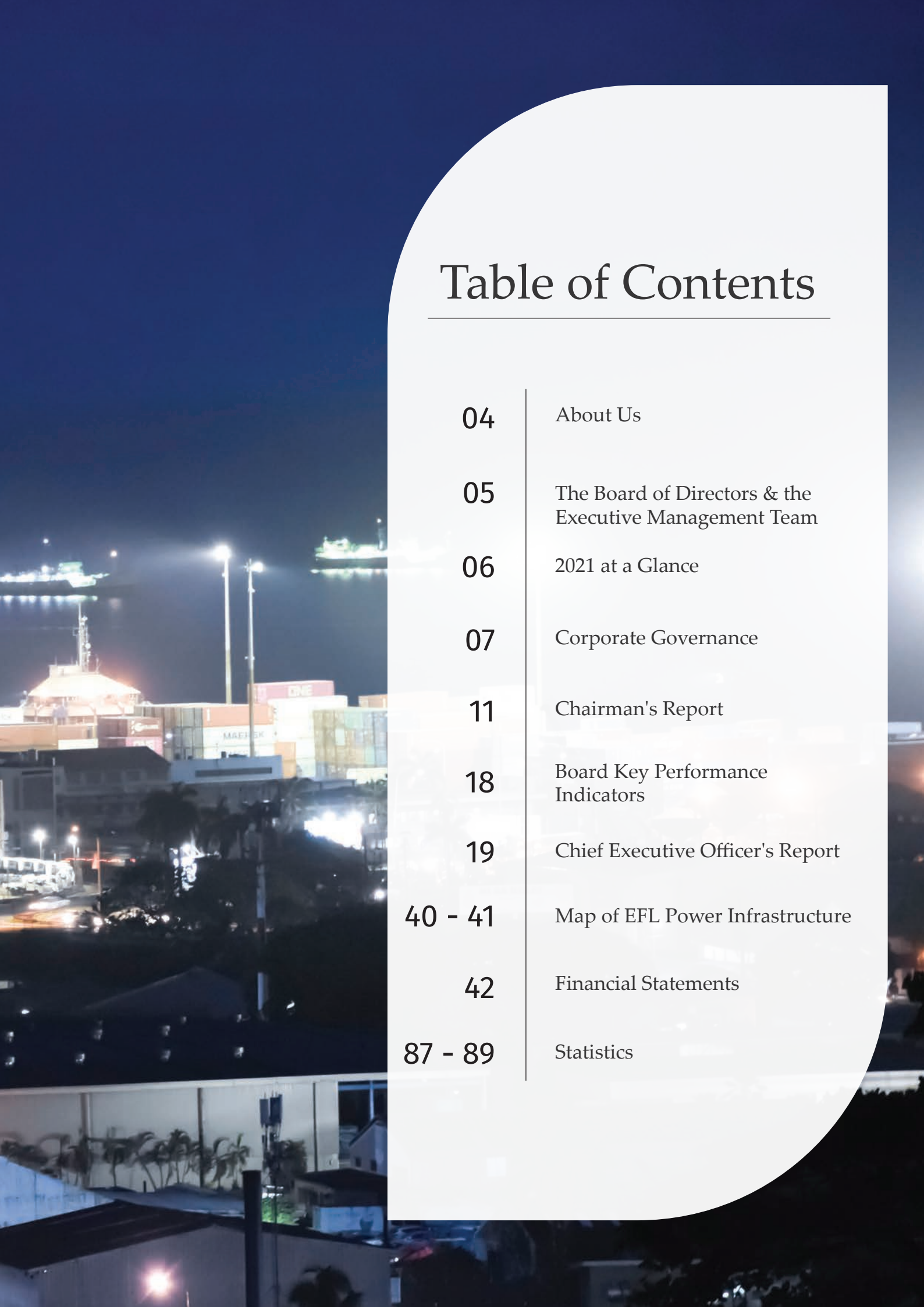
EFL
energising our nation

ENERGY FIJI LIMITED
2021
Annual Report

“ We take pride in providing the energy that is improving Fijian lives and well-being.”



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ABOUT US

Our Vision

Energising our Nation

Our Mission

We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025.

Our Values

Customer focus
Honesty
Do what is right for EFL
Team work
Individual accountability
Transparency
Innovativeness

Energy Fiji Limited, previously the Fiji Electricity Authority, was established, incorporated and constituted under the provisions of the Electricity Act of 1966 and began operating from 1 August of that year.

The powers, functions and duties of EFL under the Electricity Act are for the basic purpose of providing and maintaining an efficient and cost-effective power supply to the Fijian people in a safe and secure manner that meets high benchmarks in quality. Every consumer group in Fiji is charged a uniform tariff rate to ensure affordability across the socio-economic spectrum. These tariffs are determined by the Regulator, the Fijian Competition and Consumer Commission (FCCC) on submission for a review by Energy Fiji Limited and the tariffs are designed to meet specific objectives while simultaneously achieving a reasonable rate of return for the shareholders.

EFL was entrusted with enforcing the Electricity Act and Regulations, setting standards, examining and registering electricians, and was empowered to approve and license suppliers to serve certain areas till FCCC was appointed as the Regulator on 30th September 2019 when the Electricity Act 2017 was gazetted. However, EFL has signed an MOA with the FCCC to continue to carry out certain regulatory functions until further notice.

Fiji Electricity Authority (FEA) was corporatised into Energy Fiji Limited (EFL) on 16 April 2018, a public company limited by shares, and was registered under the Companies Act. EFL has also been appointed as the successor entity of FEA. One of the key objectives of the corporatisation of FEA is to provide an opportunity for Fijians to share in the economic benefits of FEA and list the newly corporatised entity on the South Pacific Stock Exchange which will promote the development of Fiji's capital market. In March 2017, a new Electricity Act 2017 was passed by Parliament, however, the new Electricity Act 2017 was gazetted on 1st October 2019 and came into effect.

Board of Directors

1. DAKSESH PATEL
Chairman

2. GARDINER WHITESIDE
Director

3. KOICHI TSUNEMATSU
Director

4. HASMUKH PATEL
Director

5. SO HORIKIRI
Director

6. CHITOSHI FUKUDA
Director

7. SHIRI GOUNDER
Director

Executive Management Team

1. HASMUKH PATEL
Chief Executive Officer

2. CHITOSHI FUKUDA
Deputy Chief Executive Officer

3. BOBBY NAIMAWI
Chief Financial Officer/ Board Secretary

4. EPARAMA TAWAKE
General Manager Generation

5. ANNABEL DUCIA
General Manager Customer Services

6. JITENDRA V. KUMAR
General Manager Network

7. NAVEEN LAKSHMAIYA
General Manager Human Resources

8. OM DUTT SHARMA
General Manager System Planning & Control

9. UMESH CHANDRA
Chief Information Officer

10. KRISHNEEL PRASAD
General Manager Special Projects

2021 AT A GLANCE

Profit after Tax
$66.59M
From $66.79M in 2020

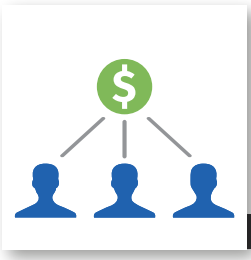
Electricity Sales
$318.91M
From $327.09M in 2020

Dividends Declared and Paid
$20.04M
From $19.12M in 2020

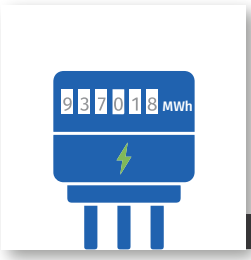
Total Loans
$184.73M
From $190.53M in 2020

Fuel Costs
$77.76M
From $94.06M in 2020

Number of Employees
877
From 876 in 2020



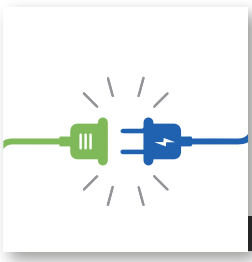
Shareholder Value
$946.08M
From $898.65M in 2020



Total Electricity Produced
937,018 MWh
From 976,372 MWh in 2020

Total Assets
$1.50B
From $1.45B in 2020

Power Line Route
11,348.91 kM
From 11,103.36 kM in 2020



Total New Connections
6,314 new Connections
From 7,549 in 2020

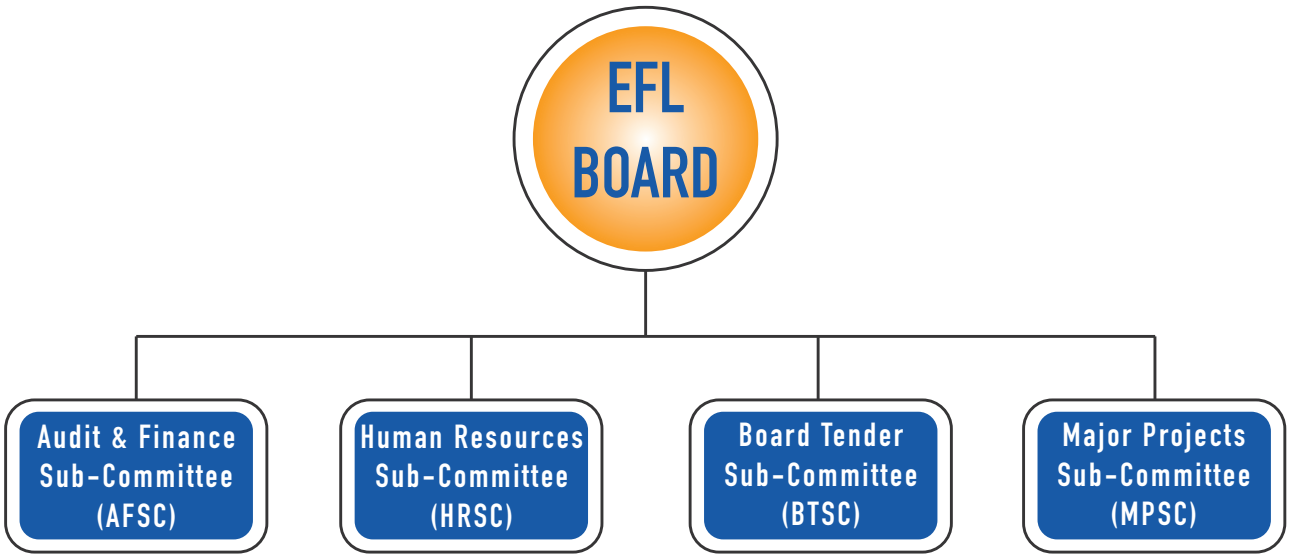
Total Customers
210,320
From 205,580 in 2020

CORPORATE GOVERNANCE

Despite the ongoing impact of the COVID-19 pandemic, EFL remained committed to revising policies and strengthening governance mechanisms throughout the year to ensure alignment with the organization's corporate values, culture, and strategic objectives. In accordance with the Corporate Governance Code for the Energy Sector, EFL ensured that it effectively and efficiently complied with the following Governance principles:

i) Establishing clear responsibilities for board oversight through separation of duties: Clear separation of duties between Board and Executive Management.

ii) Constituting an effective Board through a) Board Composition: Balanced Board Composition with Executive and Non-Executive directors who are independent directors. b) Board Sub-committees: EFL Board has 4 Sub-Committees as follows:



iii) Appointment of Chief Executive Officer: The Board appoints a suitably competent and experienced person entrusted with substantial powers to manage the total operations of the Company.

iv) Appointment of a Board Secretary: The Board appoints a suitably qualified and competent Board Secretary who is entrusted with managing corporate secretarial functions as well as ensuring compliance with statutory and regulatory requirements.

v) Timely and balanced disclosure through a) Annual Report is completed in a timely manner and accurate disclosures are made in the Annual Report which is audited by the External Auditor appointed by the Shareholders at their AGM and b) Payment to Directors and Executive management: Sufficient information is provided to Shareholders on remuneration paid to Directors and Executive management in the Annual Report.

vi) Promote ethical and responsible decision-making – EFL has a well-documented Code of Ethics and Code of Conduct which outlines how employees should conduct/ behave themselves and provide specific guidance for handling issues like harassment, work ethics, safety matters and conflict of interest. This policy is explained and made aware to all employees', from induction after joining and is further outlined in the employment contracts. Further, the Board Charter provides the Code of Ethics to be followed by the Directors.

vii) Register of Interests: EFL maintains a Register of Interest wherein the interests of Directors are noted. Further, there is a specific policy in place on conflict of interest signed by the employees.

viii) Respect the rights of Shareholders: EFL has designed a strong communication strategy to promote effective communication with Shareholders and encourage their participation. Examples: Communication through Annual Reports, EFL Website, EFL Facebook Page and Annual Customer Satisfaction Survey.

ix) Accountability and audit through a) EFL has an in-house Internal Audit department and a Risk & Insurance Department who evaluate and improve the effectiveness of EFL's governance, risk management and internal control processes. The Internal Audit Manager reports directly to the Board Audit & Finance Sub-Committee. b) External Audit: Appointment of an external auditor who reports directly to the Board Audit Sub-Committee, c) Rotation of External Auditor: Appointing the external auditor for a fixed term requiring

senior partner of the audit firm to rotate once in every three or less financial years, d) Audit and Finance Sub-Committee: Established an Audit and Finance Sub-Committee comprising of 4 members and the Chairman is not the Chair of this Sub-Committee.

x) Risk Management: EFL has a) Risk Management Policy in place. The Board is responsible for oversight and monitoring the effectiveness of risk management by the business and ensuring that appropriate internal control mechanisms are in place. The Executive management is responsible for implementing policies and procedures to ensure that key business and operational risks are identified and appropriate controls are implemented to ensure adequate reporting, management and mitigation of those risks, b) Whistle Blower Policy - Whistle Blower Policy in place in addition to Policy against sexual harassment.

The EFL Board of Directors is responsible for governing the company and overseeing its administration.

APPOINTMENT OF NEW BOARD DIRECTORS

EFL welcomed the appointment of Mr. Koichi Tsunematsu, Mr. So Horikiri, Mr. Chitoshi Fukuda, the Board representatives of Sevens Pacific Pte Limited. Further the PS Economy, Mr. Shiri Gounder was appointed as the Board Director representing the Fijian Government.

The following Board meetings were held in 2021.

