 they will complete their training and qualifications to service the Ports of Lautoka and Malau, with a commensurate increase in FPCL's ability to capture piloting revenue.

The development of a robust Piloting Division has ensued from the timely review in 2016 of pilots' salaries and entitlements, with these being increased and improved in 2017. FPCL is perceived as an employer of choice, with applications for FPCL piloting positions increasing tenfold, and experienced senior pilots seeking employment with the company.

Staff Training – Building Our Capacity

In 2017 Fiji Ports Corporation Limited continued its commitment to the capacity building of all staff at all levels. Not only does FPCL provide job-specific training during the year, but the company also promotes opportunities for employees to undertake further studies or job-related courses at tertiary institutions. This scheme reimburses employees for fees paid, on the understanding that the beneficiaries will be bonded to work for the company for a specified period of time.

As outlined in the 2015-2017 Human Resource Department's strategic goals, remaining abreast with best world practices also continues to be a major objective for FPCL. Although there was a decrease in the investment in overseas training, FPCL employees still took advantage of the opportunity to undertake short-term attachments and training overseas.

Training highlights

- Two Pilots attended the Elements of Marine Pilotage course, in Singapore.
- Two Pilots attended the Elements of Marine Pilotage course, held in Malaysia.
- FPCL Risk and Compliance Analyst attended training in Singapore on Strategic Planning for Ports, with a positive outcome for the future direction and methodology for FPCL's long-term strategic planning.
- The Acting CFO and the Risk and Compliance Officer attended the Institute of Internal Auditors Fiji 2017 Annual Conference at Momi Bay.
- The Risk and Compliance section coordinated a training session for 13 staff members on good governance, facilitated by the Fiji Independent Commission against Corruption (FICAC).
- ISO 9001:2015 transition training conducted by an overseas consultant for 11 FPCL staff, as a follow-up to the awareness training held earlier in the year and the completion of the first internal audit and external gap analysis, and in preparation for the Stage Two Audit, to ensure that FPCL's systems and procedures are aligned to the ISO standard.
- OHS Training Sessions were conducted in support of FPCL working towards ISO Occupational Health and Safety Management systems certification standards, OHSAS 18001, which is compatible with ISO 9001:2008.

- Hot Works Safety Training attended by more than 15 FPCL staff, including security officers, wharf attendants and personnel from the Harbour Master's Office and the Engineering Department. Support staff members are included in training sessions that are essential to their better understanding of the risks associated with their working environment and the equipment they use, as their wellbeing and safety are fundamental to the overall productivity of FPCL.
- Chinese language instruction to assist the increasing number of Chinese-speaking customers requiring FPCL's services, with 14 FPCL employees graduated from a three-month, two-hours-a-week, Chinese language course conducted by the School of Confucius of the University of the South Pacific.

- Effective Management Skills training was conducted for Junior staff members as part of the FPCL succession planning, while ensuring the smooth running of departments in the absence of managers or supervisors.
- Annual Fire Warden training and drills conducted by the National Fire Authority and attended by 19 FPCL Suva-based employees, nine from Lautoka and 20 personnel from associate company, FPTL.
- First Aid training, with 21 FPCL First Aid Officers based in Suva and 12 from Lautoka trained with Fiji Red Cross for certification to the internationally – recognised New Zealand Red Cross standards.

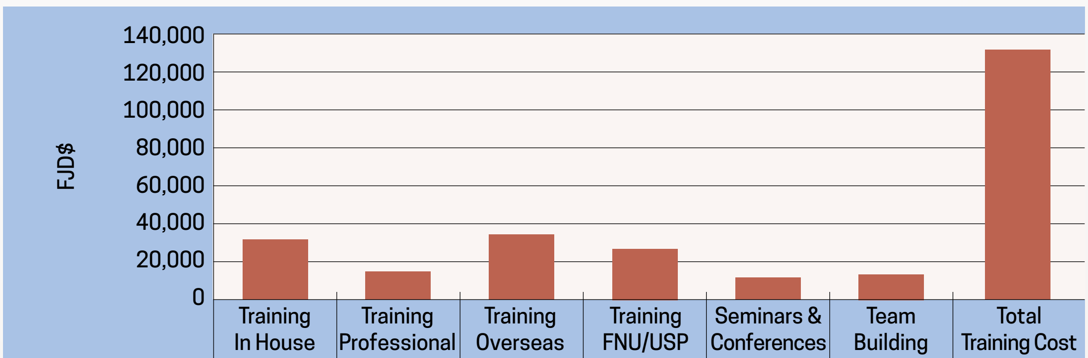
Training challenge

The main training challenge continues to be maximising the return on the levy paid to the Fiji National University. Our primary objective continues to be ensuring that FPCL provides the right training to meet the professional and vocational needs of our employees. Not only does this contribute to enhanced job-satisfaction for staff, it also provides the company with a well-educated workforce, suitably well versed in modern business practices and procedures. It is this skilled workforce that will continue to transform FPCL into the future.

This was clearly shown on the actual training expenses for 2017 was $132,383 compared to the $159,053 expended in 2016. There was a slight drop in the Training Investment due to the reduction in investment in Training Professional and Training Overseas.

2017 TRAINING IN BRIEF

FPCL Training Expenditure 2017



	Training In House	Training Professional	Training Overseas	Training FNU/USP	Seminars & Conferences	Team Building	Total Training Cost
Training Catagory	32,078.00	15,679.00	34,074.00	26,898.00	11,367.61	12,285.98	132,382.59

Company	Total no of Employees Attended Training
FPCL	157
FPTL	353
FSHIL	74

Staff Activities – Creating Team Spirit

Through a consultative process that takes place between Executive Management, the Customer and Public Relations Department and the Human Resources Department, an annual programme of activities is designed to foster a positive work environment while incorporating citizenship and supporting social responsibility within the wider community.

Such activities in 2017 included team-bonding exercises held at Kila Eco Adventure Park in Namosi, aimed at instilling in all participants the value and importance of working towards a common goal. FPCL staff based outside Suva joined staff from the capital city for the second consecutive year for these exercises.

World Maritime Day

FPCL and FSHIL management and employees joined their stakeholders in the maritime sector to focus on the annual Word Maritime Day celebrations, with the 2017 theme being, 'Connecting Ships, Ports and People'. This emphasised the diverse actors involved in the shipping and logistical areas, as well as the critical link between ports, shipping and people, as a platform for job opportunities, prosperity and a sustainable resource community.

Gala Night

The annual end-of-year Gala Night took place in November to celebrate the company's achievements and to thank the staff for their invaluable contribution.

FPCL Executive Management and staff, Board Members and invited guests, joined Chief Guest, Permanent Secretary for Industry and Trade and FPCL Board Chairman, Mr Shaheen Ali at Studio 6 to acknowledge the Company's strong commitment to excellence, leadership and innovation, in order to successfully address the challenges of 2017.

Safety, Health and the Environment – Keeping People Safe

The Safety, Health and Environment Department embarked on the development of a three-year strategic plan to achieve OHSAS 18001 compliance.

Safety Health and the Environment Highlights

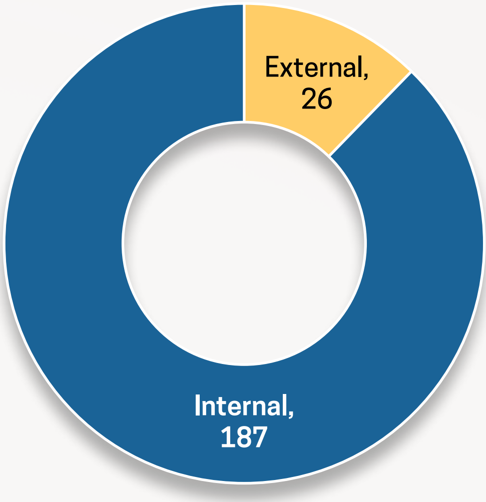
- Safety Management System Manual being developed to provide a systematic approach to effectively managing and supporting all health, safety and environment related matters; to provide guidance and support to staff and port users on issues such as reporting unsafe conditions, the communication protocol for reporting incidents, the development of safe work procedures. The manual is being developed in accordance with OHSAS 18001 requirements and the ultimate goal of the department is to have the manual gain international accreditation.

- New safety forms and documents implemented, such as:
  - o Revised Hot Work Permit form,
  - o a newly-developed Contractor Induction Checklist,
  - o Employee Induction Checklist,
  - o Hazard Report forms, and
  - o Risk Assessment forms.

These forms, along with the processes that apply to their application, make up the safety management system, and allow for a robust and effective Risk Management Programme.

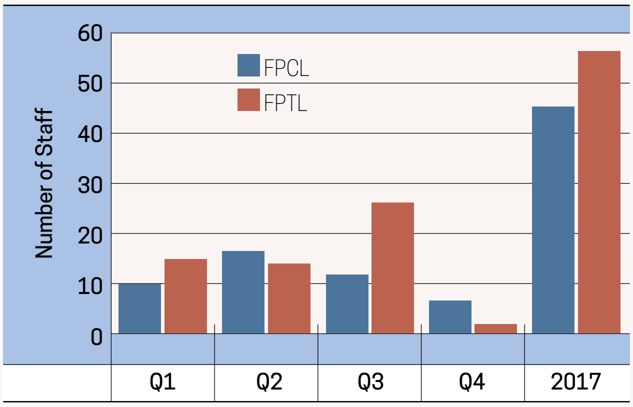
- OHS Committees in place at the Ports of Suva and Lautoka, the local wharf in Suva, including FPCL Headquarters in Muaiwalu House, with OHS Committee members undergoing safety trainings to assist them in accordance with the provisions of the Health and Safety at Work (HASWA) 1997, regulations regarding OHS Representatives and Committees.
- Awareness programmes on Mandatory Personal Protective Equipment (PPE) requirements conducted for employees, port users, contractors and visitors.
- A "No Flip Flop" Policy was implemented in September 2017 and now is being enforced by the MSG and FPTL Enforcement Squad. The stringent enforcement of compliance with these standards has seen a drastic decrease in offenses in relation to the PPE requirements.
- Safety training. In order to promote a safety-conscious environment, all new employees receive proper induction training sessions, a key element for a successful Health, Safety and Environment Performance, and paramount if FPCL is to achieve zero harm through developing a safety-conscious workforce. In 2017, the department embarked on conducting internal training on basic OHS Procedures, with a primary focus on hazard identification and hazard reporting processes.

Safety Training Participants Internal vs External



- Port User Licenses: Port User License (PUL) Safety Induction Training is mandatory for all PUL applicants and the Department ensures that all applicants attend training before receiving their licenses and that all stakeholders are aware of important issues regarding Port use.

FPCL/FPTL Staff Induction-2017



Customer and Public Relations – Talking to the Community

The Customer and Public Relations Department is the main gateway for the organisation that links FPCL with the outside public. It plays an important role for building on and maintaining a positive image of the Company that sustains and strengthens confidence in FPCL , both that of our customers and of the general public at large.

With the appointment of suitably qualifed and experienced personnel to the Public Relations Officer position towards the end of the year, strategies and alternative plans were quickly implemented, aimed at improving the effectiveness of work performance within the Department and to ensure the best possible reputation for FPCL.

Media and Communication Highlights

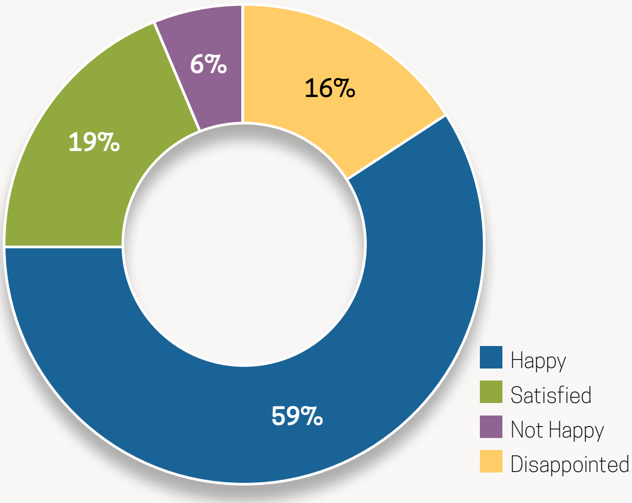
- An improved corporate image achieved by raising the Company's profile in the public arena.
- Continuously engaged with the media and responded in a timely fashion to their queries. Relationship with the local media further enhanced by providing updates, articles and photographs on a regular basis, with an emphasis upon supplying material for Shipping Pages.
- FPCL Website was completely revamped, with timely updates continuing to maintain the presence of the company with the stakeholders and general public.
- The quarterly newsletter, Port News, continues to be sent out to customers and relevant stakeholders and is also able to be downloaded from the corporate website. The newsletter is a useful vehicle, to update customers and stakeholders, and provides the staff of FPCL and FSHIL with recognition for their achievements and the important contribution they make to the economic life of the nation.