Board Directors			
Director	**Designation**	**No. of Board Meetings Attended**	**Eligible to Attend**
Daksesh Patel	Board Chairman	5	6
Gardiner Whiteside	Director	6	6
Koichi Tsunematsu	Director - Appointed June 2021	3	3
So Horikiri	Director - Appointed June 2021	3	3
Shiri Gounder	Director - Appointed June 2021	3	3
Chitoshi Fukuda	Director – Deputy Chief Executive Officer. Appointed October 2021	1	3
Hasmukh Patel	Director – Chief Executive Officer	6	6
David Kolitagane	Director – Permanent Secretary for Agriculture / Permanent Secretary for Fiji Rural and Maritime Development. Retired May 2021	2	3
Kamal Gounder	Director – Ministry of Economy. Retired May 2021.	2	3
Viliame Vodonaivalu	Director – representing Fiji National Provident Fund (FNPF). Retired May 2021.	2	3

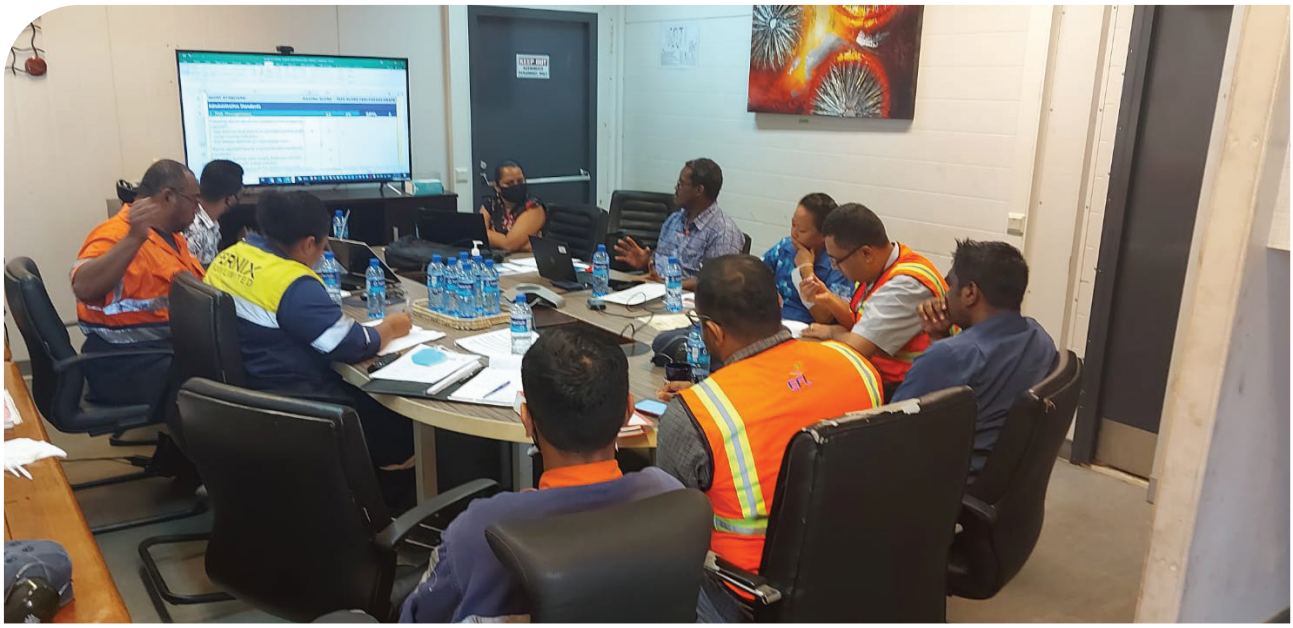
The EFL CEO, Mr. Hasmukh Patel handing over the EFL donation to the Honourable Prime Minister, Josaia Voreqe Bainimarama on behalf of the "EFL VUVALE" to assist Fijians that were affected by the Covid-19 pandemic.

RISK MANAGEMENT

Enterprise Risk Management (ERM) Framework not only evaluates the nature of risks, but also dynamically assesses the likelihood and consequence to the organizations strategic objectives. At EFL, effective risk management means attempting to control, as much as possible, future outcomes by acting pro-actively rather than reactively.

In addition, internal risk inspection of our major power stations was conducted to ensure that previous recommendations were implemented and EFL's risk profile for its critical assets improved. This exercise previously used to be conducted by an independent third party consultant from Sydney Australia, however, due to COVID-19 border restrictions, the inspection was conducted in-house by the Risk & Insurance department. Significant improvements were noted in the risk scores of all the power stations inspected.

Furthermore, a refresher training on Risk Management was conducted virtually by the Pacific Technical and Further Education as part of capacity building for the Risk & Insurance team.



The Risk workshop at Kinoya Power Station

INTERNAL AUDIT

The Internal Audit Department was established in EFL by the Board of Directors and the Audit and Finance Sub- Committee. The responsibilities of Internal Audit is defined by the Board as part of their oversight role and clearly outlined in the Internal Audit Charter which was reviewed and approved by the Board in 2021.

The Internal Audit department was commissioned to meet the mandatory elements of The Institute of Internal Auditor's International Professional Practices Framework (IPPF) including its Standards, Core Principles for the Professional Practice of Internal Auditing and Code of Ethics. The Internal Audit function of EFL is independent of the activities they audit. The following measures are adhered to by the Internal Audit Team:

- Internal Audit Team confirms their independence by filling out the Declaration of Interest Forms annually. In the event of potential conflicts of interest, which arise later, new Declaration of Interest Forms are filled for full disclosure purposes;
- Manager Internal Audit ensures that the Internal Audit activity remains free from bias and any potential conflicts of interest in the conduct of all Audits including Special Investigations. If independence or objectivity is likely to be impaired in fact or appearance, the Manager Internal Audit discloses the details of the impairment to the Board and necessary steps are taken to mitigate such factors prior to beginning of any works;
- If the Manager Internal Audit and the Internal Audit Team are expected to have roles and/or responsibilities that fall outside of internal auditing, sufficient safeguards are established to limit impairments to independence and objectivity;
- Internal Audit reviews but has no direct operational responsibility or authority over the conduct of any of the activities audited;
- The Internal Audit team does not have any other management responsibilities within the organisation and consideration is given to whether any recent past responsibility may pose a threat to objectivity due to conflict, familiarity, bias or influence.

The Internal Audit department is accountable to the EFL Board through the Board Audit & Finance Sub-Committee to:

- Provide an on-going assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work;
- Prepare Internal Audit Reports highlighting significant issues and areas of non-compliance, provide risk implications for the highlighted issues and provide audit recommendations for timely resolution of the identified issues;
- Periodically provide information on the status and results of the Annual Audit Plan and the sufficiency of department resources; and
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethical, environmental, external audit).

The CEO presenting the Quarter 3 performance of EFL to the EFL staff at Head Office.

CORPORATE SOCIAL RESPONSIBILITY

2021 was another year where EFL stood out and provided their support towards the organisation by providing 4800 bottles of hand sanitizers to the Ministry of Health as part of its Corporate Social Responsibility (CSR).

The sanitizers which were part of a donation from a New Zealand - based Fijian businessman were brought to Fiji with the assistance of EFL, Williams and Gosling and Fiji Airways.

The Health Minister, Doctor Ifereimi Waqainabete received the donation of the hand sanitizers from the EFL Management

CHAIRMAN'S REPORT

DAKSESH PATEL - EFL CHAIRMAN

The Financial year 2021 has been a year of unprecedented challenges for EFL and many Fijians. The impacts of the closure of the international borders, followed by restrictions such as lockdowns, social distancing and imposition of curfew on the health and well-being of all Fijians, have been challenging. I am proud of EFL's role in responding to these crises at a time when our customers, that rely on us, have been in need. Working with the EFL Board, Fijian Government & the EFL Management, Energy Fiji Limited has acted decisively to ensure that we 'keep the lights on' for our customers and the communities at large.

The impacts of Covid-19 pandemic continued in 2021. The Second Wave of COVID-19 pandemic impacted EFL's electricity demand for 2021. Initially, when the second wave of the pandemic hit Fiji, the electricity demand declined significantly by around 17% to 20% as compared to 2019 (Pre-Covid year) due to the lockdowns in containment zones, closing of the international borders (which significantly affected the tourism industry in Fiji), industries that operated on reduced hours and those that were forced to close down. At the end of 2021, the weighted average reduction in electricity demand for 2021 in comparison with 2019 was around 12%. It is anticipated that the electricity demand is going to improve as we approach another year of challenge and advancement.

Notwithstanding the setback caused by the Covid-19 pandemic, EFL still rose above these challenges and recorded a profit before tax of $96.62M, which was $13.95M more as compared to 2020. This level of profitability was achieved due to the good hydrology at Monasavu, low fuel prices and prudent operational and financial management.

NEW OPPORTUNITIES THROUGH PROVEN FUNDAMENTALS

Following corporatization, EFL remains wholly committed to its basic corporate fundamentals. Our chief priority remains our future-facing investment strategy, balancing prudent financial management and thoughtful reinvestment to meet the growing need for clean energy through the expansion and upgrade of Fiji's energy infrastructure.

EFL will be carrying out a review of its 10 year Power Development Plan (PDP) up to 2032 in 2022. EFL's PDP is reviewed every 2 years. The ten (10) year Power Development Plan (PDP) covers the master development programme to improve all elements of power systems of Fiji, to ensure adequate and efficient power supply at reasonable cost. This assignment is to carry out load forecast, prepare generation plan and network plan to meet the demand for Viti Levu, Vanua Levu, Taveuni and the Ovalau Power Systems. EFL expects that the total investment required in the power sector to meet the increasing demand of electricity until 2030 to be in excess of $2 Billion made up of power generation and network projects. The power generation projects can either be developed by EFL on its Balance Sheet if the project is financially viable or through Joint Venture or via an IPP. The investments in the power network systems are also essential as they ensure that the energy generated from the new power generation sources, developed either by EFL or IPPs, is successfully evacuated to the load centres to meet the ever growing demand of electricity and assist Government to grow Fiji's economy. With Sevens Pacific Pte Limited from Japan, now a strategic partner of EFL, there will be a lot of collaboration between EFL and Sevens Pacific JV partners, the Chugoku Electric Power Co.,Inc (CEPCO) and Japan Bank of International Cooperation (JBIC) regarding the development of EFL's future plans.

The total debt of EFL as at end of December 2021 stands at $184.73M. This has decreased by $5.8M (net) as compared to the loan balance of around $190.53M reported as at end of December 2021 due to the strength of EFL's cash flow and prudent debt management. The reduction in debt level is due to the mandatory loan repayments made from January to December 2021.There is no more government guaranteed borrowings on EFL's Balance Sheet.

For the first time in the history of EFL, the new shareholder, Sevens Pacific Pte Ltd have requested that EFL should prepare a 5-year business plan instead of a 3-year business plan. EFL plans to execute around $428.34M worth of capital expenditures over the next five years.

The capital expenditure for the planned 5 years are $143.83M, $88M, $72.26M, $62.20M and $62.05M for 2022, 2023, 2024, 2025 and 2026 respectively. The projected Capital expenditure for the five years have been grouped into the following capex categories: i) Compliance or regulatory capex ii) shareholder mandated capex iii) Improve reliability of power supply Capex and iv) profit maximization capex.

Further, EFL has also developed a plan to augment its transmission and distribution networks to cater for the increased demand and transport electricity from the new power stations to the load centres. In this regard, EFL will be developing the following power network projects in the next 5 years.

- The plan includes the construction of a new 132kV transmission line that will duplicate the existing 132kV Network. The Transmission Network Development Study has been undertaken by EIB. This new line will be useful in the event the existing 132kV transmission line from Cunningham-Wailoa-Vuda is not available, either due to a natural disaster or through some unforeseen hardware failures, then the electricity generated at Wailoa and Nadarivatu Power Stations can be re-routed along this new 132kV Transmission Line. Further, this new 132kV Transmission Line can also accommodate new Hydro Power Stations that will be developed in the middle of Viti Levu such as the Qaliwana/Upper Wailoa Diversion Hydro project and the Lower Ba Hydro project.
- Construction of a new 132kV/33kV Transmission network from Virara, Ba to Koronubu, Ba at a cost of around $75M to cater for the increasing demand of electricity in the North Western part of Viti Levu, and to support Government's Tax Free Zone initiative for commercial development between the Korovou to Ba town corridor.
- Upgrade of the old 6.6kV distribution ring main system in Suva to 11kV network at a cost of around $15M;
- Construction of a new 132kV Transmission Power Network to enable the evacuation of power from the Namosi Hydros to the load centres in Suva should the development of the Namosi Hydro Project go ahead.
- Construction of new 33kV Sub-Transmission Network Development as part of EFL's 10 year Power Development Plan.
- Replacement of 33kV/11kV Zone Substation Power Transformers and switchgear due to ageing.
- Network Urban reinforcement work to be undertaken in 2022; and
- Rural Electrification construction programme for 2022.

The above network augmentation projects are critical as it will further improve the reliability and security of power supply to customers. Bulk of the above projects will be internally funded by EFL from its own cash flows. The major power network projects is expected to be funded via long term loans through the Syndicate Banking Facility or International Development Partners.

EFL has carried out a re-prioritization of its 2022 capex and most of the capex amounting to $213.52M that have not been carried out in 2020 and 2021 due to the Covid-19 pandemic have been re-prioritized to be implemented in 2022. It is assumed that the current average electricity tariff of 38.4 c/u (VEP) which has incorporated the tariff increase of 2.74% effective from 1st October 2019 as approved by the FCCC will be reviewed every four (4) years under the new regulated tariff regime. The next review is due in October 2023.

Fiji has the following potential renewable energy sources which are considered as an upside to its business.

- Hydro Projects.
- Solar Projects.
- Biomass - Waste to Energy Plants.

FIJI and EFL Welcomed Largest-Ever Private Sector Investment From Japan

The Fijian Government entered into an agreement in March 2021 under which a consortium, namely Sevens Pacific Pte Limited, owned by The Chugoku Electric Power Co.,Inc and Japan Bank for International Cooperation ("JBIC") acquired 44% shareholding in Energy Fiji Limited (24% from Government and 20% from FNPF).The investment by CEPCO and JBIC is the culmination of an exhaustive process to identify a highly experienced and credentialed international partner to acquire a stake in EFL. It was a critical objective of any transaction that the investor not only offer a financial investment to Fiji, but contribute with their operational expertise and experience in electricity planning and development.

CEPCO's exceptional track record as an international, integrated electricity utility made them the ideal candidate for the divestment. With CEPCO and JBIC as strategic shareholders, EFL will have the ability to tap into world-leading operational expertise, project delivery experience, technology and financial capacity to support the company in meeting the growing electricity demand of the nation and its renewable energy targets, while also providing reliable and affordable electricity to all Fijians.

Fiji is wholly committed to an ambitious net-zero carbon emission target and plans to transition away from fossil fuels and to utilise exclusively renewable energy sources by 2050. With over 50% of EFL's electricity already generated by renewable sources, Fiji is well placed to achieve its long-term targets with the expertise and capital of CEPCO and JBIC. Energy Fiji Limited has found a reputable partner for change in CEPCO as it prepares to spearhead Fiji's transition to carbon neutrality in future. Despite the obvious challenges the COVID pandemic has posed for cross-border agreements, Fiji and Japan has over 51-year diplomatic relationship with the single-largest investment ever made by a Japanese company in Fiji. With Chugoku's operational capacity and expertise at its disposal, EFL can perform better for the Fijians who rely on their services today while transforming into the driving force behind Fiji's renewable energy revolution.