Customer Service

FPCL values its customers as the foundation to their business success. Employees are constantly reminded of the importance of not only fulfilling, but also exceeding customer expectations.

In a bid to measure customer satisfaction and to identify areas where our services could be improved, the Company invested in a Customer Feedback Machine that was installed in April at the headquarters in Suva. At the same time, customers were encouraged to fill in the customer feedback forms made available at the front desk.

Customer Feedback Machine results



While the total of 78% of 'happy' and 'satisfied' customers is commendable, there is obviously room for improvement, with 22% customers registered as being 'not happy' or 'disappointed' with their experience.

In order to clarify where and how our customer service could be improved, a customer survey was also carried out towards the end of the year, with forms distributed to all clients. Some customers received personal visits from the Department's personnel as a follow up to the survey and as part of FPCL's quest to continuously improve the services rendered.

The Department will continue to seek responses from customers for the unanswered survey questionnaires into the next financial year.

Social Obligation - Helping Those in Need

FPCL, although being a commercial oriented organisation, continues to be committed to its Corporate Citizenship values and supports worthy causes within the wider community, often in partnership with our subsidiary company, FSHIL. This is achieved through contributions and donations to vulnerable communities and organisations. For the first time, FPCL joined the nation in its fight against cancer and joined forces with its subsidiary company, FSHIL, to successfully stage the Pinktober Charity Drive to raise funds for the Fiji Cancer Society. With the support of a few of our clients and relevant stakeholders, a total of $6,783.35 was raised and handed over to the Cancer Society. Our efforts also include fundraising and the distribution of materials for cyclone relief, assistance to families who have lost homes through fire and supporting children's homes, such as Dilkusha and St Christopher's. A blood drive was also held at Mua-i-Walu House in December for the Colonial War Memorial Hospital Blood Bank, which also attracted volunteer blood donors from around the Mua-i-Walu area.

Finance Division

Charting a steady course

FPCL had a noteworthy financial year in 2017, achieving successful revenue results, with strong profits making possible the payment of a substantial dividend to its shareholders.

As part of the Department's ongoing modernisation and enhancement programme, the FPCL Finance Department completed its accounting system upgrade and went 'live' in February 2017. Initiated in September 2016, the upgrade of the accounting system from Dynamics Navision 2009 version to Dynamics Navision 2016 version was long overdue, if the Finance Department is to maintain a cutting - edge platform for its accounting system.

The Microsoft Dynamics Navision product has evolved since the implementation of version 2009, with three newer versions released sequentially; MS Dynamics Nav 2013, 2015 and Nav 2016, with all of these versions boasting richer and more intuitive functionalities. Migration through the two preceding versions was necessary before the installation of the Dynamic Navision 2016 system could take place. The upgrade has provided users with better functionalities and performance efficiency.

This Enterprise Resource Planning (ERP) software enables the strict control of processes and accounts, while being flexible enough to allow for customising the management of information, the workflow and the users' roles.

Finance Results and Group Commentary

The financial performance for the Fiji Ports Group 2017 reflects a consistent and resilient outcome. This year being a fourth full year operations after the 2013 partial divestment of shares and transfer of the control of, previously subsidiary, now associate company, FPTL, Group Net Profit After Tax (NPAT) of $26.35m represents a 0.3% increase from the 2016 reported NPAT of $26.26m. This is attributed to the increase in vessel numbers and cargo throughput.

The Group operating revenue showed an increase of 8% over 2016. This is largely due to the positive growth in volumes handled.

The share of profits from the associate company, FPTL increased by 9%, which is also attributed to increase in cargo throughput.

Total expenses have increased by 15% and is attributed to the increase in employee expenses and the increase in direct cost relating to core income.

The Balance Sheet remains strong, with a sound cash balance of $27million and zero external borrowings. The group holds $22million in term deposits and has recorded an impressive current liquidity ratio at 5.5.

Summary of Accounts

FPCL Accounts	Year 2017 (000's)	Year 2016 (000's)	Change in (000's)	Change in %
Consolidated Group Income	58,162	54,062	4,099	7.6%
Holding Group Income	57,605	55,222	2,384	4.3%
Group Profits	26,345	26,255	090	0.3%
Holding Company Profits	25,378	26,804	-1,426	-5.3%
Share of Profits in Associate	5,818	5,349	469	8.8%
Dividend paid in respect to prior year	16,082	5,071	11,012	217.2%
Group Shareholders Equity	118,414	108,151	10,263	9.5%
Group Total Liabilities	20,475	18,898	1,577	8.3%

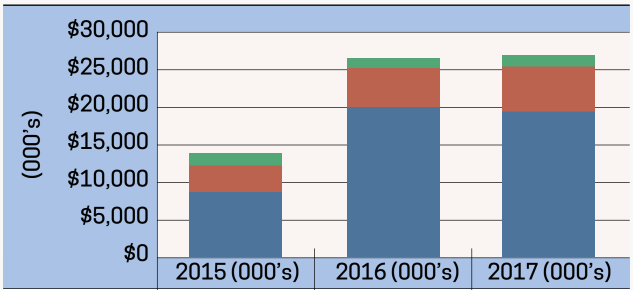
Consolidated income comparison 2017 against 2016

Group Income Category	2017 $(000's)	2016 $(000's)	% Change Over 2016
Marine Services	19,535	15,846	23%
Dockage	12,180	10,631	15%
Wharfage	12,650	12,282	3%
Other Service Income	5,999	5,674	6%
Ship Repair & Slipway Income	6,272	5,653	11%
Other Revenue	1,525	3,976	-62%
TOTAL OPERATING INCOME	**58,162**	**54,062**	**8%**

Consolidated expenses comparison 2017 against 2016

Group expense category	2017 $(000's)	2016 $(000's)	% Change Over 2016
Marine services charges	9,185	7,590	21%
Employee expenses	7,479	6,841	9%
Depreciation	6,691	6,873	-3%
Property expenses	2,191	2,452	-11%
Other operating expenses	7,341	4,832	52%
TOTAL EXPENSE	**32,886**	**28,586**	**15%**

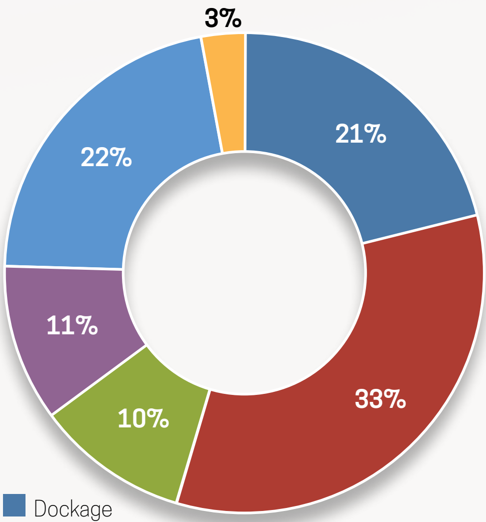
Group NPAT Contribution by Company



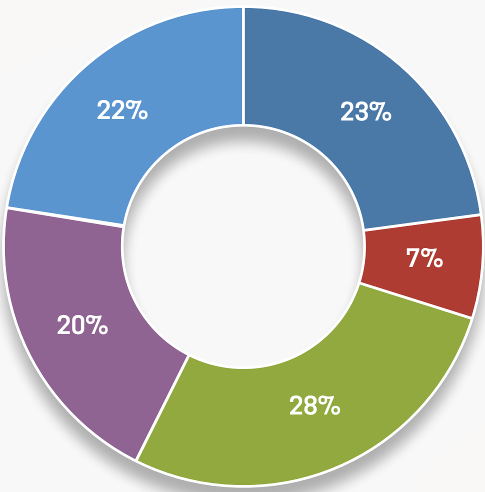
	2015 (000's)	2016 (000's)	2017 (000's)
FSHIL	$1,508	$1,024	$1,209
FPTL	$3,793	$5,349	$5,818
FPCL	$8,276	$19,883	$19,316

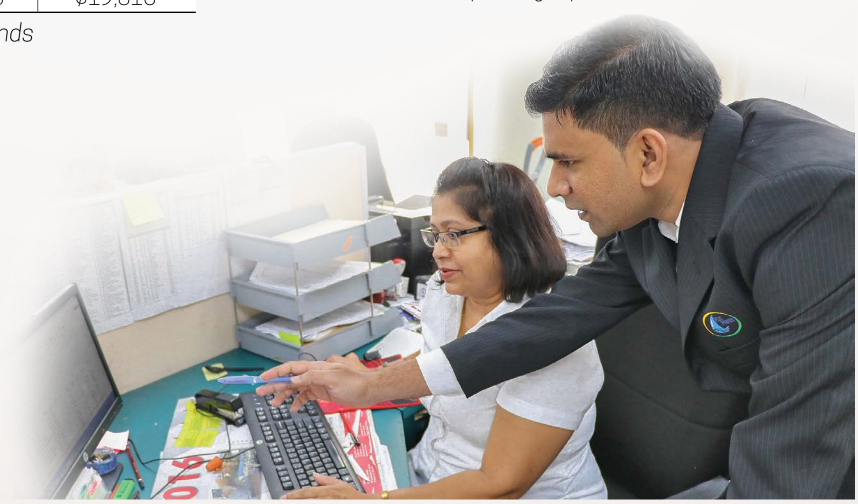
Notes: FPCL results are exclusive of dividends received from FSHIL and FPTL.

Composition of 2017 Income



Composition of 2017 Expenses





FPCL Group Profit & Loss summary for 2017 and 2016

Group Income Category	2017 (000's)	2016 (000's)	% Change from 2016
Operating Income	56,636	50,086	13.1%
Other Income	1,525	3,976	-61.6%
TOTAL INCOME	**58,162**	**54,062**	7.6%
Operating Expense	**-26,196**	**-21,714**	20.6%
EBITDA	**31,966**	**32,348**	-1.2%
Depreciation	**-6,691**	**-6,873**	-2.6%
EBIT (Loss)/ Profit	**25,275**	**25,476**	-0.8%
Net Interest	531	112	373.2%
Share of profit in associate	5,818	5,349	8.8%
Net Profit before Tax (NPBT)	**31,624**	**30,937**	2.2%
Income Tax	-5,279	-4,682	12.8%
NPAT	**26,345**	**26,255**	**0.3%**

Balance Sheet Extract (Consolidated 2017 - 2016)

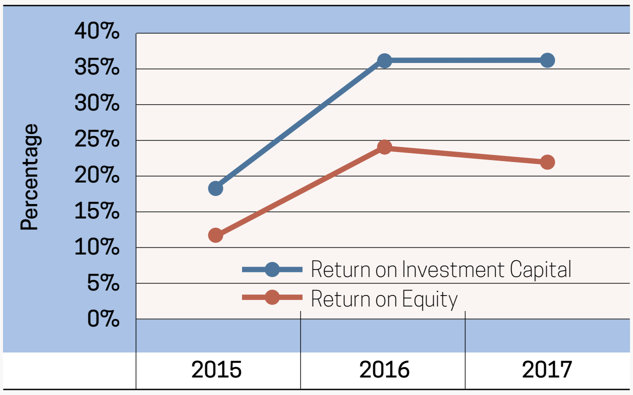
	2017 ($000's)	2016 ($000's)
Cash at Bank	27,464	23,953
Trade Receivables	3,873	3,665
Financial assets	22,000	10,000
Fixed Assets	62,974	67,890
Total Assets	138,890	127,049
Trade Creditors	7,080	6,562
Total Liabilities	20,475	18,898
Share Capital	73,155	73,155
Retained Earnings	45,260	34,997

Group Key Performance Indicators

The strong financial results are reflected in the KPIs with the Group reporting an impressive Return of Invested Capital of 36.07% and current liquidity at 5.5.

	2017	2016
EBIT/Total Income	43.46%	47.12%
Return on Invested Capital	36.01%	35.89%
Return on Equity	22.25%	24.28%
Current Liquidity Ratio	5.50	4.75

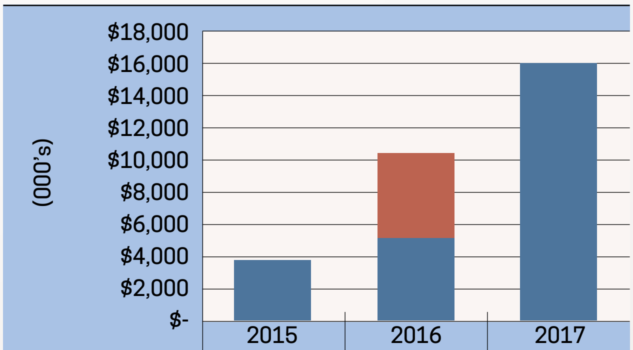
FPCL Group ROE and RIC



2017 Dividend Payout

In 2017, the total dividend paid by FPCL in respect of the prior year (2016) amounted to $16,082,198, which is a record dividend from operating profits and represents a 217% increase from the prior year.

FPCL Dividends 2015 - 2017



	2015	2016	2017
Special Dividend	-	$5,458	-
Ordinary Dividend	$3,719	$5,071	$16,082

FPCL - 2017 Profit and Loss Summary

The reported NPAT marginally declined by 5%, which is mainly attributed to the one-off gain from the asset sale recorded in 2016. In additional, there was a hike in expenses in 2017.

Core operating income indicated an increase of 13% when compared to the 2016 core operating income. This is mainly attributed to:

- Marine service income remained strong and increased by 23%. This is mainly due to the increase in numbers of overseas vessels with bigger GRT (Gross Registered Tonnage) visiting the ports in 2017.
- Dockage revenue increased by 15% due to port efficiency. Moreover, the increase in this revenue stream is linked to the increase in number of overseas vessels with bigger GRT visiting the ports in 2017.
- Tug expenses – the increase in tug expenses is directly linked to the corresponding tug revenue. This has resulted due to the increase in the number of overseas vessels visiting the ports in 2017.
- Employee benefit expenses – Job evaluation salary increment provision was booked in the accounts, as there is an expectation of an increase in staff base salary, based on the Job Evaluation Exercise performed by PWC. The increase in staff base salary would have an impact on other staff benefits dependent on salary, such as bonus, FNPF Employer Contribution, Annual Leave, Sick Leave and Long Service Leave. The Job Evaluation implementation is expected to be completed by 2018, however it will be backdated to 2017.

The Balance Sheet remains strong, with a healthy cash balance of $24m and a strong current liquidity of 5.3.

- In addition, organic growth in volumes in other income streams also boosted the increase in income for 2017.
- Other income declined by 33% when compared to 2016. This is mainly attributed to one-off gain from asset sale recorded in 2016.

Expenses Increased by 15%, which is mainly attributed to:

- Crane Repairs & Maintenance -Major crane repairs on shore crane "Mika" and "Roba" were undertaken in 2017.

Fiji Ships & Heavy Industries

Fiji Ships & Heavy Industries Limited (FSHIL), a subsidiary of Fiji Ports Corporation Limited, has recorded a profit of $1.2m for the 2017 financial year. The operating income exhibited an increase by $619k, or 11%, largely due to the increase in the value of project-based works. In 2016, an income of $1.3million was generated from project works, whereas $1.8m was generated in 2017.

With the first-time arrival in Fiji for repairs of the Kiribati Government vessel, LC Linnix, income of $150k was generated. There were also increases in heavy industries income, particularly work sourced from FPCL for the fabrication of mooring buoy sinkers, tower lights and repairs of shore cranes. Other income increased by 215% when compared to 2016.

There were increases in rental income by 221% compared with 2016. Also, there was a one-off reversal of doubtful debts provision relating to customer Western Shipping, whereby the court ruling was in favour of FSHIL. Hence the provision was realised as other income.

Expenses increased by $596, or 13% over 2016, which is mainly attributed to a higher income turnover from project-based works. Income and production costs are co-related. An increase in income leads to an increase in production costs.

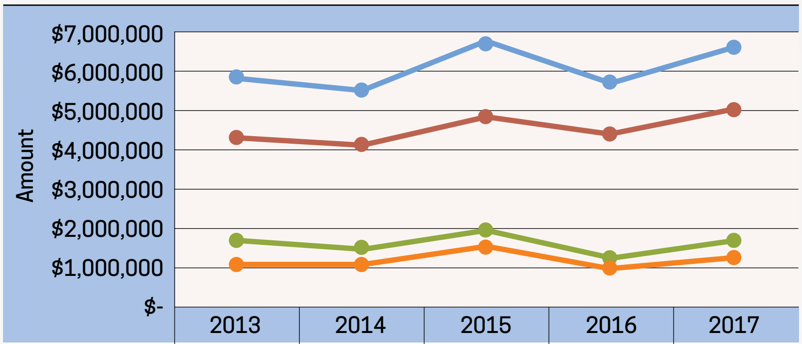
There were also increases in Repair and Maintenance expenses for water blasting and painting machines and the Repair and Maintenance for the 200T and 500T slipways.

NPAT has increased by $185k, or 18%, over 2016. This increase is due to more revenue generation from project-based works and heavy industries work. The FSHIL Balance sheet remained strong, with a healthy cash balance of $3.3m, term deposit of $1milllion and a low gearing of 0.12.

Risk Management Policy

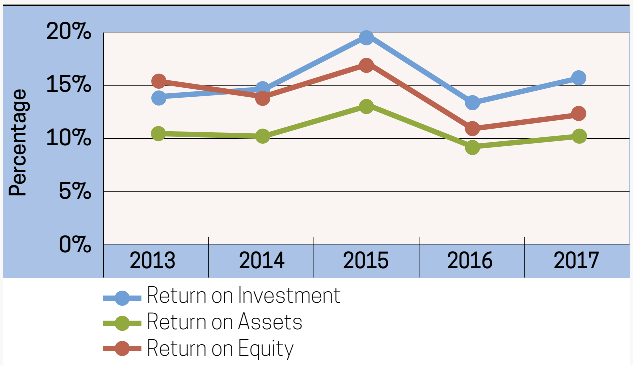
The Risk Management Policy describes FPCL's risk management principles and expectations applicable to all types of risk in all activities undertaken by or on behalf of the Company. This provides the mandate for implementing a standardised ERM framework

Income Statement Comparison for last 5 years



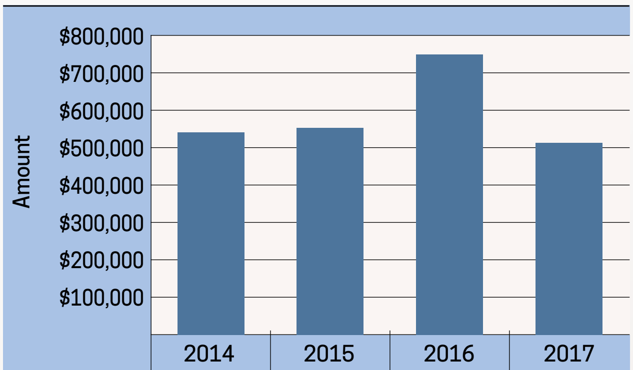
	2013	2014	2015	2016	2017
Total Income	$5,863,569	$5,564,456	$6,750,549	$5,747,171	$6,650,679
Total Expenses	$4,335,576	$4,121,124	$4,848,249	$4,451,638	$5,061,647
EBIT	$1,527,523	$1,446,639	$1,902,300	$1,295,533	$1,589,032
NPAT	$1,089,583	$1,106,354	$1,508,256	$1,023,559	$1,208,706

Financial Rations for last 5 years



	2013	2014	2015	2016	2017
Return on Investment	14%	15%	20%	13%	16%
Return on Assets	11%	10%	13%	9%	10%
Return on Equity	15%	14%	17%	11%	12%

Dividend Paid - last 4 years



	2014	2015	2016	2017
Dividend	$544,792	$555,876	$754,128	$511,780

throughout FPCL and its subsidiary company Fiji Ships & Heavy Industries Limited. It also outlines roles and responsibilities for the Board, Executive Management and staff, who are critical for the risk management framework to work effectively.

Risk Management Framework

Through the Company's risk management framework and control systems, the Management aims to provide reasonable assurance that strategic and business objectives can be achieved. The Management reviews the risk management framework and the company's main risks on a regular basis. Therefore, for those risks deemed to be material, comprehensive mitigating action plans are developed and reviewed on a quarterly basis to ensure that these are sufficient.

Risk Management - Standard Operating Procedure

With this in mind, the Standing Operating Procedure (SOP) was developed to set out FPCL's approach to risk and the management of risk, in fulfillment of its overall objectives.

The overall aim of the SOP is to:

- Ensure commitment to risk management at all levels of FPCL;
- Ensure every effort is made by staff to manage risk appropriately and
- Develop an organisational culture of managing risk.

Compliance

As part of the compliance function, the Company has carried out Departmental reviews, with the participation of key stakeholders, to review areas of non-compliance. The outcome related to each review was documented in the form of action plans. This saw the items identified being assigned to the respective Divisions with an appropriate timeline for implementation. In a similar manner, regular compliance checks and investigations were also carried out in order to achieve continual improvement, with a view to strengthening internal control mechanisms within the organisation. Investigations related to non-compliance and breach of Company policies and procedures were reported to the Executive Management and also to the Finance Audit & Risk Management Sub Committee.

The Company further explored opportunities to develop a comprehensive Business Continuity and Recovery Plan in order to cope with the effects of an emergency or crisis such as cyclone, earthquakes, floods, fire, power interruptions etc. Moreover, this was included as part of 2016-2018 Strategic Goals, which would ensure business continuity, disaster recovery, risk management, crisis/emergency management, all feeding into over-arching organisational resilience strategies. As a result, wider conversations were held with key stakeholders and Insurance Brokers where this initiative is being explored with them.

Legal

On a regular basis, Management has presented to the Board and the Finance, Audit & Risk Management Sub-Committee on specific updates related to each case, including pending or potential litigation and exposures that could pose significant risks to FPCL and FSHIL. In view of this, Management presents these updates to ensure that the Finance, Audit & Risk Management Sub-Committee remains fully informed of litigation and other legal issues.

In order to deal with some of the litigation issues, Management continuously involved relevant Department Heads to identify and monitor issues such as allegations of errors, omissions, violations of law, damages, inappropriate employment practices, or cases of personal injury to its staff and other port users. This is to ensure that Department Heads are also aware of risks associated with litigation and other legal matters, so that they have the required capacity to assess the effect in a consistent and inclusive manner to manage potential exposures. This has resulted in some of the emerging cases being concluded rather than being subject to prolonged court cases, which also saves the costs of defending or proceeding legal actions.

While Management had appropriately dealt with some of these issues, there are cases that are more structurally complex, involve higher-risk counterparties, or are sensitive in nature and that need to be settled through lawsuits. Management has determined that FPCL does not have the required expertise to deal with these issues and as such has engaged reputable law firms to examine material exposures and associated liabilities and their impact on the organisation.

Strategic Planning - Looking to the Future

In the year under review, the Annual Strategic Planning Workshop was deferred, with expressions of interest being called in June for the development of a three-to-five year Strategic Plan by a specialist consultant that would take both FPCL and FSHIL into the future, while maintaining the integrity of the FPCL Vision, Mission and Values.

The preferred consultancy, Cardno Limited, has been engaged. Based in Australia, Cardno Limited is a world leader in a wide range of services, including strategic planning and infrastructure development, which are pertinent to the development of the FPCL and FSHIL Strategic Plan.

All necessary documentation has been provided to the consultants for the provision of the draft plan early in 2018, at which stage the contributions of FPCL's Stakeholders, Board, Management, staff and customers will be sought before the final plan is presented.

In order that it is translated into action, it is expected that the final Strategic Plan would incorporate a comprehensive delineation of objectives to be achieved, cascaded down and reflected in the KPIs of Management, Division Heads and staff members.

Information and Communications Technology - Staying in Touch

The Department of Information Communications Technology (ICT) provides technology guidance for FPCL, including governance, architecture, resources, and expertise in deploying modern information technologies to improve productivity. FPCL continues to provide Level 3 IT support and application hosting services to associate company Fiji Ports Terminal Limited, post share divestment.

On a daily basis, the ICT department supports over 105 personal computers, 26 laptops, 140 users, 16 servers, six application software, 110 phone extensions and 66 mobile phone users, over four interconnected offices and one remote office.

The areas where the ICT Department was able to reduce costs while still implementing the most appropriate and efficient technological platform included: server virtualisation; doubling the network bandwidth; contract renegotiation with better terms to benefit FPCL and seeking and sourcing lower cost technologies that do not compromise security and reliability.

2017 ICT highlights

- With FPCL taking the initiative to develop a new website, web developers, Star Solutions, were engaged by the Company to complete this project .
- The IPVPN link Service contract was renewed with Vodafone to provide voice and data service for the next two years.
- Doubling of the Bandwidth enables users to run multiple applications simultaneously.
- Virtualisation of the Lautoka Server. The old server was rebuilt and upgraded with high specifications.
- Structured cabling works were carried out at the FPCL Headquarters, with all old cables being replaced with new CAT 6a.
- Implementation of internal Fibre Cabling for the Engineering Shed at the Port of Suva Kings Wharf.
- New Time and Attendance machines were installed at Mua-i-walu House and the FPCL Engineering Department.
- All meeting rooms on each of the five floors in Mua-i-walu House were equipped with projectors and projector screens.
- Implementation of a cost-saving Copier Lease for the offices in Suva and Lautoka.
- Installation of IP phones at Kings Wharf, for the enhancement of local office communications.
- Installation of Digi-certificate of SharePoint and ESS Servers, to securely protect our web pages online.
- A redundant SonicWall Firewall was deployed in order to bring more resiliency to the current firewall gateway configuration.
- All desktop machines and networking devices on the individual floors at Mua-i-walu house were equipped with UPS to cater for any system outage during power cuts.
- An automated ticketing IT service desk software was refined in order to efficiently track and resolve user issues.
- All FPCL desktop computers and servers were installed with the new version of ESET antivirus software, creating even more robust Perimeter network security for FPCL.
- The Telephone Communication Service contract was awarded to Telecom Fiji to provide voice service for the next one year.
- The Department replaced various items of outdated equipment such as laptops, desktop computers, printers, digital cameras and projectors.