Chugoku Electric Power Company (CEPCO)

By investing in EFL, a vertically integrated electric utility in the Republic of Fiji, CEPCO intend to contribute to the management of EFL from the following perspectives, including the power generation, transmission and distribution, retail business, and new electric power-related business, by leveraging the technologies and experience cultivated in the domestic and overseas electric power business and improving:-

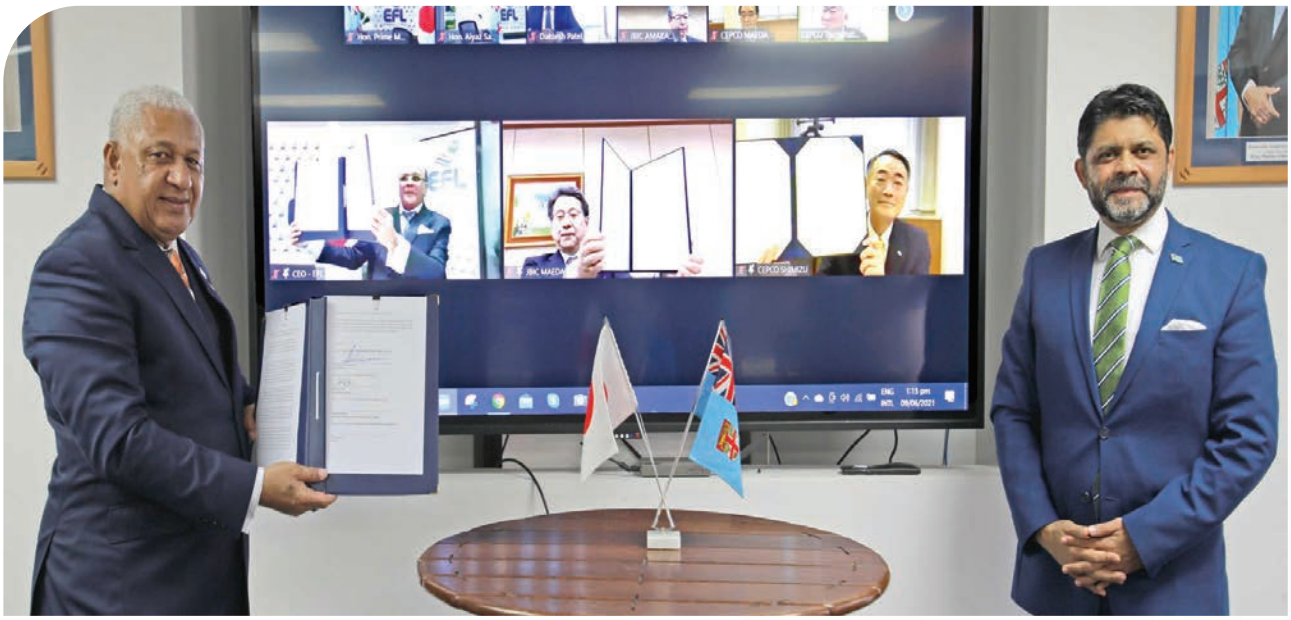
- Strategic plan
- Financial Planning, Demand Forecasting, Tariff Revaluation, Tariff and Sales Planning, Fuel Procurement Planning, Recruitment and Education, and Human Resources Utilization Planning to prevent employees from leaving EFL
- Power and Network Development Plan
- Development of hydro, solar and network facilities in line with the Power Development Plan
- Operation and Maintenance Plan
- Operation and maintenance procedures for hydro, solar and network facilities
- Information technology
- Corporate Governance and Business Compliance

Japan Bank for International Cooperation (JBIC)

JBIC has built partnership with the United States of America and Australia for potential projects in sectors such as infrastructures, energy, and other infrastructures in the Indo-Pacific region in order to maintain and promote the "Free and Open Indo-Pacific" based on the Japanese Government's policy. As part of this, in November 2018, JBIC signed a Memorandum of Understanding with Overseas Private Investment Corporation (OPIC, currently the U.S. International Development Finance Corporation (DFC)) of the United States of America, Department of Foreign Affairs and Trade (DFAT), and Export Finance and Insurance Corporation (EFIC, currently Export Finance Australia (EFA)). The investment in EFL will lead to a relationship with the Republic of Fiji and further reinforcement of efforts to maintain and promote the "Free and Open Indo-Pacific" by developing high quality infrastructure projects in Fiji. In addition, JBIC will continue to provide support to assist the overseas expansion of CEPCO's business, maintain and improve the international competitiveness of Japanese industry, and would work together with EFL, which has set high targets for introducing renewable energy, to realize a decarbonized society.

Following the divestment, the Fijian Government will continue to remain the major shareholder in EFL, retaining a controlling interest of 51% of the shares in EFL while the domestic electricity account holders continue to hold 5% of shares in EFL.

Further, Energy Fiji Limited is governed by the Companies Act and no longer under the Public Enterprises Act. The ultimate plan is to list the company on the South Pacific Stock Exchange.



The Prime Minister, Hon. Voreqe Bainimarama and the Minister for Economy (MOE), Hon. Aiyaz Sayed-Khaiyum after signing the Share Sale Agreement of 44 percent of Energy Fiji Limited (EFL) to Sevens Pacific Pte Limited. The signing ceremony was done virtually at the MOE office in Suva.

RENEWABLE POWER GENERATION PROJECTS

Funding the development of renewable energy requires expertise, innovation and financial resources. EFL's commitment towards renewable energy development also includes a significant financial investment. Power generation projects determined to be bankable will be funded via long-term borrowings from commercial banks and reputable financial institutions.

The Balance Sheet of EFL as at end of December 2021 is in a very strong position. The strong balance sheet position as at end of December 2021 is attributed to the good profits recorded by EFL in 2021 and over the last six years as well as prudent debt management. EFL's total assets are more than twice the total liabilities in the ratio 2.74:1 and shows that the balance sheet of EFL is healthy and strong.

The Debt to Equity ratio has also improved to 58% Equity and 42% Debt as at end of December 2021. This also shows that EFL has added significant shareholder value over the years and continues to service its debt obligations conscientiously without defaulting.

Looking Forward to the Future

1. Qaliwana and Upper Wailoa Diversion Hydro-electric Scheme Development
   Pre-feasibility study for hydro-power electric scheme development in Qaliwana progressed with Studio Pietrangeli, the Italian Consultant hired by the European Investment Bank (EIB). The potential hydro-electric scheme includes diversion of water from the Upper Wailoa catchment area into Qaliwana. Due to the global impacts of COVID-19 pandemic and travel restrictions, travel to the hydro-electric scheme sites was only undertaken by local partners of Studio Pietrangeli. It is anticipated that the feasibility study will progress into its final phase and be completed by end of 2022.
2. Lower Ba Hydro-electric Scheme Development
   EIB agreed to EFL's request to also carry out feasibility study for development of a potential hydro-electric scheme on the Ba River. The feasibility commenced with a scoping study undertaken by local partners of Studio Pietrangeli in 2021 and will progress into detailed feasibility in 2022 and be completed by end of 2022.
3. Namosi Hydro-electric Scheme Development
   EFL settled lease offers from iTLTB for the three project sites namely, Waivaka, Wainikoroiluva and Wainikovu for $1.7M. EFL progressed discussions with development partners for a full feasibility study to be undertaken for the Namosi hydro-electric scheme development to identify the optimum development strategy and anticipates detailed feasibility study to commence in 2022.
4. Development of 132kV Transmission Network from Virara Settlement to Rarawai, Ba
   The Fijian Government has declared the areas between Korovou to Ba in Viti Levu as tax free zone with a certain level of investment. Keeping the above in mind, EFL is developing its high voltage transmission network for sufficient and consistent power supply to the north-western region of Viti Levu by constructing:
   - a 30 km, 132kV transmission line from Virara, Ba to Koronubu, Ba;
   - 132kV switching station at Virara, Ba;
   - 132/33kV substation at Koronubu, Ba; and
   - Linking the Koronubu substation to Rarawai and Tavua substations

   The route of the transmission line was initially identified in 2016. Typically, the land is low lying and almost flat for the first 12 km route from Koronubu. Steel pole structures have been considered for this section of the line. The land is generally used for sugar cane farming presently.

   Approximately 6 km of the route lies along the Fiji Sugar Corporation tram line. The remaining 18 km of the country is hilly. This section of the land is generally used for grazing and pine plantation. Steel lattice towers are being considered for this section of the line.

   EFL has almost completed the acquisition of the proposed sites for the transmission line and further has acquired the sites for the substation and switching station. The EPC tenders for the construction of the transmission line, substation and switching station had been initially awarded in 2020 to a Malaysian contractor, however, the contractor withdrew from the project in 2020. EFL went through a re-tender process and appointed Sterling & Wilson Pvt Limited of India to carry out the design and construction of the 132kV transmission line, switching station and substation. Works on this project commenced in December 2021 and is anticipated to be completed by June 2023. This Project will cost around $75M and will be funded using EFL's newly established syndicate banking credit facility.
5. Qeleloa 5MW Solar Farm
   EFL executed a Power Purchase Agreement with Sunergise Dratabu Pte Limited for the development of a 5MW grid-connected solar photo-voltaic power plant at Dratabu, Qeleloa. This project, to supply clean and

sustainable energy to the Viti Levu grid, is worthwhile as the energy demand is increasing yearly and the project is expected to be developed and commissioned to the Viti Levu interconnected power system by end of 2023.

EFL executed a PPA with Sunergise Dratabu Pte Limited for the development of a 5MW grid-connected solar photo-voltaic power plant at Dratabu, Qeleloa in Nadi.

6. Development of 1MW Solar PV Farm at Mua, Taveuni.

The Korean International Cooperation Agency (KOICA) had signed a Memorandum of Understanding (MoU) with the Government of Fiji (Ministry of Economy) to procure, install and commission a 1MW grid-connected solar photo-voltaic plant at Mua on the island of Taveuni. This project will add to the Island's existing renewable energy portfolio and help to meet future energy demand. The Ministry of Economy on behalf of the Government of the Republic of Fiji has committed EFL to this MoU as the implementing agency. As part of this project, EFL had published, in 2020, an EPC tender for the development of the grid-connected solar photo-voltaic power plant. The tender was awarded and a contract executed with the successful Contractor in 2021. Due to impacts of COVID-19 pandemic, the work on this project commenced in late 2021, and is expected to be completed by early 2023. In order to integrate the 1MW grid-connected solar photo-voltaic plant into the EFL grid, the existing 11kV distribution network has to be extended, from Weilagi to Mua, and further north of Mua, towards Naselesele. EFL has progressed this work by completing the design, acquiring the wayleaves and procuring the materials required for the grid extension works. The grid extension works is fully funded by the Fijian Government and is anticipated to be completed by third-quarter of 2022.

The Country Director of KOICA, Fiji and Pacific Office, Jihi Kim and EFL CEO after signing the MOU at the EFL Head Office in Suva for the establishment of a 1MW Solar PV Plant in Mua, Taveuni.

7. Development of Grid-Connected Solar Photo-voltaic Power Plants in Viti Levu

EFL entered into a Financial Advisory Services Agreement with the International Finance Corporation ("IFC") in September 2020. Under this Financial Advisory Services Agreement, IFC will carry out technical due diligence for development of grid-connected solar photo-voltaic power plants in Ba, Tavua and Nadi with a combined capacity of 15MW and identify development partner(s) for development of these power plants through international competitive bidding.

8. Land acquisition for renewable energy projects

EFL's Land Affairs Unit continued to liaise with key stakeholders, including landowners, iTLTB and the Ministry of Lands for renewal and acquisition of leases required to continued EFL service delivery, and for development of new projects aligned with EFL's strategic objectives.

A TEAM EFFORT, A TEAM SUCCESS

EFL manages a transmission and distribution power network that stretches across the country with over $1 Billion in assets and maintains over 11,000 km of power lines combined in rural and urban regions. Our most valuable asset isn't composed of power poles and cables; our greatest asset is, far and away, our people. From our Board of Directors to our staff in offices around the nation, to our maintenance teams in cities, rural communities and maritime regions, our people are on the front-lines of powering Fijian prosperity, and they have my total sincere gratitude. Together, we made 2021 a complete success despite the impact of Covid-19, and we all have a cause to celebrate EFL's achievements.

When nature disrupts the power supply in Fiji, the Fijian people know they can count on EFL to do absolutely everything within our control to get power back online, restoring that feeling of safety and security that only reliable electricity companies can provide. We'll continue to work day and night until the job's done not only in moments of crisis, but whenever necessary to keep the lights on in Fijian households, and to expand our grid to bring the life-changing benefits of electricity to more of our people.

Of course, none of our progress would be possible without the unwavering support of the Fijian Government. I'm deeply grateful for the visionary leadership of our Hon. Prime Minister during these trying times of the Covid-19 pandemic. I thank his Hon. Cabinet Ministers, particularly the Attorney-General and the Minister for Economy, the Hon. Aiyaz Sayed-Khaiyum, and the Minister for Infrastructure and Transport, the Hon. Jone Usamate for their constant support and sincere interest in EFL's progress and success.

I'm also grateful to the Permanent Secretaries and other key government officials for their support of our Hon. Prime Minister's agenda for Fijian progress. I thank the Reserve Bank of Fiji, the Fijian Competition and Consumer Commission, the Fiji Revenue and Customs Service and the Executives from the various unions with whom we work with for their continued support and cooperation. But above all else, I'd like to thank our customers. Our work energising industries, the retail sector, homes, roads, schools and hospitals across the country is solely in support of our economic well-being. Your interests are at the very centre of every decision we make, and we will continue to innovate, invest and improve our services on your behalf. Thank you for allowing us to serve you.

Looking to the future, EFL will continue to share our success as widely as possible by delivering value for our shareholders and by offering our customers a high level of service in the energy sector that is on par with what can be found in more developed economies. Throughout all of our work, sustainability will remain at the heart of our leadership, whether it is growing access to renewable energy, strengthening our resilience to climate change, solidifying our partnerships with landowning communities or setting our organization up for long-term financial success.

EFL is an exceptional operation and undoubtedly, one of Fiji's leading and successful corporations, supported by the dedicated efforts of management and employees.

EFL is continuing to work through the evolving impacts of COVID-19, with a focus on ensuring our customers are supported, our assets continue to operate effectively and at the same time prioritising the safety and health of our people, the environment and the communities in which we operate.

I would like to thank EFL's shareholders for their continued support and the entire EFL team for their hard work and dedication during the year.

EFL hosts the Cancer Society of Fiji for morning tea to raise funds for cancer patients as part of its Corporate Social Responsibility.

A snapshot of the Covid-19 Vaccine shots being administered by the Ministry of Health at EFL Head Office in Suva. By the end of 31st October 2021, the entire workforce was fully vaccinated except for a few.

BOARD KEY PERFORMANCE INDICATORS

The status of the achievement of the nine EFL Board Key Performance Indicators (KPIs) for 2021 is tabulated below.

1. **GOAL:** Ensure that EFL Comply with the debt covenants set by Lenders subject to the key assumptions for 2021 becoming a reality.
   OUTCOME. ACHIEVED. EFL has recorded an after tax profit of $66.59M in 2021 enabling us to comply with all financial covenants signed with our lenders.
2. Fully comply with the following requirements:
   GOAL: Submission of the 2022 to 2024 Business Plan and EIRP by 30th November 2021 to the Shareholders.
   OUTCOME. ACHIEVED. Submitted on 8th November 2021.
   GOAL: Submission of the annual report and audited financial accounts for 2020 by 31st May 2021.
   OUTCOME. ACHIEVED. Submitted on 31st May 2021
3. **GOAL:** Ensure that the Customer Satisfaction Level for 2021 as per the Corporate KPI is achieved.
   OUTCOME. NOT QUITE ACHIEVED. Domestic target 93.5%, achieved 93% and Commercial/Industrial target 93%, achieved 92.9% as per the Corporate KPI for 2021.
4. **GOAL:** Sign a Power Purchase Agreement with an Independent Power Producer (IPP) by 31st December 2021 to develop at least one new IPP plant.
   OUTCOME. ACHIEVED. Signed a new PPA will Sunergise Dratabu for the development of a 5MW Solar PV at Qeleloa, Nadi on 30th September 2021.
5. **GOAL:** Ensure that the Shareholders of EFL earn a return on their Investment via declaration and payment of Dividends according to the budget set with Management for 2021.
   OUTCOME. ACHIEVED. A dividend of $20M was declared and paid out to the EFL Shareholders on 25th May 2021.
6. **GOAL:** Make a firm recommendation on the way forward for the development of the second 132kV Transmission Network to augment the existing 132kV Network.
   OUTCOME. WORK IN PROGRESS. This is awaiting the completion of the detailed feasibility study of the Qaliwana and Upper Wailoa Diversion Hydro-electric Scheme Development which has been delayed due to the Covid-19 pandemic.
7. **GOAL:** Ensure that the new 132kV Transmission Network from Virara, Ba to Koronubu, Ba progresses according to the project schedule for 2021.
   OUTCOME. ACHIEVED. EFL has signed the contract for the construction of the 132kV Transmission Line, Switchyard and 132kV/33kV Substation with Sterling & Wilson of India on 13th October 2021.
8. **GOAL:** Finalise the development of Ba & Tavua solar farms with IFC.
   OUTCOME. WORK IN PROGRESS. This project has been affected by the second wave of the covid-19 pandemic that hit Fiji in March this year.
9. **GOAL:** Ensure that the refurbishment of the remaining three (3) power plants at Wailoa Power Station progresses according to the work schedule for 2021 subject to travel restrictions being lifted.
   OUTCOME. WORK IN PROGRESS. Due to the wide spread impact of the Covid-19 pandemic, the international borders were closed as countries started to take precautionary measures to prevent the spread of the virus. As a result, the overseas consultant could not travel to Fiji to carry out the refurbishment work.

CHIEF EXECUTIVE OFFICER REPORT

HASMUKH PATEL - CHIEF EXECUTIVE OFFICER

EFL's good performance in 2021 reflects the stability and sustainability of the business during a period of significant disruptions across the globe and in the communities we serve. I am proud that we have delivered a step change in our performance in all four of our Key Result Areas; namely i) Customer & Supply/Demand, ii) Operations, iii) Human Resources, Health & Safety & Innovation and iv) Shareholders and Financials while continuing to deliver returns for our shareholders. Our performance is a testament to our robust business strategy and people.

Our role in keeping the lights on for thousands of homes and businesses, as well as vital services including hospitals and medical facilities, is critical for Fiji. These customers are backed by resilient electricity generation provider and I'm pleased that we have managed to maintain our resilience while adapting to a COVID-19 disruptive environment.

Running an essential services business requires a strong safety culture to manage the significant operational and personal safety risks that many of our people experience every day. EFL has acted quickly to put in place measures to support our people so that they in turn can ensure that our assets continue to function, and our customers are supported by reliable power supply no matter what is the situation.

Apart from the Covid-19 pandemic, which adversely affected EFL's Electricity sales, EFL faced other challenges in the form of two Tropical Cyclones (TC) which struck Fiji in 2021, TC Yasa in late December 2020 and Cyclone Ana in January 2021. The gale-force winds and heavy rain caused power outages and flooding across the country. Our resources, particularly our employees, were put to one of their biggest tests when TC Yasa & TC Ana caused severe destructions throughout Fiji, causing extensive damage to the EFL Power System infrastructure. EFL rose to this challenge and admirably restored power supply to most of the affected customers on or before the projected timeframe. It was a huge challenge for EFL and its employees to restore power supply to the affected areas in the middle of the Covid-19 pandemic. Damage caused by the Cyclones was significant. The total restoration costs incurred by EFL for the two cyclones was around $7.23M. These repair costs were not budgeted for by EFL.

2021 was another challenging year for EFL. Fiji was hit by the second wave of the Covid-19 pandemic that significantly affected the normal ways of doing business around the world including Fiji and at Energy Fiji Limited. As a result, many employers entered into an arrangement where the employees were asked to work from home for longer periods due to Covid-19 lockdowns and stricter Covid-19 protocols imposed in the workplace to combat the spread of the virus. Some of the EFL Management and employees were part of this arrangement. Further, some of the employees also tested positive for the virus and were asked to further isolate themselves at home for 14 days. Every General Manager was asked to create two different bubbles where team/employees were deployed at various locations in Fiji and at various sites to ensure that there is continuity of business and power supply. The Management meetings / tender negotiations with the contractors and other stakeholders were conducted via "zoom" platform. As a measure towards keeping everyone safe, the vaccination of the employees became mandatory. By the end of 31st October 2021, the entire workforce was fully vaccinated except for a few.

The Second Wave of COVID-19 pandemic impacted EFL's electricity demand for 2021. Initially, when the second wave of the pandemic hit Fiji, the electricity demand declined significantly by around 17% to 20% as compared to 2019 (Pre-Covid year) due to the lockdowns in containment zones, closing of the international borders (which significantly affected the tourism industry in Fiji), businesses that operated on reduced hours and those that were forced to close down. At the end of 2021, the weighted average reduction in electricity demand in comparison with 2019 was around 12%.

The Covid-19 outbreak presents a significant challenge for Fiji and the world and businesses globally, including Energy Fiji Limited. In the month of December 2021, the reduction in demand/sale of electricity had improved from negative 17% -20% to around a growth of positive 3% when compared to 2019.

The energy business is highly capital intensive and as such, EFL invests millions of dollars for the upgrade of ageing assets, development and acquisition of new assets. In recognition of the present and future energy demands of the Fijian people, EFL is aggressively investing in the expansion of EFL's national electricity grid. There are still Fijians waiting to access the enormous benefits of electricity, and our capital expenditures include unprecedented funding to bring those communities online. But looking to the future, as Fiji's position in the Pacific and in the international arena grows further, our nation needs to be ready with a network of energy infrastructure that can support new investments which inturn stimulates the economy.

The Covid-19 pandemic also affected the timely implementation of EFL's capital expenditure plan and the procurement of essential equipment, spare parts and critical inventories. The EFL Board had approved a CAPEX budget of $133.08M for 2021. Against this budget, EFL only spent a total of $55.69M in 2021 due to travel restrictions and lockdowns in Fiji as well as globally which affected the mobilization of contractors/ consultants, equipment/materials and other resources into Fiji in a timely manner. Additionally, due to the travel lockdowns, EFL struggled with the procurement of equipment, spare parts and inventories required for critical maintenance work due to disruptions in global supply chain. Due to travel lockdowns with limitations on cargo being air freighted, the sea freight demand significantly increased resulting in shipping delays and significant increase in cost of sea freight. EFL internally funded its CAPEX expenditure of $55.69M in 2021.

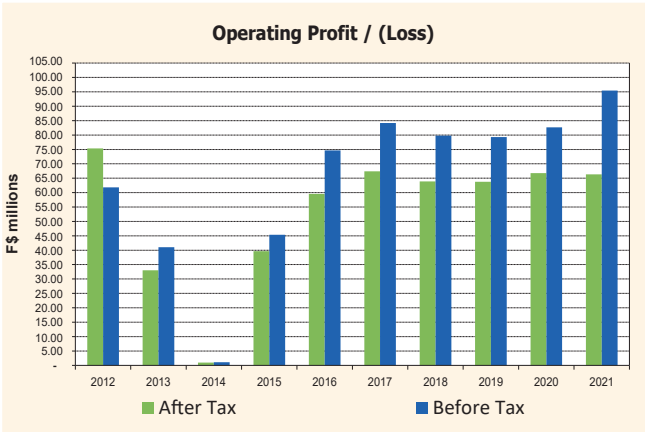
Both, the weighted average decline in demand of around 12% recorded in 2021 compared to 2019 and the realised gains achieved from implementation of the Foreign Exchange & Brent Oil Hedging Programme in some way positively impacted EFL's business. The actual fuel cost for the year was $77.76M compared to budgeted fuel costs of $91.85M. The actual fuel cost for 2021 of $77.76M is inclusive of $21.39M of realised Foreign Exchange & Brent Oil Hedge gain. If EFL had not hedged for 2021, then EFL would have incurred a fuel cost of $99.15M ($77.76M plus the realised gain of $21.39M) which would have been above the budgeted fuel cost of $91.85M.

Both these factors contributed towards EFL's financial performance in 2021. EFL ended the year on a high note by recording a profit after tax of $66.59M despite the global crisis which struck Fiji in 2021 and the damages caused by the two cyclones.

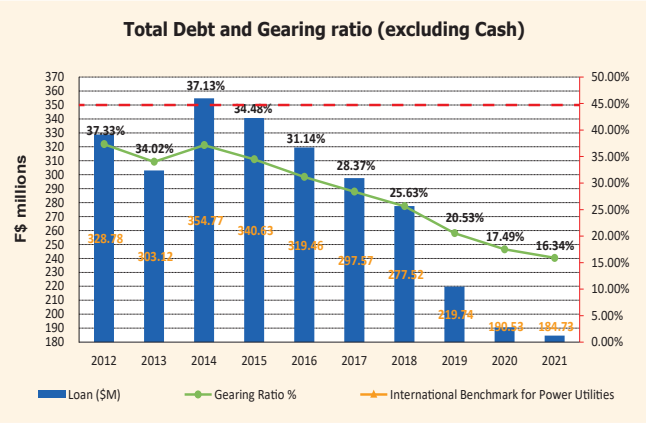
EFL'S PROGRESS IN A DEPRESSED FIJIAN ECONOMY POST COVID-19 PANDEMIC

EFL has maintained unprecedented financial results over the last seven years. In 2021, it recorded an after-tax profit of $66.59M. This profit was achieved mainly due to:

- First and foremost, EFL adopted the strategy to safeguard the health and wellbeing of all its employees, their families and EFL customers including its properties.
- The Company continued to monitor and assess its business operations daily, and implemented other remedial actions appropriately.
- Implemented the mandatory protocol of social distancing in the workplace, daily temperature monitoring of all staffs/customers and hand sanitizing became mandatory. EFL installed sanitizing equipment at all EFL locations Fiji wide together with handheld thermometer guns to monitor the body temperature of all employees and customers on a daily basis.
- EFL restoring power supply to bulk of its commercial and industrial customers soon after cyclones;
- The prudent management of EFL's operations throughout the year paved the way to another historical performance which was important given that EFL successfully completed the divestment exercise to sell the 24% shares owned by Fiji National Provident Fund plus other 20% shares held by the Fijian Government ;
- An integral part of this year's success can be attributed to the prudent management of the Monasavu and Nadarivatu Hydro-Electric Schemes, which have continued to supply clean and reliable energy to power the lives of the Fijian people. Above-average rainfall received in Viti Levu during the rainy season led to a record performance from the Monasavu Hydro Scheme. Monasavu Hydro Scheme produced some 440GWh of energy in 2021 while Nadarivatu produced 85GWh of energy in 2021 respectively; and
- Cost control measures that had to be implemented by Management to mitigate the unbudgeted expenditures incurred in 2021 as a result of two (2) cyclones and the unforeseen Covid-19 pandemic.



Typically, we can expect around 400 million units of electricity generation a year from the Monasavu Hydro Scheme. At the beginning of 2021, the dam level at Monasavu sat at around 745.32 meters above mean sea level, 30.32 meters above the minimum safe operating level of 715 meters. Above-average rainfall received during January and May 2021 resulted in the dam spilling for the periods of 1st January to 11th January 2021 and 29 January – 17 February 2021 and 9 March – 18 March 2021. By the end of the year, water level stood at 733.35 meters above mean sea level. Water level at the dam depends on water usage for power generation and the amount of rainfall received at the dam.



Energy Fiji Limited is now governed by the Companies Act and no longer the Public Enterprises Act.
In this regard, EFL needs to maintain the present profitability levels or even do better.
Ultimately, the Company has had its returns regulated by FCCC and it should strive to manage costs where possible in order to achieve these returns. The ultimate plan is to list the company on the South Pacific Stock Exchange which is anticipated in 2022/2023.

OUR GROWTH BY THE NUMBERS

EFL is a vertically integrated electricity Company in Fiji with strategically located operations and strong network coverage including a market leading renewable energy portfolio in the Pacific. It has a stable business profile with consistent cash flows. It has an established management team with significant experience in the business. Further, EFL has strong governance standards including comprehensive risk management framework. It has the ability to leverage low cost renewable energy sources presently to generate profits for the company and furthermore there are opportunities for development of such renewable energy sources in the coming years.

EFL's balance sheet remains in a strong position as at end of December 2021, owing to our consistent good performance over the past seven years. Our gearing ratio, as measured by debt to debt plus capital plus reserves, excluding cash in hand, stood at 16.34% as of 31 December 2021. This is down from 17.49% at the end of 2020, with both years well within the industry standard of maximum 45%.

Our low gearing level in 2021 is owed primarily to the profits we recorded in 2021 that resulted in an increase to the shareholder value and the reduction in our debt level by $5.79M compared to 2020. Our low gearing level will grant EFL the flexibility to take out future loans, where necessary, to fund the implementation of its long-term Power Development Plan. EFL has never defaulted on its loan repayments in the past and shows that the Company is financially strong and sustainable.