Fiji Ships & Heavy Industries

Connecting the region

With a history spanning more than 50 years, FSHIL has built a solid foundation as one of the region's leading ship repair companies, through exceeding customers' expectations and maintaining the prerequisite performance levels to match.

FSHIL's client base incudes our Pacific Island neighbours such as the Solomon Islands, Tonga, Tuvalu, Nauru, Kiribati, Marshall Islands and Kiribati, as well as Fiji-based and owned vessels. It has also included some American-registered fishing vessels.

With its Company vision to be the regional leader in providing world-class slipway and ship repair services, FSHIL is proud of its reputation for excellence of service delivery within the regional maritime sector. Its reputation is such that the owners of international specialty craft have sought the services of FSHIL's skilled crafts people over the years.

Financial performance

FSHIL finished the 2017 Financial Year with a strong Balance Sheet showing a healthy cash balance of $3.3million, a term deposit of $1million and a low gearing of 0.12.

The recorded profit of $1.2million for the year under review is a reflection of the increase in operating income by 11% or $619k over the 2016 Financial Year. This is in large part attributable to the increase in value of the project-based works generating $1.8million in 2017, compared with $1.3million in 2016.

Project works income was generated by the following:

- Marshall Islands - Lady E
- Fiji Government – GSS vessels
- Tuvalu Government – Talamoana
- Vanuatu Government - Roimata II
- Local barges – Spirit of Denarau and Subritsky

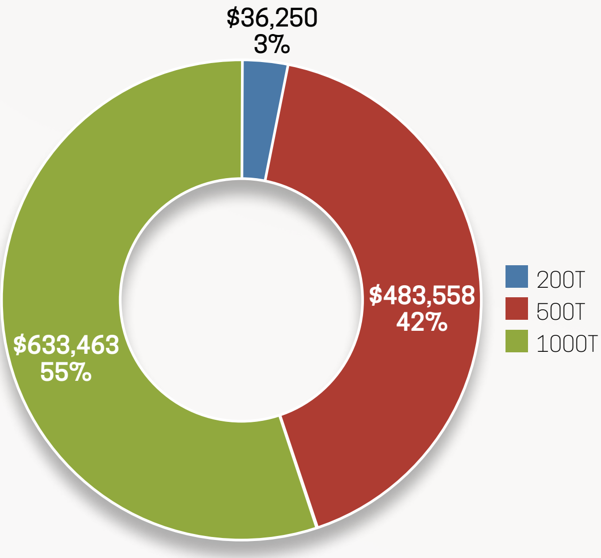
As income and production costs are co-related, there was a corresponding increase in expenses by $596k, or 13%, over 2016.

Repair and Maintenance expenditure also increased, for expenses incurred by the upkeep of the 200T and 500T slipways and for the maintenance of the water blasting and painting machines.

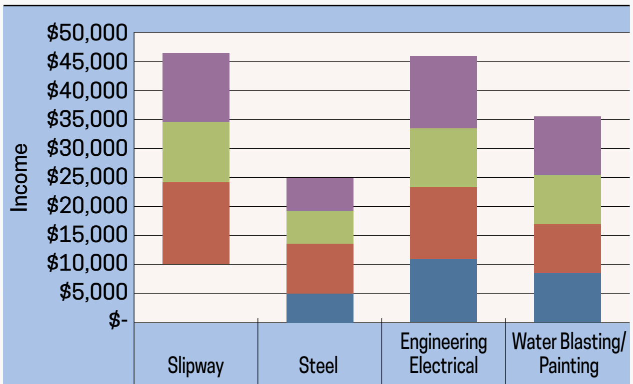
Heavy Industries also recorded an increase in revenue, in particular with income generated by work contracted by FPCL that included repair of the shore cranes, and the fabrication of mooring buoy sinkers and tower lights.

Slippage Income	2017
200T	$36,250
500T	$483,558
1000T	$633,463

Slipway Income Composition - 2017

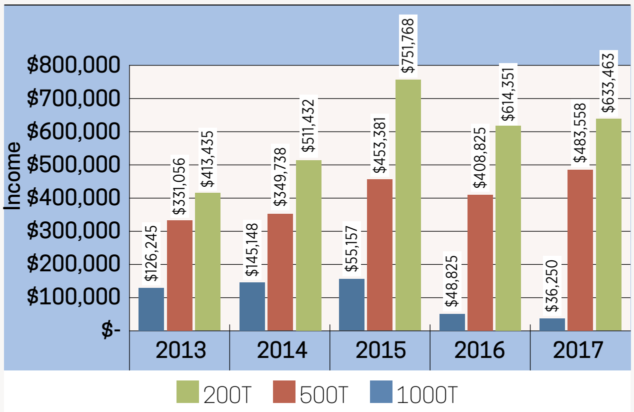


Income per Vessel per Income Category

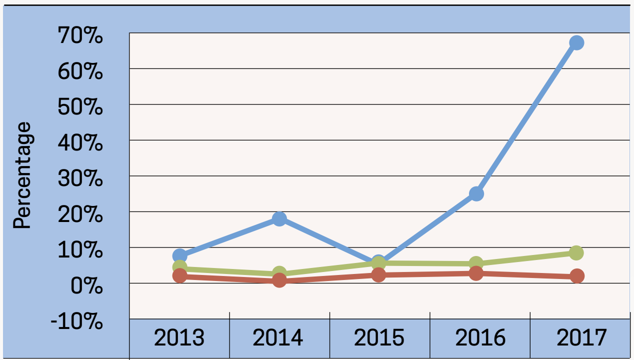


	Slipway	Steel	Engineering Electrical	Water Blasting/ Painting
2017	$12,615	$6,098	$13,405	$11,190
2016	$11,035	$6,625	$10,770	$9,223
2015	$14,990	$9,720	$13,172	$9,164
2014	$11,110	$5,164	$11,677	$9,381

Slippage Income



Ratio of Slipway Repairs & Maintenance to Slippage Income



	2013	2014	2015	2016	2017
200T	8%	18%	5%	25%	67%
500T	2%	1%	2%	3%	2%
1000T	4%	3%	5%	5%	8%

Ratio of Slipway Repairs & Maintenance to Slippage Income

	2013	2014	2015	2016	2017
200T	8%	18%	5%	25%	67%
500T	2%	1%	2%	3%	2%
1000T	4%	3%	5%	5%	8%

Slippage Income

	2013	2014	2015	2016	2017
200T	$126,245	$145,148	$155,157	$48,825	$36,250
500T	$331,056	$349,738	$453,381	$408,825	$483,558
1000T	$413,435	$511,432	$751,768	$614,351	$633,463

Strategic Goals

FSHIL's strategic goals are:

- To build on strategic partnerships to improve upon quality and responsiveness;
- To modernise infrastructure, and
- To maximise shareholder returns, while meeting our major shareholder's expectations and supporting our mission to *'Develop, maintain and improve key ship repair facilities to enhance economic growth and prosperity of Fiji.'*

Slipways

As the core function of FSHIL is the slipping of marine vessels and the carrying out of ship repairs and maintenance, and heavy industrial and engineering works, our facilities include three dry docks

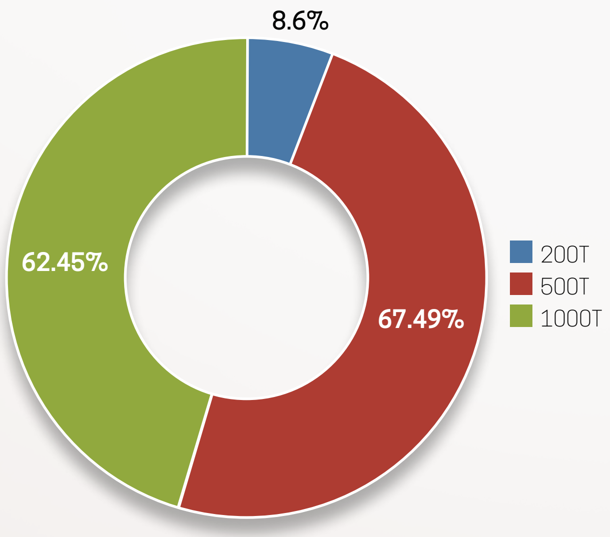
These are:

- 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).

Slipway Usage (Vessel No.s)

200T	8
500T	67
1000T	62

Slipway Usage 2017 (Vessel No.s)



Departments

Heavy Industries

FSHIL undertakes steel, engineering, electrical, timber and technical works. We have the capacity for steel fabrication up to 300tonnes, making it possible for FSHIL to design multi-purpose, roll-on, roll-off vessels, specifically for inter-island trade and transport. The design includes a bulbous bow, in response to the need for vessels to be able to navigate through the often-narrow passageways found in the coral reefs encircling many of the Pacific Islands.

Steel

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

Engineering

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

Electrical

This 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

Timber 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

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

Slipways

Dry Docking

Production

Projects and Quality Control

Painting

Painting and Water Blasting

Estimating

Estimating and Planning

Stores
Purchasing, Inventory Control and Transport

Finance
Accounts and Financial Management

Administration
Human Resources, Central Registry, Property and Security

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, and
- Gangway hire.

FSHIL Highlights

Fibreglass boat manufacture:

- Two sizes of fibreglass boat 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 capsizing, and come equipped with a Safety of Life at Sea compliant kit of oars and rowlocks, flares, life jackets and a first aid kit.
- Each boat must also pass 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.

ISO accreditation

- FSHIL achieved accreditation as an ISO 9001:2008 company, mid 2016. During 2017, FSHIL actively engaged in the rigorous processes required to upgrade this certification to ISO 9001-2015, requiring the full commitment and participation by all members of the FSHIL team, from Senior Management to the shop floor.

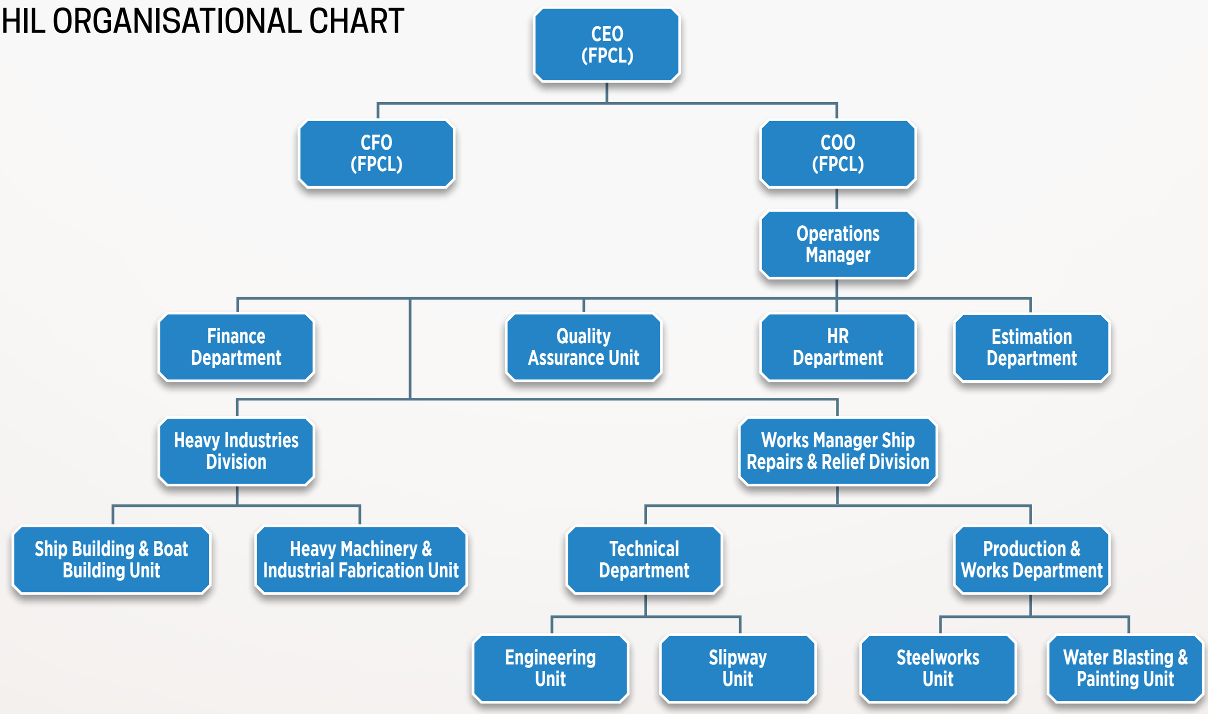
Rebranding

- The FSHIL management, with the support of the FPCL Executive Management team, recognised that, it was an appropriate time to rebrand the Company.
- A new logo was designed to reflect the efficiency of FSHIL within a seagoing environment.
- New marketing materials and a company profile were produced that reflect this fresh impetus.