At EFL, we consider our shareholder value, asset value and the total amount of our loans and bonds as the key benchmarks to assess our performance. EFL's shareholder value stood at $946M at the end of 2021, up from $899M at the end of 2020. EFL's total asset value rose to $1.51B by the end of 2021, up from around $1.45B in 2020 despite the adverse impact of the Covid-19 pandemic and displayed the resilience in the company. On the other hand, our total loans and bonds amounted to $184.73M at the end of 2021, down by $5.79M from the previous year.

The EFL Management continued with the proactive measure to reduce the risks of rising international fuel prices and the volatility of currency exchange market via weekly Risk Management Committee (RMC) meetings and thereafter taking appropriate actions as and when required. Much like other sectors in the Fijian economy, EFL has long been left exposed to volatility in prices of industrial diesel oil and heavy fuel oil, which are determined by the Brent crude oil global market prices and US Dollar exchange rate.

EFL's Foreign Exchange & Brent Oil Hedging team, together with professional hedging consultants, constantly and carefully monitor fuel prices and foreign exchange rates on a 24h/daily basis, and take appropriate action. As fuel is consistently our largest cost, volatility in the commodity and foreign exchange markets can have serious consequences, and EFL's highly proactive approach marks an important step in reducing that risk to our business and introducing a new level of cashflow stability and certainty.

The objectives of the Foreign Exchange & Brent Oil Hedging Programme are as follows:

- Protect the company from rising oil prices during the period as EFL's fuel hedging framework is designed to provide 70% protection when oil prices are rising.
- Ability to participate on the downside oil price movement since EFL's hedging framework is designed to allow for around 65% downside participation when oil prices are falling.
- Substantially reduce its fuel cost volatility and provide stability to EFL's cashflows and earnings.

The actual fuel cost for the year was $77.76M compared to budgeted fuel costs of $91.85M. The actual fuel cost for 2021 of $77.76M is inclusive of $21.39M of realised Foreign Exchange (FX) & Brent Oil Hedge gains. If EFL's fuel and FX were not hedged for 2021, then EFL would have incurred a fuel cost of $99.15M ($77.76M plus the realised gain of $21.39M) which would have been above the budgeted fuel cost of $91.85M.

NEW SHAREHOLDING PARTNER IN SEVENS PACIFIC PTE LIMITED FROM JAPAN

On 25th March 2021, the Fijian Government entered into a Share Sale Agreement with Sevens Pacific Pte Limited, which is a consortium owned by Chugoku Electric Power Co.,Inc ("CEPCO") and Japan Bank for International Cooperation ("JBIC") to acquire 44% shareholding in EFL. The consortium acquired 44% of shares in EFL, acquiring 24% from Government and 20% from FNPF.

Following the divestment, the Fijian Government will continue to remain the major shareholder in EFL, retaining a controlling interest of 51% of the shares in EFL while the domestic electricity account holders continue to hold 5% of shares in EFL.

The fuel-hedging consultant, Mr. Jeff Roberts presenting the market developments on the FX and Brent crude to the Risk Management Committee (RMC) via "Zoom" platform.

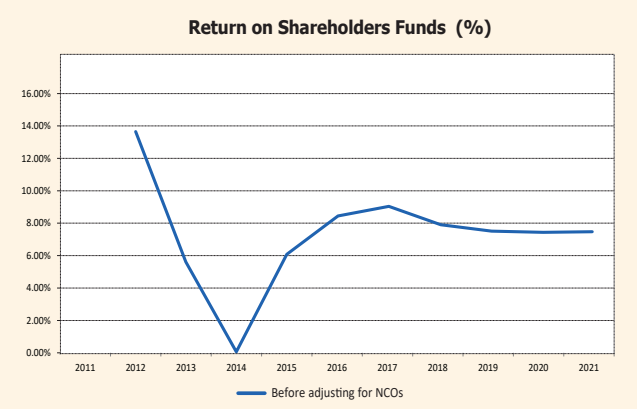
EFL implemented its Covid-safe operational plans in 2021 to protect its employees and customers from the spread of the virus and ensuring minimum risk when continuing with its business.

After the recent purchase of EFL shares by Sevens Pacific Pte Ltd, the new EFL Board of Directors now consist of seven Directors: 4 appointed by the Fijian Government (Private Sector – 2, PS Economy & EFL CEO) & 3 appointed by Sevens Pacific Pte Ltd.

Further, Energy Fiji Limited is governed by the Companies Act and no longer comes under the ambit of the Public Enterprises Act. The ultimate plan is to list the company on the South Pacific Stock Exchange.

NEW REGULATORY FRAMEWORK/TARIFF METHODOLOGY

The FCCC approved a new Regulatory Framework or Tariff Methodology for the determination of the electricity tariff. This came into effect from October 2019. EFL's retail tariffs are set through a defined Regulated Asset Base (RAB) model with regulated rate of return approved by the FCCC and is also based on allowable revenue to recover all cost related to the production, distribution and retail of electricity. As part of the implementation of this tariff methodology, EFL received a 2.74% tariff increase, which is to also fund the capex plan component of the RAB. The methodology is regarded as a global standard in the regulation of electrical utilities, and will provide an appropriate return on investments in the sector.



CAPITAL EXPENDITURE AND FUNDING

EFL spent a total of $55.69M on capital expenditure in 2021, down from $47.93M compared with 2020. The $55.69M includes $13.64M for the General Extension, Rural Reticulation and WAF Viria Project. The Covid-19 pandemic impacted EFL's business that restricted EFL from carrying our major Capital Expenditure (CAPEX) in 2021. The EFL Board set a capex budget of $133.08M for 2021. Against this budget, EFL only spent a total of $55.69M and the underspending was largely due to the travel restrictions and lockdowns in Fiji as well as other countries.

The capex uptake has been low as compared to budget for the year and this is largely due to the impact of the second wave of the delta variant, closure of international borders and curfew hours imposed within Viti Levu. The $55.69M capital expenditure spent in 2021 were funded entirely from EFL's internal cash flows.

In December 2021, EFL drew down $12.3M as advance payment for Sterling Wilson of India being the contractual payment for the construction of the new 132kV Transmission Network from Virara, Ba to Koronubu, Ba. The total amount of the advance payment was around $12.3M (ANZ - $6.44M & BSP -$5.82M) funded from EFL's Syndicate banking Facility.

Despite the low capital expenditure incurred in 2021, EFL's rising profits have led to significant progress in reducing debt levels, with our total debt portfolio falling from nearly $190.53 million in 2020 to $184.73 million in 2021.

This is expected to increase once we fully draw down the $70M loan approved under syndicate banking facility to fund the new 132kV transmission line from Virara to Koronubu, Ba. The low gearing level recorded as at 31st December 2021 allows additional lending headroom as per the syndicate banking facility of around $135M to fund future EFL CAPEX.

There is no more borrowings on the EFL Balance Sheet as at 31st December 2021 that are secured via Government guarantee. The Syndicate banking facility loans are secured via debenture mortgage over the assets of EFL while the Suva City Council loan is unsecured. Throughout 2021, we maintained an average cost of borrowing of around 4.74% per annum, along with a steady interest rate on EFL's credit facility despite the tightening of the financial market in 2021.

PRODUCTION OF ELECTRICITY

Amongst the Pacific Island countries, Fiji is blessed with natural resources that give us access to renewable energy potential. We have a mountainous terrain, and powerful rivers that flow from the highlands to the sea suitable for the development of Hydro Electric Power.

EFL, in its portfolio of power generation facilities, has a number of Hydro Power plants ranging from 1MW to 72MW. These Hydro Power Plants have been developed over the last forty years and they play a crucial role in the successful operations of EFL on a daily basis. Not only do they replace expensive diesel generation but contribute to a reduction in our carbon footprint annually. Finally, they also contribute to one of the lowest electricity tariffs in the South Pacific.

POWER GENERATION MIX

Through our diversified renewable energy portfolio, EFL is walking the talk when it comes to climate mitigation. We're setting an example to the world in renewable energy production, showing how a small island nation can produce its power in a sustainable manner that protects our environment and drives our economic growth.

In 2021, we produced more than half of our energy requirements from hydro-power (58.47%), 0.03% from wind power, and 6.52% from Independent Power Producers (IPPs), namely Tropik Wood Industries Limited, Fiji Sugar Corporation and Nabou Green Energy Limited. In 2020, we produced 57.18% of our energy requirements from hydro-power, 0.12% from wind power, and 6.87% from Independent Power Producers (IPPs).

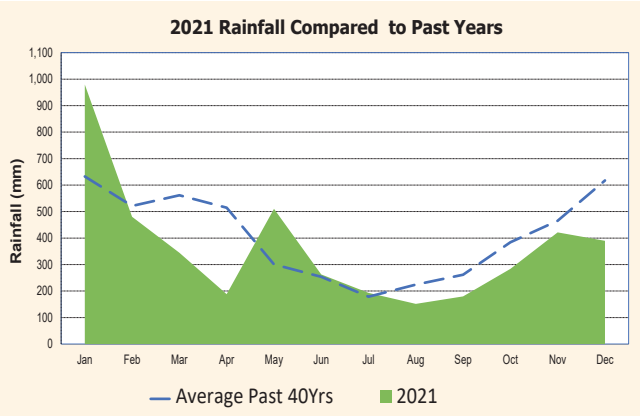
In total, EFL's renewable power stations generated 548.143 million units of electricity (58.50%), thermal power stations generated 327.819 million units (34.99%) and Independent Power Producers (IPPs) generated 61.053 million units (6.51%) of electricity.

Land soil nailing works to stabilise landslide at the Nadarivatu switchyard

HYDRO GENERATION

- **Wailoa Power Station**
  Typically, we expect around 400 million units of electricity generation annually from the Wailoa Hydro Power Station as part of the Monasavu Hydro Scheme. In 2021, the station generated 440.98 million units as compared to 451.61 million units in 2020.

- **Nadarivatu Hydro-power Station**
  The annual long-term average output of Nadarivatu Hydro Scheme is 100 million units. In 2021, the station generated around 85.04 million units, as compared to 80.63 million units in 2020. The low generation was due to the low rainfall in the catchments areas.



- **Wainikasou Hydro-power Station**
  The annual long-term average output from Wainikasou Hydro Scheme is 22 million units. In 2021, the station generated some 19.25 million units, compared to 23.02 million units in 2020. The low generation is due to the unavailability of the Wainikasou G1 genset due to mis-alignment of the genset shaft from Jan-June 2021 and Wainikasou G2 genset from Aug-Dec 2021 due to a faulty rotor pole.

- **Nagado Hydro-power Station**
  The annual long-term average output for Nagado Hydro Power Station is 12 million units. The station has been shut down since July 2016 after generating 3.3 million units of electricity that year. It generated no power in 2021 due to replacement work on polyjet valves and SCADA system. The SCADA system and Polyjet valves were recommissioned in September 2021. However, due to low water pressure in the pipeline from the Vaturu dam to the Nagado Power Station, the plant could not operate successfully. EFL is working with WAF to resolve this outstanding issue which will take some time to resolve.

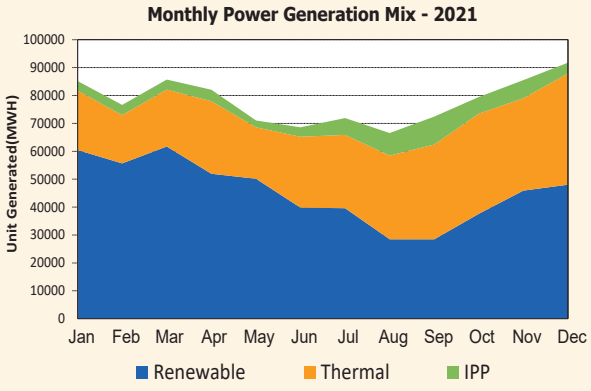
- **Taveuni Hydro-power Station**
  The average output from the Taveuni Hydro-power Station is around 2 million units per annum. The Taveuni Hydro has performed admirably by consistently producing above average generation of 2 million units per annum since it was commissioned in 2017. The Hydro Plant generated 2.54 million units in 2021 as compared to 2.51 million units in 2020 and was used to supply bulk of the load in Taveuni.

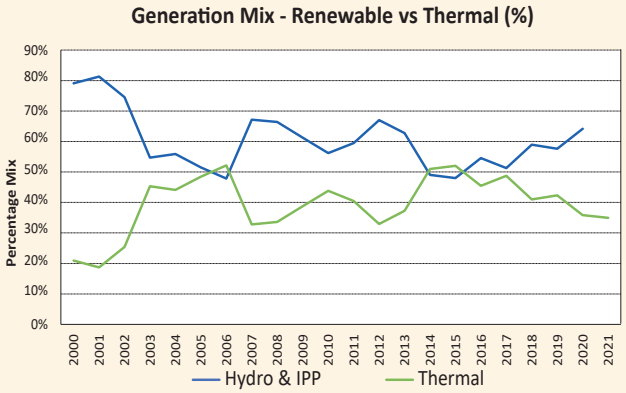
BUTONI WIND FARM

The Butoni wind farm generated 293 million units of electricity in 2021, saving around $0.33M in fuel costs for EFL. The low generation recorded in 2021 was due to the damages sustained to the wind farm caused by Tropical Cyclone Harold in April 2020. Since its opening in June of 2007, the Butoni wind farm has harnessed the power of the wind to generate 56.173 million units of energy, sparing us from burning 12,369 tonnes of diesel fuel, equal to 38,196 tonnes of harmful carbon emissions. As a result of the pandemic, the repairs to the damaged wind farm is still outstanding (awaiting overseas contractor and spare parts) and it is anticipated that repairs will commence in 2022 after the insurance company processes EFL's claim.

THERMAL GENERATION

Our thermal power stations continue to play a critical role as part of our energy mix, generating over 34.99% of our energy requirements in 2021. Kinoya, Vuda, Ovalau and Labasa have generated 327.819 million units in 2021 as compared to 349.93 million units in 2020. The drop in generation is due to the declining demand as result of the Covid-19 pandemic impact to the Viti Levu Interconnected System (VLIS) and more generation coming out of the Monasavu Hydro which then contributed to the improved financial performance.





RELIABLE POWER: A COMFORT TO FAMILIES AND A CORNERSTONE FOR DEVELOPMENT

Access to reliable electric power supply is recognized as a key pillar for national development – particularly for Fiji, as our nation positions itself as a hub of economic activity for the South Pacific. But at the end of the day, it's about more than economic development; reliable power is a comfort to thousands of Fijian families, and a potentially lifesaving resource in times of crisis.