FSHIL Human Resources - Our people

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.

FSHIL ORGANISATIONAL CHART



Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER, 2017

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2017

In accordance with a resolution of the Board, the Directors present their report on the consolidated entity consisting of Fiji Ports Corporation Limited ("the Holding Company") and its subsidiary (collectively "the Group") as at 31 December 2017. Financial comparisons used in this report are of results for the year ended 31 December 2017 compared with the year ended 31 December 2016.

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 Holding Company and the Group, and whether the Holding Company and the Group are a going concern.

Principal activity

The principal activity of the Holding 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 $26,345,307 (2016: $26,254,954) after providing for income tax expense of $5,278,875 (2016: $4,681,705). The operating profit for the Holding Company for the year was $25,377,509 (2016: $26,803,663) after providing for income tax expense of $4,949,859 (2016: $4,414,199).

Our values

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 organization. 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 recognized 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

Our strategy is focused on driving shareholder value through sustaining profitability whilst enhancing longer-term operational capabilities. It has 14 key strategic objectives as stated below:

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2017

Our strategy *continued*

- Oversee and drive support for the 15 year Fiji Ports Development Plan;
- Develop and maintain relationships with government officials, especially those involved in transportation, environmental, security policy and funding decisions;
- Ensure adequate insurance coverage on all key strategic FPCL resources, including personnel and operating risks;
- Identify investment options including development of properties, other projects through joint ventures, PPP's etc;
- Prioritize projects that diversify FPCL's income and support base;
- Implement a Clean Air Action Plan and promote FPCL's 'Green' policies to stakeholders and tenants;
- Develop plan for the removal of all derelict vessels in the port boundary;
- Develop Port Emergency Operations Contingency Plan;
- Improve the capability of Ports to prevent or detect an event, to respond to an incident, mitigate its effects on both the Port and the community, and resume critical operations;
- Develop a Port Security Management System aligned with standards;
- Develop marketing collateral and maintain an on-line presence to promote FPCL's business development activities;
- Increase company's reputation within the maritime industry through participation in trade fairs and exhibitions in coordination with the Ministry of Trade, Trade Pasifika Exhibitions, workshops, conferences, and functions for stakeholders;
- Drive Productivity through Innovation and Training; and
- Ensure Fiji Port's properties and facilities meet current and future operational needs, and ensure FPCL infrastructure and capabilities are measureable and aligned with the highest business excellence standards.

Our priorities this year

In financial year 2017, we have been working to deliver against 13 key priorities identified within our strategy, as listed below:

- Job Evaluation Exercise (JEE) Implementation;
- Engineering the condition assessment and review options for rehabilitation of its Suva wharves;
- Upgrade of shed 6 (security office and health and safety office upgrade);
- General upgrade of Wharf structures for Suva and Lautoka port;
- Partial dismantling of Shed 2 in Lautoka Port to facilitate increase in capacity utilization of associated company, Fiji Ports Terminal Limited;
- Executed Lautoka ramp repair and widening of ramp project;
- Upgrade of staff quarters and toilet block in Levuka due to damage by TC Winston;
- Renovation of Suva Harbour Masters Office;
- Carried out Muaiwalu House Structural Assessment;
- Conducted Muaiwalu 1 Immediate Priority Repairs;
- Conducted Energy Audit & Management Project;
- Continuous strengthening Piloting Internal Resourcing; and
- Recruitment for unfilled position.

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2017

Key statistics

	Group	Company
Number of employees	256	161
Dividend per share	$ 0.22	$ 0.22
Total Income	$ 58,161,511	$ 57,605,406
Net Assets	$ 118,414,462	$ 112,455,915

The future

Major future strategies of the Group are:

- Local wharf maintenance project activation and implementation Board endorsed option; - Lautoka Yard 3 and 4 development program;
- Walu-Bay Berth dredging and Dolphin removals project activation;
- Design and implement Maintenance Programme on FPCL assets specifically structural;
- Implement a Clean Air Action Plan and promote FPCL's 'Green' policies to stakeholders; - Procure and install new Incinerator at Kings Wharf;
- Perform Covers Replacement for Kings Wharf Drainage; and
- Centralization of procurement functions
- Corporate Integrity pledge

Dividends

On 2nd May 2017, the Directors resolved to pay a Dividend of twenty-two cents per share ($0.22) for the 2017 financial year.

Dividends paid out during the year were as follows:

Dividend	Date resolved	Date paid	Dividend per share	Total dividends
Final Dividend	02/05/2017	16/08/2017	$ 0.22	$ 16,082,198

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Holding Company and the Group during the year ended 31 December 2017.

Events occurring after the end of the financial year

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year, that, in their opinion, has significantly affected, or may significantly affect in the future years, the Holding Company's and the Group's operations and the expected results of those operations or the state of the Holding Company's and the Group's affairs.

Details of Directors and executives

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

- Tupou Baravilala (Director) was appointed on 28th April 2017
- Sanjay Kaba (Director) was appointed on 23rd January 2017
- Iqram Cuttilan was appointed on 1st July 2017
- Tom Ricketts (Director) served till 22nd January 2017
- Makereta Konrote (Director) served till 27th April 2017
- Parakrama Dissanayake (Director) served till 30th June 2017

None of the directors had shareholding in the company as at 31 December 2017.

Directors' Report *continued*

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017, 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			2	2		
Mr Vilash Chand	3	3	2	2	2	2	2	2
Ms Tupou Baravilala	2	2						
Mr Tevita Kuruvakadua	3	1	2	1				
Mr Sashi Singh	3	3			2	2	2	2
Mr Sanjay Kaba	3	3					2	2
Mr Joseph Brito	3	2						
Mr Iqram Cuttilan	2	2			2	2	2	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 Limited on page 65.

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

Dated this 25th day of May 2018.

Director

Director 25/5/18

Directors' Declaration

FOR THE YEAR ENDED 31 DECEMBER 2017

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

The Directors of Fiji Ports Corporation Limited ("the Holding 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 Holding Company and the Group for the financial year ended 31 December 2017:

   i) give a true and fair view of the financial position of the Holding Company and the Group as at 31 December 2017 and of the performance of the Holding Company and the Group for the year ended 31 December 2017.

   ii) have been made out in accordance with the Holding 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 Holding 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 25th day of May 2018.

Director	Director 25/5/18

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

As lead auditor for the audit of Fiji Ports Corporation Limited ("the Holding Company") and its subsidiary (collectively "the Group") for the financial year ended 31 December 2017, 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
Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

25 May 2018

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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 Holding Company') and its subsidiary (collectively 'the Group'), which comprise the statement of financial position as at 31 December 2017, the statement of 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 Holding Company and the Group as at 31 December 2017, 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 Holding 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.

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 Holding 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 Holding 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 Holding Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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Independent Auditor's Report *continued*

Auditor's Responsibilities for the Audit of the Financial Statements *continued*

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 Holding 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 Holding 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 Holding Company and the Group to cease to continue as a going concerns; 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.

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Independent Auditor's Report *continued*

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2015, in our opinion:

a. proper books of account have been kept by the Holding Company and the Group, so far as it appears from our examination of those books,

b. the accompanying consolidated financial statements:

   i. are in agreement with the books of account; and

   ii. to the best of our information and according to the explanations given to us, give the information required by the Companies Act 2015 in the manner so required.

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

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

25 May 2018

A member firm of Ernst & Young Global Limited

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Group		Company	
		2017	2016 *	2017	2016 *
		$	$	$	$
Operating revenue	2(a)	56,636,254	50,086,128	50,364,086	44,433,436
Other revenue	2(b)	1,525,257	3,975,960	7,241,320	10,788,249
Total income		**58,161,511**	**54,062,088**	**57,605,406**	**55,221,685**
Depreciation		(6,690,570)	(6,872,553)	(6,081,142)	(6,228,411)
Employee benefits expense	3(a)	(7,478,817)	(6,841,190)	(5,271,693)	(4,824,885)
Property expenses	3(b)	(2,191,418)	(2,451,517)	(2,191,418)	(2,451,517)
Marine service charges	3(c)	(9,184,981)	(7,589,556)	(9,184,981)	(7,589,556)
Operating expenses	3(d)	(7,340,562)	(4,831,536)	(5,095,466)	(3,026,155)
Total expenses		**(32,886,348)**	**(28,586,352)**	**(27,824,700)**	**(24,120,524)**
Profit from operations		**25,275,163**	**25,475,736**	**29,780,706**	**31,101,161**
Finance income	3(e)	531,129	324,501	546,662	328,969
Finance costs	3(f)	-	(212,268)	-	(212,268)
Share of profit in associate	18	5,817,890	5,348,690	-	-
Profit before income tax		**31,624,182**	**30,936,659**	**30,327,368**	**31,217,862**
Income tax expense	4	(5,278,875)	(4,681,705)	(4,949,859)	(4,414,199)
Net profit for the year		**26,345,307**	**26,254,954**	**25,377,509**	**26,803,663**
Total comprehensive income for the year, net of tax		**26,345,307**	**26,254,954**	**25,377,509**	**26,803,663**

* Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 26.

The accompanying notes form an integral part of this Statement of Comprehensive Income.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Group		Company	
		2017	2016 *	2017	2016 *
		$	$	$	$
Share capital					
As at 1 January		73,154,852	73,154,852	73,154,852	73,154,852
At 31 December	16(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings					
As at 1 January		34,996,501	19,270,149	30,005,752	13,730,691
Operating profit after income tax		26,345,307	26,254,954	25,377,509	26,803,663
Dividends	16(b)	(16,082,198)	(5,070,605)	(16,082,198)	(5,070,605)
Special Dividends	16(b)	-	(5,457,997)	-	(5,457,997)
At 31 December		45,259,610	34,996,501	39,301,063	30,005,752
Total shareholders' equity		**118,414,462**	**108,151,353**	**112,455,915**	**103,160,604**

* Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 26.

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2017

	Notes	Group		Company	
		2017	2016 *	2017	2016 *
		$	$	$	$
Assets					
Current assets					
Cash and cash equivalents	15	27,464,203	23,953,286	24,138,004	21,138,268
Trade and other receivables	5	3,873,049	3,664,525	2,536,003	2,903,234
Financial assets	6	22,000,000	10,000,000	21,000,000	9,000,000
Inventories	7	1,543,393	994,749	1,366,081	806,481
Other assets	8	1,088,895	1,147,330	946,691	831,514
Loan to subsidiary	17(e)	-	-	120,180	115,478
Loan to associate company	17(f)	405,906	390,022	405,906	390,022
Income tax asset		435,647	543,725	384,936	467,089
Total current assets		56,811,093	40,693,637	50,897,801	35,652,086
Non-current assets					
Property, plant and equipment	9	62,927,436	67,797,913	57,325,684	62,023,531
Intangible asset	10	1,992	3,352	-	-
Investment property	11	44,854	88,301	44,854	88,301
Loan to subsidiary	17(e)	-	-	1,099,652	1,219,830
Loan to associate company	17(f)	1,165,105	1,571,005	1,165,105	1,571,005
Investment in subsidiary		-	-	6,660,000	6,660,000
Investment in associate company	18	11,795,602	11,524,731	8,950,230	8,950,230
Deferred tax assets	4	6,143,452	5,370,477	6,034,555	5,292,031
Total non-current assets		82,078,441	86,355,779	81,280,080	85,804,928
Total assets		**138,889,534**	**127,049,416**	**132,177,881**	**121,457,014**
Liabilities and equity					
Current liabilities					
Trade and other payables	12	7,080,134	6,561,796	6,441,587	6,070,032
Provisions	13	2,485,758	1,295,312	2,485,758	1,295,312
Employee benefit liability	14	762,991	714,274	671,334	624,141
Total current liabilities		10,328,883	8,571,382	9,598,679	7,989,485
Non-current liabilities					
Deferred income	22	9,824,346	10,029,376	9,824,346	10,029,376
Employee benefit liability	14	321,843	297,305	298,941	277,549
Total non-current liabilities		10,146,189	10,326,681	10,123,287	10,306,925
Total liabilities		**20,475,072**	**18,898,063**	**19,721,966**	**18,296,410**
Net assets		**118,414,462**	**108,151,353**	**112,455,915**	**103,160,604**
Shareholders' equity					
Share capital	16(a)	73,154,852	73,154,852	73,154,852	73,154,852
Retained earnings		45,259,610	34,996,501	39,301,063	30,005,752
Total shareholders' equity		**118,414,462**	**108,151,353**	**112,455,915**	**103,160,604**

* Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 26.

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Group		Company	
		2017 $	2016 * $	2017 $	2016 * $
Operating Activities					
Receipts from customers		57,231,557	53,408,939	51,336,734	46,799,561
Payments to suppliers and employees		(23,655,410)	(22,367,402)	(19,693,736)	(17,848,285)
Interest paid		-	(212,267)	-	(212,268)
Interest received		481,163	226,813	515,473	220,778
Income tax paid		(6,016,239)	(5,599,870)	(5,610,230)	(5,244,870)
Income tax refund		81,043	319,139	-	250,104
Dividend income received		-	-	6,058,799	6,846,853
Net cash provided by Operating Activities		**28,122,114**	**25,775,352**	**32,607,040**	**30,811,873**
Investing Activities					
Acquisition of property, plant and equipment		(2,133,279)	(1,446,899)	(1,697,841)	(1,042,138)
Proceeds from sale of property, plant and equipment		55,963	616,995	55,963	616,995
Placement of Term deposits		(15,000,000)	(9,000,000)	(14,000,000)	(8,000,000)
Redemption of Term deposits		3,000,000	2,750,000	2,000,000	1,000,000
Dividend from investment in associate		5,547,019	6,092,725	-	-
Proceeds from repayment of borrowings by related parties		390,018	374,748	505,492	485,703
Net cash (used in) Investing Activities		**(8,140,279)**	**(612,431)**	**(13,136,386)**	**(6,939,440)**
Financing Activities					
Payment of dividends	16 (b)	(16,470,918)	(7,968,980)	(16,470,918)	(7,968,980)
Repayment of term loan		-	(9,394,403)	-	(9,394,403)
Net cash (used in) Financing Activities		**(16,470,918)**	**(17,363,383)**	**(16,470,918)**	**(17,363,383)**
Net increase in cash and cash equivalents		**3,510,917**	**7,799,538**	**2,999,736**	**6,509,050**
Cash and cash equivalents at the beginning of the year		23,953,286	16,153,748	21,138,268	14,629,218
Cash and cash equivalents at the end of the year	15	**27,464,203**	**23,953,286**	**24,138,004**	**21,138,268**

* Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 26.

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 2017

1.0 Corporate Information

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

The address of the company's registered office is at Muaiwalu House, Walu Bay. The principal place of business is Suva Kings Wharf, Port of Suva, Fiji.

The consolidated financial statements of Fiji Ports Corporation Limited ("the Holding Company") and its subsidiary (collectively "the Group") for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 25 May 2018.

1.1 Basis of accounting

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.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures.

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.

1.2 Principles of consolidation

The Group financial statements consolidate the financial statements of Fiji Ports Corporation Limited and its subsidiary and are drawn up to 31 December 2017.

Subsidiary

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

The consolidated financial statements include the information contained in the financial statements of Fiji Ports Corporation Limited and its controlled company from the date the Holding Company obtains control until such time as the control ceases. From 1st August 2013 onwards, Fiji Ports Terminal Limited was assessed to be an associate company and is accounted for using equity accounting.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

1.3 Significant accounting judgments, estimates and assumptions

The preparation of the Holding 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.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

1.3 Significant accounting judgments, estimates and assumptions *continued*

Judgments

In the process of applying the Holding 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 Holding 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.

Impairment losses on receivables

The Holding Company and the Group reviewed its problem accounts at each reporting date to assess whether an allowance for impairment should be recorded in the statement of comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances against individually significant receivables, the Holding Company and the Group also makes collective impairment allowances against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This takes into consideration factors such as any deterioration in industry risk and technology obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

1.4 Statement of significant accounting policies

(a) Functional and presentation currency

These financial statements are presented in Fiji dollars ("FJD"), which is the Holding 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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

(c) Revenue recognition *continued*

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

Slipway charges

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.

Ship repair charges

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	10% - 33%
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.

(f) Impairment of non-financial assets

The Holding 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 Holding 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.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

1.4 Statement of significant accounting policies *continued*

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 Holding 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.

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.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

1.4 Statement of significant accounting policies *continued*

(g) Taxes *continued*

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 comprise 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

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Holding Company and the Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date that the Holding Company and the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Holding Company and the Group has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortisation process.

Loans and receivables

Loans and trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and trade receivables are initially recognised at cost and original invoice amount (inclusive of VAT where applicable). After initial measurement, loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the statement of comprehensive income when the receivables are derecognised or impaired, as well as through the amortisation process. Bad debts are written-off as incurred.

(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.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

1.4 Statement of significant accounting policies *continued*

(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).

A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

(l) Other assets

Other assets include insurance and othe prepayments, Fiji Electricity Authority 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.

(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 Holding 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 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 statement of comprehensive income when the asset is derecognised.

(o) Impairment of non-financial assets

The Holding 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 Holding 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.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

1.4 Statement of significant accounting policies *continued*

(o) Impairment of non-financial assets *continued*

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 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.

(p) 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.

(q) 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.

(r) 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.

(s) Provisions

Provisions are recognised when the Holding 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 Holding 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.

(t) Financial liabilities

Interest bearing loans and borrowings
All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through the profit and loss'.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised on the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

1.4 Statement of significant accounting policies *continued*

(u) Dividend distribution

Dividends are recorded in the Holding 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.

(v) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Holding Company and the Group as a lessee
Finance leases, which transfer to the Holding Company and the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Holding Company and the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Holding Company and the Group as a lessor
Leases where the Holding Company and the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(w) Comparative figures

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

(x) 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) <u>Industry segment</u>
The Holding Company and the Group operates predominantly in the shipping industry.

(b) <u>Geographical segment</u>
The Holding Company and the Group operates predominantly in Fiji and has therefore one geographical area for reporting purposes.

Notes to the Consolidated Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
		$	$	$	$
2	**REVENUE**				
(a)	**Operating revenue**				
	Dockage	12,179,990	10,631,133	12,179,990	10,631,133
	Licence fees	234,680	244,812	234,680	244,812
	Marine services	19,535,214	15,846,166	19,535,214	15,846,166
	Other service income	5,764,645	5,429,359	5,764,645	5,429,359
	Ship repair and heavy industries	4,382,796	4,030,432	-	-
	Slipway	1,889,372	1,622,260	-	-
	Wharfage	12,649,557	12,281,966	12,649,557	12,281,966
		56,636,254	50,086,128	50,364,086	44,433,436
(b)	**Other revenue**				
	Release of deferred income	205,030	205,030	205,030	205,030
	Dividend income	-	-	6,058,799	6,920,958
	Gain on sale of assets	-	2,700,034	-	2,700,034
	Unrealised exchange gain	-	122,563	-	122,563
	Management fees	72,000	72,000	72,000	72,000
	Doubtful debt recovered	95,214	14,190	-	-
	Other income	44,055	31,103	-	-
	Rent income	1,108,958	831,040	905,491	767,664
		1,525,257	3,975,960	7,241,320	10,788,249
3	**EXPENSES**				
(a)	**Employee benefits expense**				
	Allowances	223,106	179,664	27,833	25,212
	Annual leave	226,016	172,427	168,776	118,362
	FNPF and FNU levy	687,203	574,932	508,878	412,351
	Fringe benefit tax	66,054	69,402	51,521	54,172
	Long service leave	54,541	7,222	47,533	6,262
	Medical expenses	305,074	358,34	7231,227	283,609
	Retirement benefit	101,550	106,465	101,550	106,466
	Salaries and wages	5,160,825	4,693,315	3,620,552	3,273,129
	Sick leave	137,862	158,707	90,986	112,595
	Staff incentive pay	299,551	272,445	248,020	228,099
	Staff welfare	75,962	88,763	66,088	67,945
	Staff training	141,073	159,501	108,729	136,683
		7,478,817	6,841,190	5,271,693	4,824,885
(b)	**Property expenses**				
	Cleaning and sanitation	163,353	154,622	163,353	154,622
	Electricity	803,208	803,808	803,208	803,808
	Property rates	102,415	114,418	102,415	114,418
	Repairs and maintenance	567,296	556,199	567,296	556,199
	Water	522,686	738,191	522,686	738,191
	Other expenses	32,460	84,279	32,460	84,279
		2,191,418	2,451,517	2,191,418	2,451,517
(c)	**Marine service charges**				
	Tug/pilot/lines boat hire	7,645,332	6,132,505	7,645,332	6,132,505
	Dredging	(178)	4,403	(178)	4,403
	Linesman hire	182,774	175,729	182,774	175,729
	Pilotage service - external	880,363	806,527	880,363	806,527
	Security hire	476,690	470,392	476,690	470,392
		9,184,981	7,589,556	9,184,981	7,589,556

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

FOR THE YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
		$	$	$	$
3	**EXPENSES** *continued*				
(d)	**Operating expenses**				
	Advertising and publicity expense	126,677	97,009	89,707	84,415
	Auditors' remuneration	55,395	49,240	47,745	27,220
	Direct material cost	826,389	782,377	-	-
	Directors fees	66,916	70,333	66,916	70,333
	Doubtful debts	666,763	-	404,405	-
	Insurance expense	1,423,811	1,220,837	1,285,295	1,071,166
	Loss on disposal of asset	80,975	-	80,975	-
	Professional legal fees	45,110	33,733	33,940	22,862
	Repairs and maintenance - cranes	1,401,483	(33,951)	1,401,483	(33,951)
	Repairs and maintenance - others	556,934	413,109	177,199	164,347
	Other expenses	2,090,109	2,198,849	1,507,801	1 ,619,763
		7,340,562	4,831,536	5,095,466	3,026,155
(e)	**Finance income**				
	Interest income on term deposits and inter-company loans	531,129	324,501	546,662	328,969
(f)	**Finance costs**				
	Interest charges on borrowings	-	212,268	-	212,268
4	**INCOME TAX**				
	Operating profit before tax	31,624,182	30,936,659	30,327,368	31,217,862
	Prima facie tax thereon at 20%	6,324,836	6,187,332	6,065,474	6,243,572
	Underprovision from prior years	42,566	12,314	38,301	-
	Restatement of deferred tax balances	(89)	(3,021)	-	-
	Tax effect of items treated as permanent difference - current year	(1,088,438)	(1,514,920)	(1,153,916)	(1,829,373)
		5,278,875	4,681,705	4,949,859	4,414,199
	<u>Deferred tax assets</u>				
	Reflected in the statement of financial position as follows:				
	Deferred tax assets	6,143,452	5,370,477	6,034,555	5,292,031
	Net deferred tax assets at 31 December relates to the following:				
	Deferred tax assets				
	Doubtful debts	168,111	54,030	115,639	34,987
	Employee entitlements	216,968	202,316	194,056	180,338
	Unrealised exchange gain	-	(24,513)	-	(24,513)
	Legal claims	20,752	20,752	20,752	20,752
	Decelerated depreciation for tax purposes	5,737,621	5,117,892	5,704,108	5 ,080,467
		6,143,452	5,370,477	6,034,555	5,292,031

Notes to the Consolidated Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
		$	$	$	$
5	**TRADE AND OTHER RECEIVABLES**				
	Current				
	Trade receivables	3,228,932	3,222,999	2,594,664	2,843,081
	Less: Provision for doubtful debts	(604,481)	(207,142)	(515,191)	(111,928)
		2,624,451	3,015,857	2,079,473	2,731,153
	Staff advances	274	2,421	274	2,421
	Other receivables	1,259,508	605,562	291,843	127,018
	Receivable from associate [note 17(d)]	161,884	40,685	161,884	40,685
	Receivable from subsidiary [note 17(d)]	-	-	2,529	1,957
	Provision for doubtful on accrued income	(173,068)	-	-	-
		3,873,049	3,664,525	2,536,003	2,903,234

For terms and condition relating to related party receivables, refer to Note 17.
Trade receivables are non-interest bearing and are generally on terms of 30 days.