At EFL, we're constantly exploring new strategies to improve the reliability and security of our power supply. That is significant and a steady investment is required to boost resilience across the entire national grid out of recognition of the worsening impacts of climate change. During 2021, EFL achieved a System Average Interruption Frequency Index (SAIFI) of 3.23 times, whereas our target is to be below 6 times for the year.

Furthermore, we achieved a System Average Interruption Duration Index (SAIDI) for controllable power outages of 127 minutes, whereas our target was to be below 255 minutes for the year.

EFL also continuously investigated faults on its power network, as identified, and made recommendations for improvement. Immediate actions were taken by the relevant taskforce within EFL to rectify these issues and improve general power supply reliability.

Power supply interruptions are largely caused by severe weather events and other external factors. The leading causes of power interruption in 2021 were major planned maintenance and extension works, heavy rain, lightning storms, motor vehicle accidents that damaged power poles, faults on power line hardware, overgrown vegetation clashing with power lines, third-party damage to EFL underground cables, bush fires and vandalism of EFL assets. Despite these external challenges, EFL achieved high reliability, in part, because of our commitment to develop climate-resilient infrastructure and our rapid and regular maintenance of the national power grid.

The electrical protection settings review of the electrical protection relays installed in the Viti Levu Interconnected Power System was also undertaken, after the last protection settings review in 2016. Such protection settings reviews are undertaken to confirm that for power system faults, protection relays with their existing setting operate as expected. System changes, such as transmission network extension, addition of generation and upgrading or replacement of power transformers affect the electrical protection system setting and performance, therefore such reviews are crucial in ensuring acceptable performance of both existing and new protection systems. Protection relays operate successfully within milliseconds to isolate the faulty power system from the healthy section.

The recommendations from the protection settings review were gradually implemented, with execution of various grid projects.

In addition to the periodic protection settings review, EFL electrical protection relays were upgraded with more modern and reliable numerical protection relays which replaced the old electro - mechanical and static protection relays. This critical work will continue into next year to ensure that the electricity grid is properly equipped to serve a growing population with growing demand for reliable energy.

The Fijian economy is rapidly evolving and EFL is keeping pace with the evolution towards a digitalized economy. We've continued investment to reinforce the power system to ensure greater reliability and security of Fiji's power supply, in line with international benchmarks for power utilities of similar size and orientation.

Allowing aging assets to operate without upgrading and repair creates unacceptable high costs over the long term, especially given that some of our power distribution systems have been in service for more than 50 years especially in the Suva city and nearby suburbs. We are pro-actively carrying out upgrade and repair works across the national grid to ensure our assets are fully capable of servicing energy demands and are protected against catastrophic failures. We are carrying out live-line maintenance of power lines at all voltage levels, managing growing vegetation, and deploying appropriate technology to detect and repair defects and restore power in extreme instances. We also wholly replace assets, where necessary, in order to ensure that our grid has the capacity to consistently meet the nation's energy needs.

As part of implementation of the long-term power development plan, EFL commenced work for the establishment of two new zone substations at Naikabula, Lautoka and Denarau, Nadi in 2019. Work has progressed in 2020 with equipment procurement and construction of 33kV/11kV zone substations at Naikabula, Lautoka and Denarau, Nadi. The major equipment for Naikabula 33kV/11kV substation, including two 33kV/11kV power transformers and 11kV and 33kV switchgear were successfully factory tested and delivered to site. Civil construction works have progressed at both sites. The project is expected to be completed in 2022 as the borders have now opened.

Work on extension of the 33kV sub-transmission network and establishment of a new 33kV/11kV zone substation at Waitolu, Naitasiri commenced in 2020 with design being finalized and approvals being sought from the regulatory and government agencies. The manufacture of major equipment are progressing well and are expected to be completed by mid-2022. The power supply infrastructure will be developed to meet the power requirements of Water Authority of Fiji's new raw water intake and pumping station in Viria, Naitasiri.

Further, the establishment of a new 132kV Transmission Network from Virarara in Ba to Koronubu, Ba at a cost of around $75M to cater for the increasing demand of electricity in the North West of Viti Levu is progressing according to plan. This project when commissioned will support Government's Tax Free Zone initiative for commercial development between the corridor from Korovou to Ba. The project is expected to be completed in 2023 as the borders have now opened.

ENERGISING A RECORD NUMBER OF FIJIANS

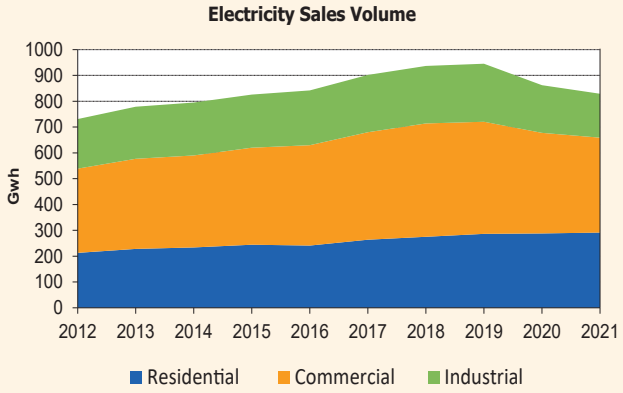
As Fiji had experienced unprecedented decade of economic growth, more Fijians are expected to enjoy a higher standard of living and a thriving business environment, our nation's demand for energy is expected to boom.

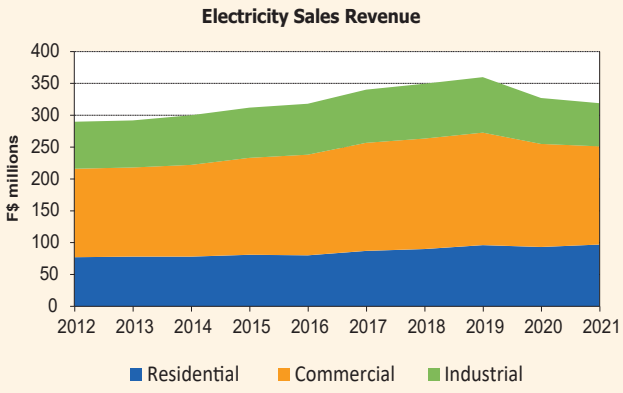
Thanks to our forward planning and prudent management, EFL stands ready to meet these growing needs. In 2021, our total number of customers rose by 2% to 210,320 –– up significantly from the 205,580 customers from exactly one year prior.

This record-breaking customer base is made up of 47,525 prepay customers and 162,795 postpay customers, compared to 44,427 prepay and 161,153 post-pay customers in 2020.

A further breakdown of these customers reveals that EFL's client base is as dynamic as the Fijian economy; in 2021, we had 106 large-scale industrial customers, 19,148 commercial customers and 191,066 domestic customers (including private residences, places of worship, other institutions and streetlights). The year-over-year change was mainly attributed to domestic customer growth.

The effect of Covid -19 is evident as our growing customer base was not justified by the reduction in national demand for energy; 2021 saw a 4% decrease in demand, contracting from 862.5 million units in 2020 to 829.2 million units in 2021.





SPREADING THE BENEFITS OF ELECTRICITY TO LOW-INCOME FIJIAN FAMILIES AND SMALL AND MEDIUM SIZED BUSINESSES

The Fijian Government and Energy Fiji Limited have committed themselves to assisting low-income households access the tremendous personal and economic benefits of electricity and the Government subsidises electricity costs for families with a combined household income of $30,000 or less per annum.

The normal subsidy applied by the Fijian Government every month is 48.05% which is equivalent to 16.34 cents per unit for the first 100 units of electricity consumed by the subsidised customer. A further initiative was implemented from 1st January 2021 to 31st March 2021 where EFL provided a Covid discount to its subsidised customers equivalent to 17.67 cents per unit for the first 100 units. This allowed subsidised residential customers to save 100% (51.95% discount provided by EFL and 48.05% subsidised by The Fijian Government) on the first 100 units of electricity usage per month, resulting in a cost to customers of paying only the VAT portion on their first 100 units of electricity usage for the period 1st January 2021 till 31st March 2021. From 1st April 2021, the EFL discount portion was removed, howerver, the Fijian Government continued to subsidise 48.05% cost for the first 100 units of electricity consumed by the subsidised customers till 31st July 2021. From 1st of August 2021 till the 31st December 2021, The Fijian Government fully subsidised 100% cost of the first 100 units electricity usage per month by the subsidised customers and these subsidised customers only paid the VAT portion for the first 100 units usage.

For primary and secondary schools, a step-up subsidy is in place, where the first 200 units consumed in a month are subsidized at a rate of 12.85 cents per unit (VEP), resulting in a total cost of only 21.16 cents per unit (VEP). Units beyond 200 are charged the full institutional tariff of 34.01 cents per unit (VEP) effective from 1st October 2019. A total of 806 schools benefited from this subsidy in 2021.

A newly-restructured subsidy scheme was introduced in August 2017 and has since been aggressively publicised to eligible families, including during the company's free share offering. This campaign resulted in a huge increase of 11,124 subsidized customers in 2021, meaning an impressive 52,259 Fijian households now have access to highly-affordable electricity.

The Fijian Government also assisted small and medium sized commercial customers whereby these customers were provided with a subsidy of 6.98 cents per unit for the first 1000 units of energy consumed by them. This meant, the small and medium sized commercial customers were required to only pay 34.01 cents per unit (instead of 40.99 cent per unit) and the VAT portion on their first 1000 units electricity usage. This subsidy continues in 2022.

DEMAND-SIDE MANAGEMENT

To ensure that our customers are billed fairly and correctly, it is critical that EFL's electricity meters are functioning accurately; that's why we're undergoing an ambitious meter recalibration project. This initiative is targeted at Fiji's larger commercial and industrial consumers and is carried out in batches of 150 customers each year.

We are also regularly scanning prepay customer meters and pro-actively recommending corrective measures when and where appropriate. In addition, to help customers become more responsible and efficient in their use of energy, technical advice and billing data are made available.

EFL's reactive energy tariff was strictly enforced in 2021, with penalties imposed on those customers who used excessive reactive energy, failing to comply with the power factor requirements as stipulated under the Electricity Act. Year-over-year excessive reactive power usage by customers increased by 46% in 2021 as compared to 2020.

ELECTRICITY TARIFF METHODOLOGY

On 1st October 2019, the FCCC approved the new regulatory framework for the energy industry which includes the methodology for determining the electricity tariff. Some of the features of the new tariff methodology are outlined below:

- The tariff methodology will be based on the Regulated Asset Base (RAB) model which allows EFL to generate a fair return on its investment in the power sector.
- The tariff methodology is also driven by the allowable revenue concept whereby EFL is allowed to recover cost prudently and earn a fair return.
- The tariff will be reviewed every 4 years under the regulatory cycle. The next review will be held in October, 2023.
- Annual review of cost indices to account for uncontrollable expenditures:
- Ad-hoc review of the tariff to account for extra ordinary events such as natural disasters.

The above regulatory framework provides EFL and other key stakeholder's greater degree of certainty and transparency with the application of the tariff methodology.

However, due to the Covid pandemic the annual review and ad-hoc review have not been implemented in 2020 and 2021.

CONSUMER SECURITY DEPOSIT

Based on changes in our customers' consumption patterns, a review of their consumer security deposits are carried out periodically to ensure that sufficient deposits are held as security by EFL. Customers currently have the option to either pay their consumer security deposit in cash or provide a bank guarantee to EFL.

INTEREST ON DEPOSIT

The interest on consumer security deposits has been paid in accordance with Section 20 (3) of the Electricity Act 2017 and this commenced from Quarter 4, 2019. The interest on consumer security deposits is paid every quarter and is credited directly against the customers electricity bill.

CUSTOMER ENGAGEMENT IN A DIGITAL ECONOMY

In the age of technological advancement and digital economy, the demand to have electricity at home and commercial premises has rapidly increased. Consumer expectations of the EFL delivery timeline have shifted from the norm. The customer expects a personal relationship that offers value wherever and whenever they are ready to engage. With this change in customer behaviour, EFL turns to improve its customer engagement through Digital Transformation. It is also boosting productivity, exposing EFL to new innovative ideas, technologies, new business models, and creating new channels of market and communication convenience to suit the change. For EFL's valued customers, the benefits are associated with more access to the services at any time of the day and from the comfort of their homes, offices, or wherever they may be.

In light of Digital Transformation, EFL has introduced e-forms through our websites, where customers can fill, attach relevant documents and submit them from the comfort of their homes. This has saved time in serving the customers and also limits excessive paperwork for our Customer Services Representatives (CSRs).

Embracing paperless processes, EFL has greatly improved its internal process where manual file workflow has been replaced by a string of tasks between stakeholders. This is done in the Gentrack Billing System

where one single Service Order has a string of tasks. This process is being transparent and accessible, by any Customer Services Representatives (CSRs) for customers feedback.

EFL has also introduced Bill Care Card to customers who do not have an email address for ebill. The Bill Care Card has their account details through barcode and can be scanned through our cashier and our third-party cashiers for payment. Customers do not need their hard copy statements as they can use these easy-access card payments accordingly. The wallet size Bill Card is convenient to use.

As for quick and fast awareness, EFL continues to exploit on SMS texting platform to reach its customers for awareness on planned, unplanned power outages, bill reminders, no meter access reminders, and any other awareness created for EFL's customers.

In addition to this, EFL has also activated a Facebook page for the convenience of its customers to communicate directly with EFL. On the other hand, we still have the following channels for customers to reach us for enquires and complaints:

- Helpline 24/7: 132333 | Mob: 5333 | Emergencies: 913
- Get bill copy: Noqu EFL App
- Get bill balance and due date: dial *1333# at 18cents per text
- Chat with us on www.efl.com.fj

INFORMATION TECHNOLOGY

EFL's digital transformation journey to improve customers' ever-growing demands for e-services was further validated with the demand to adapt the business operations to comply with the COVID-19 non-negotiable protocols mandated by the Government.

Standard operations were seamlessly re-tailored to comply with the "new normal". Staff were deployed into operational bubbles with a significant number that were able to work from home. This collaborates the IT Strategic Objective "to meet the speed and agility needs of the business with faster, on-demand delivery of infrastructures and applications"

Consequent to the above-mentioned strategic objective, the following projects were successfully completed in 2021.

1. Video Conferencing Upgrade – enhanced the Video Conferencing facilities in all major EFL sites to conduct trainings/meetings due to travel restrictions.
2. Online Application Forms – EFL customers can now apply for new connections online, without the need to physically visit the EFL Customer Care Centres located across the country.
3. Server Hardware Refresh – to keep up with the growing demand for computer and storage resources whilst achieving an IT System Uptime of 99.971%.

The undermentioned projects have started in 2021 and are planned for 2022 and beyond. These have been identified to directly achieve the IT Strategic Objective "to explore the integration of business applications to reduce operating costs and minimize business risks."

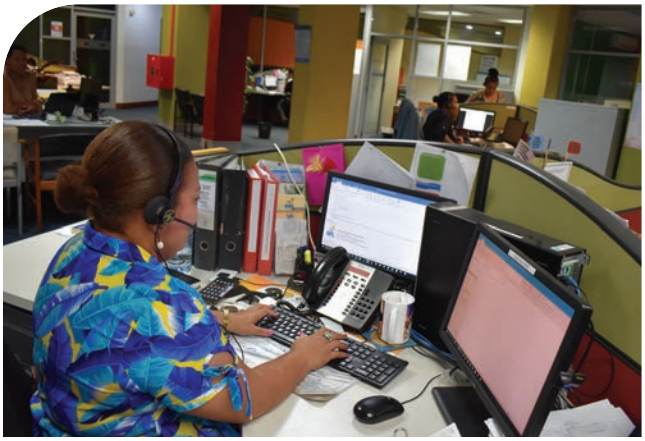
1. Upgrade of the Financial Management Information System (FMIS).
2. Commencement of Automated Meter Reading.
3. Field Services App for workers out in the field.
4. Enhance and add more online services on the Customer Web Portal/Mobile App/Website.

However, all these improved customer experience and enhanced services must be underpinned by another key IT Strategic objective "to reduce the risk of exposure of IT Systems ensuring data integrity, security, and availability of all Business applications", one which is constantly being monitored and addressed with the implementation of strong cyber security measures and evolving upgrades of these measures.

CUSTOMER CARE CENTRES

Knowing and understanding customer needs are at the centre of every successful business. Once you have this knowledge you can use it to improve your customer satisfaction level and customer retention. There are a total of nine (9) Customer Care Centres across Fiji currently.

Bill Payment via EFTPOS is an additional service to all EFL remote stations to help customers pay their electricity bills. Customers still have the option to make payments via cash, cheque or EFTPOS through Carpenters Max Val-u agents or any other agents authorised by EFL. EFL has also signed a partnership Agreement with Water Authority of Fiji where the two organizations would operate from the same office at various locations.



Our Customer Services office will greatly benefit all EFL customers and also the Electrical Contractors who can now lodge their permit for new applications, broken service mains or meter upgrades etc. from the office at the various locations without delay.

A total of 208,018 customer visits were made to our Customer Care Centres in Central, Western and Northern divisions in 2021. This is a decrease by 20.84% from 2020 and is largely due to the Covid-19 protocols.

2021 is the third year EFL has successfully processed the 5% non–voting shareholder to qualified domestic account holders, and these customers were distributed dividends after approved by the EFL Shareholders.

CUSTOMER SATISFACTION SURVEY

To establish the present level of customer satisfaction with regards to EFL's customer services, EFL conducts a customer satisfaction survey every year to gauge how EFL customers rate our services and their views are important to EFL to improve our Customer Services and bring it to another level. Survey forms are normally included in the December bills as bill inserts and also available at all Customer Care Centres and On-line facility. EFL also use the Rural District Office in each province to distribute to settlements and villages as most of them are prepay customers. As an appreciation of customer commitments, customers have to answer six (6) questions, also have a chance to go into the draw to win cash prizes. 1st prize is $1,000, 2nd prize is $500 and 3rd prize is $250. Consolations prizes are also given to customers and these include EFL T/shirts and EFL Caps. Winners will be randomly picked out of the box. In 2021, our target was to achieve customer satisfaction ratings of 93.5% for residential customers and 93% for commercial and industrial customers.

CONTACT CENTRE

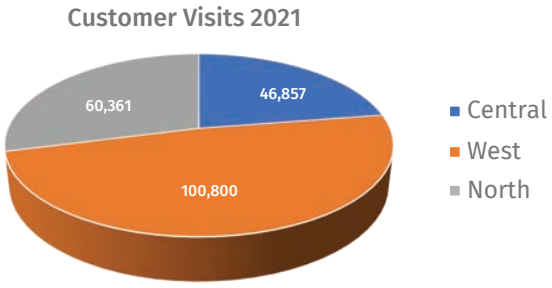
2021 was another exciting and challenging year for the EFL Contact Centre. Over the years, we have experienced adverse weather conditions and an active cyclone season which resulted in unplanned power outages. With offices in Suva and Vuda open 24 hours a day, seven days a week, EFL's contact centers were available to help Fijians with their electricity needs throughout it all, simply by dialing "132-333" or through the EFL short code, "5333". Over the course of the year, our Contact Centres deftly managed flows of information from hundreds of thousands of customers ranging from diverse field of topics, including questions about free EFL shares, Walesi, the revised 2017 electricity subsidy, review of consumer security deposits, disconnection and reconnection of electricity accounts, prepay customer issues, e-billing facilities, new connections, the "Noqu EFL" portal, and planned and unplanned power outages. In total, we received 432,963 calls during the year, or an average of 36,080 calls each month.

EFL has also introduced two new features in the Contact Centre where as soon as there is a major unplanned power outage, an announcement concerning this outage will be activated on the main incoming lines 132333 and 5333. A call back message facility has also been introduced for customers that cannot wait in the Queue. Customers will leave their name and contact details and a CSR will call them back.

When it comes to customer service, EFL's measure of success is based on timeliness; for that call volume, our benchmark is that 80% of total calls to be answered within 20 seconds. Even with 2021's high volume of calls, our Grade of Service (GoS) for 2021 was 84.4% of the total calls answered within the 20 second mark, with only 5.1% of calls being abandoned.

BILL PAYMENT FLEXIBILITY THROUGH PREPAY

Fijians living in our most rural communities often don't have access to the same payment methods that too many of us take for granted in the cities and towns; for them, the ability to post-pay their monthly bills may be difficult or impossible. Meanwhile, these customers still deserve the same access to electricity that is enjoyed by the rest of the country. That's why EFL is constantly seeking financially innovative solutions that ensure all Fijians are able to keep the lights on. Our prepay system is one such solution, granting rural customers the freedom to pay for their electricity when it is needed simply by visiting their local vendor to pay for tokens and then inserting the tokens in their EFL-installed prepay metres, or, alternatively, paying using their mobile phones. We were proud to serve a total of 47,525 rural customers on prepay meters in 2021 –– 3,098 more than the year 2020.This increase in number came about because of a new project initiated where certain rural areas with Post pay meters were changed to prepay meters.



Customers purchase digital electricity tokens from the comfort of their homes, simply by using either Vodafone M-PAiSA or Digicel mobile wallet platforms and sending an SMS text to receive a token. To accompany this digital evolution and ensure a smooth transition, EFL engaged prepay customers in an educational campaign that guided them through the new process.

A CLOSER CUSTOMER CONNECTION

At EFL, we're constantly striving to keep our customers ahead of the curve when it comes to new developments in the energy sector. While we have implemented Digital Transformation, EFL hasn't forgotten those customers who are not tech-savvy or those who do not have access to our online or over the phone services. We continued our efforts to raise awareness on energy safety and savings through a nation-wide series of presentations that were conducted in schools and communities. We maximize exposure of our safety messages by printing them on electricity bills and bill inserts. SMS texting was also to remind customers of bills that are overdue and need to be paid. EFL's Facebook page and website added to our communications mix to actively inform our customers of any planned and unplanned power outages.

With more than 50% queries received daily are based on bill balances and due dates, EFL has got "Noqu EFL App" live on Google play store for customers to download and use for free. We also continued to grow a paperless e-billing system, allowing customers to sign up to receive their monthly bill statements via email. All digital account management and oversight are centralized on the "Noqu EFL" portal, which grants customers the ability to monitor their electricity usage online and compare month-to-month rates, adding a new level of convenience and cultivating electrical energy literacy.

Our easy-to-use "913" emergency hotline was also available for Fijians to call for help in case of hazardous power-related emergencies. 5,663 total calls were received in 2021, of which 2,982 were determined to be genuine emergencies and which were dealt with promptly and appropriately from our National Control Centre in Vuda.

In line with our overall customer focus strategy to remain easily accessible to our customers whenever they need us, EFL also introduced mobile short code "5333" to its customers. This easy-to-remember, four-digit number ensures that our customers will be able to get in touch with EFL in a more expedient manner, operating 24 hours a day, seven days a week. By dialing 5-3-3-3, mobile users can lodge complaints and inquiries, manage their billing, and alert us of power outages in their areas. Already covering the vast majority of Fijian mobile users, connectivity is currently offered through Vodafone, Digicel and Ink at normal mobile-to-mobile rates, with EFL actively exploring partnerships with other telecommunication networks.

With all the digitalization initiatives, EFL continues to visit customers in villages and settlements to keep them abreast with the new developments which they can use from the comfort of their homes.

REGULATORY UNIT FUNCTIONS

EFL continued to carry out its regulatory functions as agents of the Regulator – the Fijian Consumer & Competition Commission (FCCC). EFL's Regulatory Department is made up of over 60 team members who are tasked with enforcing compliance of the Electricity Act & Subsidiary Regulations.
These include but not limited to:

- Licensing & renewal of electrical wireman & electrical contractors
- Electrical Incident/Accident Investigations

- Testing of Electricity Meters to be used on the grid
- Inspection and Connection of new installations to the EFL grid, as well as inspection of off-grid installations.

The Achievements of the Regulatory Unit for the year 2021 were as follows:

i) New Connections

Due to the breakout of Covid-19 pandemic in Fiji, 2021 saw a reduced number of 6,314 new connections. This total comprised of 5,408 domestic connections and 906 commercial connections.

ii) Meter Testing

11,631 electricity meters were tested in 2021, on EFL's two (2) Meter Test Stations in Kinoya & Navutu. This surpassed the Unit's target of 10,000 and of these, 8,447 were single phase meters, 1,885 were prepayment meters and 1,299 were three (3) phase meters.

iii) Public Safety Campaigns

Illegal wiring and shoddy workmanship through unlicensed electricians are still prevalent in some areas particularly in informal communities, which cause unfortunate mishaps. More awareness and public releases were made – educating the general public to use registered electrical contractors. These campaigns were also carried out during rural electrification schemes in different villages and settlements, nationwide – when connecting new customers to the EFL grid.

iv) Continuing assessments for wireman & contractor licence renewals

Annual written assessments for renewal of electrical contractor's and wireman's licenses continued in 2021. This ensured all wireman and electrical contractor reps were up to par with current standards and international best practice for electrical wiring to ensure all wiring is carried out safely and in compliance to relevant standards. Despite the pandemic, the unit was able to carry out its Annual Wireman's Licence Examination in December to give unlicensed electricians a chance of becoming a wireman through strict compliance to the Electricity Regulations.

v) Generator Installation Inspections

This year, a total of sixteen (16) generator installations were inspected and connected to the EFL grid. Of these, twelve (12) were standby/backup generators and the remaining four (4) were grid-connected solar installations. A total of fifteen (15) generator installations were also inspected off-grid on the islands of Koro & Vanuabalavu in 2021.

MONASAVU HYDRO-ELECTRIC SCHEME HALF-LIFE REFURBISHMENT

Work on the Monasavu hydro-electric scheme half-life refurbishment project, which commenced in, 2013, was halted in 2021. As at the end of the year, the project's total expenditure stood at around $174k which was all funded by EFL from its internal cash. The costs incurred for 2021 was low due to the international closure of borders that restricted consultants/contractors traveling to Fiji due to the Covid-19 pandemic. Further, work will continue up to 2026 with an additional cost of around $100M. On completion of this refurbishment project, the life of the Hydro-Electric Scheme will be extended by another 30-40 years. EFL spent around $114M as at end of 2021 for the Monasavu hydro-electric scheme half-life refurbishment project.

UPGRADING AND EXPANDING OUR TRANSMISSION NETWORK

Tender for the upgrade of the 132kV Mimic panel at the Vuda substation was awarded and a purchase order issued to the supplier. The design of the mimic panel has been completed and the project is expected to be completed in 2022 subject to Covid-19 restrictions being lifted in a timely manner globally. Replacement works for all 132kV disconnectors/isolators/earth switches in EFL's power system continued with four units replaced during 2021. While the ambitious disconnector replacement project has faced obstacles (such as difficulties in obtaining the necessary planned power outages to execute the works), it is on track to be completed in 2022.

EFL commenced work on the second phase of rust refurbishment work on 51 lattice steel towers along the 132kV transmission line in July, 2019. As at the end of December 2020, rust refurbishment work had been completed on thirty seven (37) towers (21 completed in 2019 + 16 completed in 2020), with work in progress on a further eleven (11). Note that no progress was made on this project in 2021 due to Covid-19 related travel restrictions. Preparatory work was also carried out to complete the rust refurbishment work on the remaining towers along the 132,000 volts Wailoa – Cunningham road transmission line with tenders being awarded for the rust refurbishment works, and tenders being awarded for the construction of access roads to these towers. The entire rust refurbishment project is expected to be completed by 2026 at a cost of around $40M.

Work continued on the project to replace the aged 132kV/33kV transformers at the Cunningham Road and Vuda zone substations despite Covid-19 pandemic related restrictions. Civil works were carried out at the Cunningham Road and Vuda zone substations for the auxiliary/earthing transformers, neutral earthing resistors and support insulator structures. Tenders were awarded for the supply of 132kV circuit breakers and disconnectors for the project. The four new transformers are expected to be commissioned in 2022, while the 132kV circuit breaker installation works are expected to be completed in 2023, the total project costing around $42M. This project is critical to ensure security of supply of Hydro Power to the entire Viti Levu customers.

ZONE SUB-STATION UPGRADING

Work continued on nationwide upgrades to EFL's network infrastructure, increasing the capacity of substations and laying the groundwork to meet Fiji's growing demand for energy. Progress was, however, affected by the limitations imposed as a result of the Covid-19 coronavirus pandemic. Despite the pandemic, the new 33kV/11kV transformers at Rarawai zone substation, Wailekutu zone substation and Sigatoka zone substation were successfully commissioned.

Work continued on the project to upgrade the aged 33kV/11kV,6.6kV transformers at the Suva zone substation, and the two new 33kV/11kV,6.6kV transformers are expected to be commissioned during quarter 1 of 2022.

Assembly of the new 33kV/11kV,6.6kV transformers at the Suva Zone substation being carried out to meet the growing energy demand in the Central Division.

Work continued on the projects to establish two new 33kV/11kV zone substations at Naikabula, Lautoka and Denarau, Nadi at a cost of around $19M. Transformers for both these projects were procured in 2020 and they are currently placed on their pads. These projects are expected to be completed in 2022, subject to timely uplifting of Covid-19 coronavirus related travel restrictions, and will ensure security of the existing power supply and cater for increase in demand in these areas.