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

	Group 2017	Group 2016	Company 2017	Company 2016
Balance at 1 January	207,142	139,171	111,928	29,767
Additional provision	492,553	82,161	403,263	82,161
Unused amount reversed	(95,214)	(14,190)	-	-
Balance at 31 December	604,481	207,142	515,191	111,928

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	2017	3,228,932	1,319,719	351,374	43,157	1,514,682
	2016	3,222,999	1,344,600	584,933	(12,905)	1,306,371
Company	2017	2,594,664	869,708	335,064	(23,873)	1,413,765
	2016	2,843,081	1,153,794	584,933	(12,905)	1,117,259

		Group 2017	Group 2016	Company 2017	Company 2016
6	**FINANCIAL ASSETS**				
	Term deposits - held to maturity	22,000,000	10,000,000	21,000,000	9,000,000
7	**INVENTORIES**				
	Parts	495,775	672,155	318,463	483,887
	Goods in transit	1,047,618	322,594	1,047,618	322,594
		1,543,393	994,749	1,366,081	806,481
8	**OTHER ASSETS**				
	Prepayments	593,197	751,608	495,939	482,786
	Provision for doubtful debts	(63,006)	(63,006)	(63,006)	(63,006)
		530,191	688,602	432,933	419,780
	Deposits	456,680	456,180	411,734	411,734
	VAT receivable	102,024	2,548	102,024	-
		1,088,895	1,147,330	946,691	831,514

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

FOR THE YEAR ENDED 31 DECEMBER 2017

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
9 PROPERTY, PLANT AND EQUIPMENT				
Land				
Cost:				
At 1 January	17,120,821	17,120,821	15,980,821	15,980,821
At 31 December	17,120,821	17,120,821	15,980,821	15,980,821
Depreciation, impairment and amortisation				
At 1 January	411,872	194,758	222,116	17,086
Depreciation charge for the year	217,114	217,114	205,030	205,030
At 31 December	628,986	411,872	427,146	222,116
Net book value	16,491,835	16,708,949	15,553,675	15,758,705
Building				
Cost:				
At 1 January	14,711,299	14,541,027	10,162,142	10,092,526
Additions	3,650	146,265	3,650	66,381
Transfers	235,305	24,007	235,305	3,235
Disposals	(406,689)	-	(406,689)	-
At 31 December	14,543,565	14,711,299	9,994,408	10,162,142
Depreciation and impairment				
At 1 January	10,122,081	9,660,854	8,449,445	8,219,350
Depreciation charge for the year	458,665	461,227	224,744	230,095
Disposals	(319,010)	-	(319,010)	-
At 31 December	10,261,736	10,122,081	8,355,179	8,449,445
Net book value	4,281,829	4,589,218	1,639,229	1,712,697
Wharves				
Cost:				
At 1 January	91,227,669	90,652,332	91,227,669	90,652,332
Additions	98,996	575,337	98,996	575,337
Transfers	53,867	-	53,867	-
At 31 December	91,380,532	91,227,669	91,380,532	91,227,669
Depreciation and impairment				
At 1 January	56,697,150	52,377,398	56,697,150	52,377,398
Depreciation charge for the year	4,260,319	4,319,752	4,260,319	4,319,752
At 31 December	60,957,469	56,697,150	60,957,469	56,697,150
Net book value	30,423,063	34,530,519	30,423,063	34,530,519
Plant and equipment				
Cost:				
At 1 January	9,547,998	9,111,868	2,763,676	2,606,098
Additions	454,349	351,966	330,656	161,947
Transfers	-	93,202	-	4,669
Disposals	-	(9,038)	-	(9,038)
At 31 December	10,002,347	9,547,998	3,094,332	2,763,676
Depreciation and impairment				
At 1 January	7,325,881	6,781,498	2,311,642	2,075,530
Depreciation charge for the year	479,131	553,421	202,199	245,150
Disposals	-	(9,038)	-	(9,038)
At 31 December	7,805,012	7,325,881	2,513,841	2,311,642
Net book value	2,197,335	2,222,117	580,491	452,034

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

FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Furniture and fittings				
Cost:				
At 1 January	288,702	249,499	187,548	181,260
Additions	41,133	39,541	23,272	6,626
Disposals	-	(338)	-	(338)
At 31 December	329,835	288,702	210,820	187,548
Depreciation and impairment				
At 1 January	208,680	177,598	160,162	147,906
Depreciation charge for the year	37,098	31,420	14,775	12,594
Disposals	-	(338)	-	(338)
At 31 December	245,778	208,680	174,937	160,162
Net book value	84,057	80,022	35,883	27,386
Motor vehicles				
Cost:				
At 1 January	575,281	503,653	391,976	320,348
Additions	153,945	71,628	153,945	71,628
Disposals	(147,739)	-	(147,739)	-
At 31 December	581,487	575,281	398,182	391,976
Depreciation and impairment				
At 1 January	295,098	173,064	144,682	67,043
Depreciation charge for the year	113,151	122,034	80,262	77,639
Disposals	(98,482)	-	(98,482)	-
At 31 December	309,767	295,098	126,462	144,682
Net book value	271,720	280,183	271,720	247,294
Cranes				
Cost:				
At 1 January	19,203,329	19,203,329	19,203,329	19,203,329
At 31 December	19,203,329	19,203,329	19,203,329	19,203,329
Depreciation and impairment				
At 1 January	10,327,346	9,399,966	10,327,346	9,399,966
Depreciation charge for the year	927,380	927,380	927,380	927,380
At 31 December	11,254,726	10,327,346	11,254,726	10,327,346
Net book value	7,948,603	8,875,983	7,948,603	8,875,983
Office Equipment and Software				
Cost:				
At 1 January	2,005,111	1,932,241	1,844,294	1,798,758
Additions	127,065	74,930	122,158	67,155
Transfer	-	19,559	-	-
Disposals	-	(21,619)	-	(21,619)
At 31 December	2,132,176	2,005,111	1,966,452	1,844,294
Depreciation and impairment				
At 1 January	1,689,840	1,533,684	1,612,269	1,484,179
Depreciation charge for the year	152,906	177,775	122,986	149,709
Disposals	-	(21,619)	-	(21,619)
At 31 December	1,842,746	1,689,840	1,735,255	1,612,269
Net book value	289,430	315,271	231,197	232,025

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

FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
9 PROPERTY, PLANT AND EQUIPMENT *continued*				
Work in progress				
At 1 January	195,651	145,196	186,888	101,729
Additions	1,308,900	166,453	1,019,923	93,064
Reversed	(275,815)	-	(275,816)	-
Transfers	(289,172)	(115,998)	(289,172)	(7,905)
At 31 December	939,564	195,651	641,823	186,888
Net written down value at 31 December	62,927,436	67,797,913	57,325,684	62,023,531

As part of the share divestment agreement signed on 5th November 2015, the Holding Company during the financial year 2017 transferred $18,850,147 worth of interests in land including part of improvements recorded under Property, Plant and Equipment to a Government owned holding company ("Assets Fiji Limited") for $nil consideration. The land pieces required by the Holding Company for its operational use were assigned to the Holding Company 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 2017, the Group is yet to transfer 8 land titles of written down value $5,365,736 to Assets Fiji Limited.

10 INTANGIBLE ASSET

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Cost				
At 1 January	45,349	45,349	-	-
At 31 December	45,349	45,349	-	-
Accumulated depreciation				
At 1 January	41,997	40,637	-	-
Depreciation charge for the year	1,360	1,360	-	-
At 31 December	43,357	41,997	-	-
Net book value at 31 December	1,992	3,352	-	-

11 INVESTMENT PROPERTY

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Cost				
At 1 January	588,835	588,835	588,835	588,835
At 31 December	588,835	588,835	588,835	588,835
Accumulated depreciation				
At 1 January	500,534	450,192	500,534	450,192
Depreciation charge for the year	43,447	50,342	43,447	50,342
At 31 December	543,981	500,534	543,981	500,534
Net book value at 31 December	44,854	88,301	44,854	88,301

As part of the share divestment agreement signed on 5th November 2015, the Holding Company during the financial year 2017 transferred $4,155,708 worth of interests in investment properties including part of its improvements to a Government owned holding company ("Assets Fiji Limited") for $nil consideration. 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 2017, the Group is yet to transfer one land title with improvement of written down value $771,743 to Assets Fiji Limited.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
		$	$	$	$
12	**TRADE AND OTHER PAYABLES**				
	Trade creditors	947,243	401,867	784,191	274,630
	Payable to subsidiary [Note 17(d)]	-	-	48,327	-
	VAT payable	27,670	23,176	-	23,176
	Sundry creditors	3,934,319	3,577,131	3,438,167	3,212,604
	Dividend payable	2,170,902	2,559,622	2,170,902	2,559,622
		7,080,134	6,561,796	6,441,587	6,070,032
13	**PROVISIONS**				
a)	**Legal Claims**				
	At 1 January	103,760	140,924	103,760	140,924
	Utilised during the year	-	(37,164)	-	(37,164)
	At 31 December	103,760	103,760	103,760	103,760

Provision for legal claim at balance date represents the legal claims brought against the Holding 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 loss beyond the amounts provided as at 31 December 2017.

		Group 2017	Group 2016	Company 2017	Company 2016
b)	**Rental Income External**				
	At 31 December	2,051,586	1,064,533	2,051,586	1,064,533

Provision for rental income represents rental income (less property expenses) received by the Holding Company for the year 2017 that will be remitted to a Government's asset holding company ("Assets Fiji Limited"). The net rental income received are from properties that have or will be transferred to Assets Fiji Limited as part of the share divestment agreements signed on 5th November 2015. The Directors are of the opinion that the outcome of these rental income remittance will not give rise to any significant loss beyond the amounts provided as at 31 December 2017.

		Group 2017	Group 2016	Company 2017	Company 2016
c)	**Job Evaluation Exercise**				
	At 31 December	330,412	127,019	330,412	127,019

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

		Group 2017	Group 2016	Company 2017	Company 2016
	Total Provision as at 31 December	2,485,758	1,295,312	2,485,758	1,295,312
14	**EMPLOYEE BENEFIT LIABILITY**				
	At 1 January	1,011,579	1,084,834	901,690	990,714
	Arising during the year	652,109	528,870	577,607	458,129
	Utilised/reversed during the year	(578,854)	(598,265)	(509,022)	(547,153)
	At 31 December	1,084,834	1,011,579	970,275	901,690
	Analysis of employee benefit liability				
	Current	762,991	714,274	671,334	624,141
	Non-current	321,843	297,305	298,941	277,549
		1,080,974	1,011,579	970,275	901,690

Notes to the Consolidated Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 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		Company	
	2017	2016	2017	2016
	$	$	$	$
Cash on hand	4,580	4,580	3,580	3,580
Cash at bank	27,459,623	23,948,706	24,134,424	21,134,688
	27,464,203	23,953,286	24,138,004	21,138,268

16 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.

b) Dividends				
At 1 January 2017	2,559,622	-	2,559,622	-
Add: dividends declared during the year	16,082,198	5,070,605	16,082,198	5,070,605
Add: Proceeds from sale of land & building declared as dividend to Government of Fiji	-	3,191,329	-	3,191,329
Add: Fiji Ports Terminal Loan declared as dividend to Government	-	2,266,668	-	2,266,668
Less: Partial dividend paid to Government of Fiji from sale of land and building proceeds	-	(2,616,854)	-	(2,616,854)
Less: Partial dividend paid to Government of Fiji from Fiji Ports Terminal Limited loan repayment proceeds	(388,720)	(281,521)	(388,720)	(281,521)
Less: dividends paid during the year	(16,082,198)	(5,070,605)	(16,082,198)	(5,070,605)
At 31 December 2017 *	2,170,902	2,559,622	2,170,902	2,559,622

* This dividend payable amount is reflected in Trade and Other Payables (Note 12).

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

FOR THE YEAR ENDED 31 DECEMBER 2017

17 RELATED PARTY TRANSACTION

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 2017
Tupou Baravilala (Director)	Appointed 28th April 2017
Vijay Maharaj (Director)	Reappointed 3rd July 2017
Vilash Chand (Director)	Reappointed 3rd July 2017
Tevita Kuruvakadua (Director)	Appointed 16th November 2015
Sanjay Kaba (Director)	Appointed 23rd January 2017
Sashi Singh (Director)	Appointed 16th November 2015
Joseph Brito (Director)	Appointed 16th November 2015
Iqram Cuttilan (Director)	Appointed 1st July 2017
Tom Ricketts (Director)	Served till 22nd January 2017
Makereta Konrote (Director)	Served till 27th April 2017
Parakrama Dissanayake (Director)	Served till 30th June 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 - (Appointed on 31st July 2017)
Eranda Kotelawala	Chief Operational Officer - (Resigned on 10th February 2017)

Identity of related parties

The Holding 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	
	2017	2016	2017	2016
	$	$	$	$
(a) Key management personnel compensation				
Directors				
Short-term benefits	66,916	70,333	66,916	70,333
Management				
Short-term benefits	600,344	622,953	537,106	566,499

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

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

FOR THE YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
17 RELATED PARTY TRANSACTIONS *continued*				
(b) Sales of goods and services				
Management fees income from associate	72,000	72,000	72,000	72,000
Rental income from associate	2,447,071	2,330,544	2,447,071	2,330,544
Sale of services to associate	228,146	305,342	228,146	305,342
(c) Purchases of goods and services				
Purchase of services from subsidiary	-	-	261,929	30,829
(d) Receivable from/(payable to) subsidiary/associate				
Fiji Ports Terminal Limited Associate	161,884	40,685	161,884	4 0,685
Fiji Ships and Heavy Industries Limited Subsidiary	-	-	(45,798)	1,957
	161,884	40,685	116,086	42,642
Disclosed as:				
Receivable from associate (Note 5)	161,884	40,685	161,884	40,685
Receivable from subsidiary (Note 5)	-	-	2,529	1,957
Payable to subsidiary (Note 12)	-	-	(48,327)	-
	161,884	40,685	116,086	42,642
(e) Loan to subsidiary				
Beginning of the year	-	-	1,335,308	1,446,262
Loan repayments received	-	-	(166,786)	(166,786)
Interest charged	-	-	51,310	55,832
End of the year	-	-	1,219,832	1,335,308
Comprising:				
Current	-	-	120,180	115,478
Non-current	-	-	1,099,652	1,219,830
	-	-	1,219,832	1,335,308

The loan to the Subsidiary Company is unsecured and based on approval from the Board of the Holding 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.

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
(f) Loan to associate				
Beginning of the year	1,961,027	2,335,775	1,961,027	2,335,775
Loan repayments received	(461,358)	(461,358)	(461,358)	(461,358)
Interest charged	71,342	86,610	71,342	86,610
	1,571,011	1,961,027	1,571,011	1,961,027
Comprising:				
Current	405,906	390,022	405,906	390,022
Non-current	1,165,105	1,571,005	1,165,105	1,571,005
	1,571,011	1,961,027	1,571,011	1,961,027

The loan to Fiji Ports Terminal Limited ($4,000,000) is unsecured and subject to interest at the fixed rate of 4.0% per annum. This is repayable by monthly installments of $38,447. The repayment schedule is reviewed annually.

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
(g) Other related parties				
Fiji National Provident Fund - member contribution	621,009	512,079	465,373	371,604

Notes to the Consolidated Financial Statements (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 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.

	Group	
	2017	2016
	$	$
Current assets	15,333,784	15,571,454
Non-current assets	6,576,404	7 ,764,338
Current liabilities	(3,117,998)	(5,142,455)
Non-current liabilities	(2,338,059)	(2,292,004)
Equity	**16,454,131**	**15,901,333**
Proportion of the Group's ownership	49%	49%
	8,062,524	7,791,653
Goodwill	3,733,078	3,733,078
Carrying amount of the investment	**11,795,602**	**11,524,731**
Revenue	36,510,210	36,021,313
Operating expenses	(21,413,195)	(22,229,315)
Finance costs	(71,342)	(86,610)
Finance income	29,499	32,812
Profit before tax	**15,055,172**	**13,738,200**
Income tax expense	(3,181,927)	(2,822,506)
Profit for the year	11,873,245	10,915,694
Group's share of profit for the year	**5,817,890**	**5,348,690**

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
19 CAPITAL COMMITMENTS				
Capital expenditure:				
- approved by the Board and committed	1,822,510	40,483	1,008,947	40,483
20 RENTAL INCOME COMMITMENTS				
Not later than one year	459,437	856,348	459,437	856,348
Later than one year but not later than five years	774,125	1,079,969	774,125	1,079,969
Later than five years	4,642,377	5,129,615	4,642,377	5,129,615
	5,875,939	7,065,932	5,875,939	7,065,932
21 CONTINGENT LIABILITIES				
Guarantee given on behalf of the subsidiary company	800,000	800,000	800,000	800,000
Bank guarantee for HM Customs and FEA bonds	83,900	83,900	83,900	83,900
Bank guarantee for Ministry of Primary Industries	7,000	7,000	-	-
	890,900	890,900	883,900	883,900

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

FOR THE YEAR ENDED 31 DECEMBER 2017

22 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		Company	
	2017	2016	2017	2016
	$	$	$	$
Opening balance	10,029,376	10,234,406	10,029,376	10,234,406
Less: Amortisation charges during the year	(205,030)	(205,030)	(205,030)	(205,030)
Closing balance	9,824,346	10,029,376	9,824,346	10,029,376
Movement in the accumulated amortisation are as follows:				
As at 1 January	222,116	17,086	222,116	17,086
Amortisation charge for the year	205,030	205,030	205,030	205,030
As at 31 December	427,146	222,116	427,146	222,116

23 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 holdings 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.

(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 of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(a) Market risk *continued*

(iii) Interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount 2017 $	Carrying Amount 2016 $
Fixed rate instruments		
Financial assets (term deposits)	22,000,000	10,000,000
Financial liabilities	-	-
	22,000,000	10,000,000

Fair value sensitivity analysis for fixed instruments

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(a) Market risk *continued*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect the statement of comprehensive income.

(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	Carrying Amount 2017 $	Carrying Amount 2016 $
Cash and cash equivalents	15	27,464,203	23,953,286
Trade and other receivables	5	3,873,049	3,664,525
Held-to-maturity investments	6	22,000,000	10,000,000
		53,337,252	37,617,811

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

FOR THE YEAR ENDED 31 DECEMBER 2017

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(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 2017	On demand $	< 1 year $	1 to 5 years $	> 5 years $	Total $
Trade and other payables	-	5,880,708	1,199,426	-	7,080,134
	-	5,880,708	1,199,426	-	7,080,134

(c) Liquidity risk *continued*

31 December 2016	On demand $	< 1 year $	1 to 5 years $	> 5 years $	Total $
Trade and other payables	-	4,390,894	2,170,902	-	6,561,796
	-	4,390,894	2,170,902	-	6,561,796

(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 2017 $	 2016 $
Interest bearing borrowings	-	-
Debt	-	-
Equity	108,151,353	108,151,353
Capital and debt	118,414,462	118,414,462
Gearing ratio	0%	0%

24 Events subsequent to balance date

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

25 PRINCIPAL ACTIVITIES

The principal activity of the Holding 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.

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

FOR THE YEAR ENDED 31 DECEMBER 2017

26 RESTATEMENT OF 2016 FINANCIAL STATEMENT

As part of the share divestment agreements signed on 5th November 2015, the Holding Company during the financial year 2017 transferred $23,005,855 worth of interests in land including part of improvements recorded under Property, Plant and Equipment and Investment property to a Government owned holding company ("Assets Fiji Limited") for $nil consideration. The land titles required by the Holding Company for its operational use were assigned to the Holding Company by 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.

		Group	
	2016 Restated	2016 Previously reported	2016 Increase/ (decrease)
	$	$	$
Statement of financial position			
Retained earnings	34,996,501	57,983,250	(22,986,749)
Total equity	108,151,353	131,138,102	(22,986,749)
Property, plant and equipment	67,797,913	76,607,070	(8,809,157)
Investment property	88,301	4,236,517	(4,148,216)
Total non-current assets	86,355,779	99,313,152	(12,957,373)
Total assets	127,049,416	140,006,789	(12,957,373)
Deferred income	10,029,376	-	10,029,376
Total non-current liabilities	10,326,681	297,305	10,029,376
Total liabilities	18,898,063	8,868,687	10,029,376
Statement of changes in equity			
Retained earnings	34,996,501	57,983,250	(22,986,749)
Total equity	108,151,353	131,138,102	(22,986,749)
Statement of comprehensive income			
Other revenue	3,975,960	3,770,930	205,030
Total income	54,062,088	53,857,058	205,030
Depreciation	(6,872,553)	(6,667,523)	205,030
Total expenses	(28,586,352)	(28,381,322)	205,030
Profit from operations	25,475,736	25,475,736	-
Profit before income tax	30,936,659	30,936,659	-
Net profit for the year	26,254,954	26,254,954	-

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

FOR THE YEAR ENDED 31 DECEMBER 2017

26 RESTATEMENT OF 2016 FINANCIAL STATEMENT *continued*

	Group 2016 Restated $	2016 Previously reported $	2016 Increase/ (decrease) $
Statement of financial position			
Retained earnings	30,005,752	52,992,501	(22,986,749)
Total equity	103,160,604	126,147,353	(22,986,749)
Property, plant and equipment	62,023,531	70,832,688	(8,809,157)
Investment property	88,301	4,236,517	(4,148,216)
Total non-current assets	85,804,928	98,762,301	(12,957,373)
Total assets	121,457,014	134,414,387	(12,957,373)
Deferred income	10,029,376	-	10,029,376
Total non-current liabilities	10,306,925	277,549	10,029,376
Total liabilities	18,296,410	8,267,034	10,029,376
Statement of changes in equity			
Retained earnings	30,005,752	52,992,501	(22,986,749)
Total equity	103,160,604	126,147,353	(22,986,749)
Statement of comprehensive income			
Other revenue	10,788,249	10,583,219	205,030
Total income	55,221,685	55,016,655	205,030
Depreciation	(6,228,411)	(6,023,381)	205,030
Total expenses	(24,120,524)	(23,915,494)	205,030
Profit from operations	31,101,161	31,101,161	-
Profit before income tax	31,217,862	31,217,862	-
Net profit for the year	26,803,663	26,803,663	-

Fiji Ports
Cargo & Vessel Statistics

Foreign Vessels (excluding Fishing)

Year	Nos	GRT	100GRT/HRS
2008	852	9,368,207	2,127,985
2009	865	9,936,397	1,631,796
2010	836	9,922,208	1,941,675
2011	739	9,180,823	2,288,756
2012	719	8,636,293	2,313,947
2013	952	14,636,282	3,205,089
2014	926	15,929,778	2,952,331
2015	900	14,546,797	3,245,154
2016	936	17,637,430	3,559,033
2017	1,083	20,974,320	4,040,687

2015 Foreign Vessels (excluding Fishing)

Vessel Type	Nos	GRT	100GRT/HRS
Cruise	64	4,591,624	457,182
Dry Bulk	36	854,988	882,922
Liquid Bulk	275	2,998,814	501,483
LOLO	372	3,931,323	939,666
LOLO/RORO	67	939,820	178,952
Car Carrier	18	839,067	98,833
Others	68	391,161	186,116
Total	**900**	**14,546,797**	**3,245,154**

2016 Foreign Vessels (excluding Fishing)

Vessel Type	Nos	GRT	100GRT/HRS
Cruise	81	6,710,691	819,613
Dry Bulk	32	733,502	670,088
Liquid Bulk	263	3,044,724	479,635
LOLO	407	4,545,076	1,180,001
LOLO/RORO	47	790,210	120,736
Car Carrier	26	1,364,598	145,683
Others	80	448,629	143,276
Total	**936**	**17,637,430**	**3,559,033**

2017 Foreign Vessels (excluding Fishing)

Vessel Type	Nos	GRT	100GRT/HRS
Cruise	92	7,788,188	821,927
Dry Bulk	45	1,090,650	699,849
Liquid Bulk	309	3,492,014	557,823
LOLO	496	6,285,380	1,562,496
LOLO/RORO	44	773,673	127,527
Car Carrier	24	1,265,394	93,358
Others	73	279,021	177,707
Total	**1,083**	**20,974,320**	**4,040,687**

Local Vessels 2015

Vessel Type	Nos	GRT	100GRT/HRS
RORO/Passenger	341	1,173,362	695,121
Conventional	178	37,893	35,780
Fishing/Others	1,556	274,241	213,370
Total	**2,075**	**1,485,496**	**944,271**

Local Vessels 2016

Vessel Type	Nos	GRT	100GRT/HRS
RORO/Passenger	346	1,454,175	407,133
Conventional	254	58,024	57,841
Fishing/Others	2,035	347,688	263,567
Total	**2,635**	**1,859,887**	**728,541**

Local Vessels 2017

Vessel Type	Nos	GRT	100GRT/HRS
RORO/Passenger	368	1,293,096	405,831
Conventional	295	98,299	64,924
Fishing/Others	2,036	373,195	311,520
Total	**2,699**	**1,764,590**	**782,275**

Cargo Throughput 2015

Vessel Type	Import	Export	Total
Break Bulk	35,941	4,922	40,863
Dry Bulk	374,887	268,289	643,176
Liquid Bulk	734,638	186,509	921,148
MV Bulk	192,325	7,462	199,787
Total Foreign Cargo	1,337,792	467,182	1,804,974
Total Local Cargo	68,249	84,946	153,195
Total Cargo Fiji	**1,406,041**	**552,128**	**1,958,169**

Cargo Throughput 2016

Vessel Type	Import	Export	Total
Break Bulk	70,924	9,359	80,283
Dry Bulk	391,768	245,977	637,745
Liquid Bulk	808,030	624,570	1,432,600
MV Bulk	245,070	58,350	303,420
Total Foreign Cargo	1,515,792	938,256	2,454,048
Total Local Cargo	97,494	118,798	216,292
Total Cargo Fiji	**1,613,286**	**1,057,054**	**2,670,340**

Cargo Throughput 2017

Vessel Type	Import	Export	Total
Break Bulk	67,592	9,665	77,257
Dry Bulk	439,092	369,341	808,433
Liquid Bulk	817,812	205,802	1,023,614
MV Bulk	151,148	3,177	154,325
Total Foreign Cargo	1,475,643	587,986	2,063,629
Total Local Cargo	147,007	288,142	435,149
Total Cargo Fiji	**1,622,650**	**876,128**	**2,498,778**

Containerised Cargo 2015

Type	Laden	Empty	TEUs
20Ft	64,377	29,343	93,720
40Ft	14,192	8,929	46,242
Total	**78,569**	**38,272**	**139,962**

Containerised Cargo 2016

Type	Laden	Empty	TEUs
20Ft	69,926	35,600	105,526
40Ft	15,578	9,347	49,850
Total	**85,504**	**44,947**	**155,376**

Containerised Cargo 2017

Type	Laden	Empty	TEUs
20Ft	75,569	42,858	118,427
40Ft	16,887	11,269	56,312
Total	**92,456**	**54,127**	**174,739**

Fiji Ports Corporation Limited

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