HUMAN RESOURCES

The role of the Human Resources professional has changed dramatically against the backdrop of the second wave of COVID-19. While 2020 gave the human resources Team an opportunity to learn, 2021, really brought about a real hands on experience to manage a workforce of 877. For example, some key questions that the human resources Team asked was; how do we keep our workforce informed in mitigating risks associated with COVID-19, how do we keep our workforce engaged in the midst of a pandemic and more importantly, how do we ensure that our workforce remains committed in 'energising our Nation'.

2021 being the challenging year gave the forty (40) Human Resources Team to step up and be tomorrow's Human Resources Leaders in order to think big, become broader thinkers, embrace change and forecast people trend.

EMPLOYEE RELATIONS

COVID-19 created new employment relations challenge at Energy Fiji Limited (EFL) as an employer. While there was a lot of fear and uncertainty, EFL's Team found ingenious ways to keep our employees focused and energised while keeping the true spirit of the "EFL Vuvale".

COVID-19 Response Fund - EFL Vuvale - connecting with the community

COVID-19 hampered every Fijian in many ways. Here at EFL, the entire Vuvale pledged to give back to the Fijian community through the Prime Ministers COVID-19 Response Fund. A pledge was made by the EFL Vuvale to collect $30,000 in 3 months for our fellow Fijians who were in dire need to be assisted. The EFL Vuvale surpassed its targeted collection and collected $30,516.38. This was handed to the Hon. Prime Minister, Josaia V. Bainimarama.

Culture, Diversity & Inclusion Program celebration

The Human Resource Team commenced on the journey of a "celebration themed" year while safely maintaining the norms of the COVID-19. There is no better way to do this than to gather our Teams and connect with them over the various faith-based programs which only paves for an inclusive organization that connects very well. Each of the celebration took a different approach yet kept to its true significance and values.

On Friday 26th March 2021, EFL, for the very first time celebrated the festival of Holi.
On Thursday 25th April 2021, EFL, celebrated Easter.
On Wednesday 27th October 2021, EFL, celebrated Diwali.
On Friday 17th December 2021, EFL, celebrated Christmas.

EMPLOYER & EMPLOYEES UNION COLLECTIVE AGREEMENT

EFL signed a three (3) year Collective Agreement with Fiji Electricity Workers Association (FEWA) on 24th September 2021. FEWA and EFL has continued to foster great relationship over the last 23 years in ensuring working towards a harmonious workforce. FEWA membership represented 27% of the EFL workforce.

EFL signed a three (3) year Collective Agreement with Fiji Electricity Workers Association (FEWA) in 2021.

HEALTH AND SAFETY

In the face of adversity and the chaotic situation brought about by COVID-19 in 2021, we at EFL firmly held on to our belief that everyone must be able to come to work and go back home safely without harm. With the knowledge and experience gained over the past year, we were ready to manage the challenge brought by second wave of COVID-19.

COVID-19 PANDEMIC

The COVID-19 pandemic has shifted the landscape for all businesses, where we are all now operating under a 'new normal'. As a lifeline utility, EFL had to act swiftly to protect the health and safety of our employees against the evolving situation and thus maintaining system reliability. We followed up on our Covid-19 Response Plan and implemented it to ensure potential impact to our EFL Vuvale was minimised. Our preparedness enabled us to activate COVID safe strategies like separation of work bubbles, working from home, using Information Technology for virtual interaction, sanitising of workplaces and vehicles and home isolation.

Safety & Health Initiative

The Health, Safety & Well-Being Strategic Plan, which is continuously updated to capture the evolving challenges we face, is the mainstay of our health and safety drive. The plan focuses on the five key initiatives as follows:

- Safety Leadership: A strong and active Safety Leadership creates an engaged workforce that drives the required Workplace Well-Being Culture at EFL. This Leadership was what took us through the challenging period caused by COVID-19.
- Risk Management: Risk Management program in the form of TAKE 5P (Plan, Procedure, People, Plant, Place) was introduced to enhance employee's mindfulness and awareness of the hazards while they are at work and how to apply mitigation measures to control risks. A total of 162 corrective actions were identified and implemented through a total of 588 Field Visits and Hazard Reports.
- Competence, Knowledge and Awareness: A total of 687 employees had undertaken the EFL Safety Manual refresher training. This also included the release of 121 COVID-19 Newsletters which provided awareness on COVID-19 related information and also 40 Bula Taqomaki Newsletter were released that highlighted other operational safety issues.
- Workplace Well-Being and Physical Fitness. A holistic approach was adopted to ensure all is well within a person. With onset of COVID-19, EFL was well aware of the potential psychological impact of COVID-19 to the mental health of our EFL Vuvale. EFL, therefore, took on board the cost to ensure every employee remain fully paid without any impact on his or her employment. This was a very strong complimentary feature of our Mental Health Framework. While some of our EFL Teams was tested positive for COVID-19 and were

in isolation, the Employee Relations Team had setup a "call centre approach", whereby our Teams were individually calling 345 employees. The purpose was to re-assure them and at the same time should they have any need that the Team can assist with. Both the HR and the respective SBAs Team went ahead to assist them with their basic grocery shopping.

Lost Time Injury

We consistently looked for opportunities to improve our health and safety practices by continuously identifying and controlling potential workplace hazards to achieve zero injury. EFL recorded nine (9) Lost Time Injuries (LTI) compared to eleven (11) in 2020.

High Voltage Test Centre

The High Voltage Test Centre is located in Navutu Depot where High Voltage and Low Voltage rubber gloves are tested every six months. Live line equipment and live line trucks are also tested at the Centre. The tests are carried out by subjecting the equipment under test to appropriate test voltage and observing if electricity punctures through any weak points on the equipment, which would represent a failed electrical insulation. Out of a total of 1,287 rubber gloves tested, 1,226 gloves passed and 61 failed the test.

LEARNING & DEVELOPMENT

Employee Training and Development

The need to be resilient in the face of COVID-19 forced the Human Resources Team to develop innovative responses in providing the required competency for our employees to be able to cope with the novelty and complexity of this pandemic. Despite the pandemic, the Training Team continued to provide technical training and also covered other non-technical areas of management and leadership training.

Grants Scheme - Leading Fiji

Under the Training Grants Scheme, "Method A", EFL marks yet another record achievement for the third consecutive year with 100% grants claim for the year 2020. Sustainable results like this only confirms a very systematic, vigorous and methodological approach in the training of our personnel.

The Training Department plays an integral role in the daily operations of EFL. The Training Team paves a pathway for the employees to synchronize their personal and organizational goals. This is where we are able to identify skill gaps and subsequently develop unique training programs in addition to our robust and diverse Training programs.

Training for the Future

The Training Team worked tirelessly to ensure all trainings for 2021 were recorded in the Employee Self Service (ESS). The portal was designed for an interactive mode, track training hours, identify gaps, share and explore new ideas and develop new innovation projects. 35,023.5 training hours were delivered during the year via virtual training mode.

Virtual Training

COVID-19 provided an opportunity to adopt to technological methodology by conducting and delivering trainings virtually. EFL is currently using the Moodle platform to deliver theoretical training to its employees in all locations which is complemented by theoretical training with "On the Job" (OJT) practical assessments in each Quarter.

Apprenticeship Training

EFL has always been renowned for nurturing and producing talent internally within the organization. While being a champion of skill and progression, EFL, has substantially invested in the Apprenticeship Program. This has enabled the organization to train and develop young individuals to meet the specific skills and expertise required to effectively keep the Nation energized.

How does the Apprenticeship Program Benefit Energy Fiji Limited?

Skill based training is extremely important for the Energy Sector to ensure the workforce is able to meet the demands of our rapidly changing and evolving Economy. Apprenticeship Training is one of the most successful & effective models of training which contributes effectively towards EFL's skilled workforce.

The investment into the program yields pool of dynamic individuals who are highly trained and qualified. With the Apprenticeship Program, EFL, has the ability to develop a workforce that will drive enhanced Efficiency, Reliability, Safety, Innovation and creativity while being customer centric.

Apprenticeship Training

The Training Team strives to ensure that the Apprentices receive training in multiple facets of the expanding work environment. This is carried out in consultation with the respective stakeholders. EFL continues to recruit and invest in young Apprentices in order to meet the future work demand.

In 2021, we had 83 Apprentices, out of which 30 Apprentices were upgraded as Electric Power Lineman. The Apprentices were all connected to the Moodle App for their learning cycle and were at regular intervals communicated via their news. The Apprentices, as part of the final year project, created a model of the Northern Division Grid. This was an exceptional display of Talent and Teamwork with a passion for Learning.

The EFL Apprentices has continuously proven to be resilient and conquering. While being ravaged by two (2) Tropical Cyclones (TC), second wave of the COVID-19 Pandemic, our Apprentices in 2021 have;

- Assisted with TC Yasa and TC Ana Restoration works as part of their OJT;
- Planned and participated in the 2021 Annual Apprentices Sports & Awards Night;
- Successfully completed their theoretical training;
- Completed the Trainee Line Mechanic theory program;
- Successfully completed the Authorization Training (Category A & C);

EFL Apprentices after completing their Apprenticeship program at EFL Navutu Office Lautoka

Apprentice Development Program (ADP)
The Apprentices Development Program (ADP) which was established in 2018 was to ensure that during the Apprenticeship program each year, the Apprentices undergo various leadership and learning programs in order for them to be fully equipped as young leaders into the EFL's workforce. Under the ADP, Apprentices Alumni Program (AAP) and Apprentices Membership Program (AMP) were formed. These programmes gave the Training Department an opportunity to strategically align our apprentices as better leaders of tomorrow.

The Training Department ensured that the Apprentices work as a Team and in each of the 3 regions a Sports and Social Club was formed, which not only gave the Apprentices the opportunity to manage finances but on rotational basis take on the leadership roles. The 2nd Annual Apprentices Sports & Awards Night was held in Labasa and hosted by the Northern Apprentices Sports & Social Club. The hosting of the event gave them a realistic learning approach in managing resources, managing people and celebrating success which is a key cornerstone for young leaders as they grow in EFL.

Apprentices - Corporate Social Responsibility (CSR)
Our young Apprentices are committed to serving the community and the Nation. CSR formed a bigger program under the ADP for our young Apprentices while they are learning and growing in EFL. Our ADP program ensures that it's important for them to realize that they need to give back to the community. The Northern Apprentices Sports & Social Club donated $500 to the Labasa Old Peoples Home. Each Division's Apprentices Sports & Social Club committed $200 each towards the Prime Ministers COVID-19 Response Fund. Our young Apprentices were also part of their respective SBAs Community Outreach Program in food packs distribution.

Innovation
Being the first Fijian organization in Fiji to implement its own Innovation Management Framework, COVID-19 provided an opportunity to EFL to use this framework to transform COVID-19 challenges into opportunities, to rethink our human resources management processes and practices. In this way, innovative responses were developed to effectively mitigate any disturbance which could threaten our sustainability. Our Innovation Management Framework was in research since 2014. While the Fiji Electricity Authority (FEA), then, was heavily concentrating on the Quality Circles Project Teams and benefiting from its participation, the Leaders, did foresee at that time, that we will, going forward need a Fijian Framework that will belong to its people, thus, the research began in 2014 to have an Innovation Management Framework. The Innovation Management Framework was implemented in 2019, replacing all other borrowed programs such as the Quality Circles, Fiji Business Excellence Awards, Safety Awards, etc.

Ninety (90%) of our workforce are trained in the Innovation Management Framework with 45 Innovation Teams in 2021.

Regional Training

With a view to share Fiji's experiences in the Power Generation System to the Pacific Island Countries, a Regional Training on the Introduction of Hybrid Power Generation System in the Pacific Island Countries was conducted in November. This was a ten (10) day training program conducted virtually via zoom. Twenty-three (23) regional participants attended the course with seventeen (17) as course participants and eight (8) observers. Most of the participants had already attended the 1st Regional Training that was conducted at the Navutu Training Centre in Lautoka in 2019 face to face.

The purpose of this training was to increase participants' practical knowledge on operation and maintenance of Diesel Generators (DG) and Solar PV System. During the training, experiences of innovation on how to improve fuel economy in reducing fuel cost and aiming for smooth operation by highly efficient operations of DG unit taking into consideration economical reserve operation and reducing operation time of each generator to reduce maintenance cost. Scenarios and case studies from Pacific Power Association Island power utilities were shared through the sessions, group works, discussions and exercises. Participants learned comprehensively about the implementation standards for periodic inspections of electrical and instrumentation equipments specified in the "Internal Combustion Power Plant Maintenance and Inspection Procedures" as well as the strategies for its sustainability.

A consolidated output of the course was concluded with the development of a practical Action Plan by participants to be implemented at their home country after the course.

HUMAN RESOURCES - the challenge ahead

Today's Leaders in the both local and global workforce are the new millennials and are below the age group of 40. At EFL, 76% of our workforce is below the age group of 40. We have marked 55 years of our very rich, diverse and cultural existence as an organization. Our generational leaders have very solidly passed on their great learning to the next generation in the last 5 decades. With the millennials being more tech savvy and more accustomed to the world wide web (www), we are currently expanding on our In-House Moodle App to capture the learnings electronically. We have now commenced developing, writing and compiling technical, management, leadership, employee relations and values training programs with the talent internally In-House. We are now forecasting the shift or movement in the generational gap in the next 5 - 10 years.

The survival of either an individual or an organization purely rests on new ideas. New ideas generate from the exposure the individual has had. When ideas are thought off again and again, then written and then shared, it's only then we are able to share amongst our fellow colleagues which then becomes larger than life in size. With new ideas and new themes, the workplace environment changes. There is absolutely a new dimension to the workplace. A new thought process commences and the dynamics of people changes. The Human Resources Division at EFL is proactively mitigating the challenge ahead.

SUPPLY CHAIN FUNCTIONS

Global supply chains have been pushed to the brink over the last two years, revealing the short coming of a complicated system that impacts everything from computer chips to toilet paper. These disruptions dont just affect daily life - they reverberate across the global economy. At EFL, we were part of the global supply chain and experience the disruptions in terms of commodity shortage, shipping delays, freight and shipping cost increases and the real business continuity challenges and management.

Supply chain disruption management is about preparing and planning for disruption and ensuring you can still supply and sell products. EFL adopted five strategies to mitigate the impact of the supply chain disruptions as follows:-

- Creating a contingency plan for supply chain emergencies
- Regularly monitoring supply chain vulnerability
- Identify back up supplies and diversify supplier base
- Building up inventory both minimum and annual usage
- Improving the transparency of the supply chain

Supply Chain Unit

The Supply Chain Unit is the doorway through which purchases of any goods and services are carried out including the management of Inventory within EFL.

2021 saw the Supply Chain Unit continue its ongoing focus in optimizing performance in critical operational areas, including the Procurement of Goods and Services (including tenders and contract management), and Inventory Management.

This was achieved by specifically implementing action plans for the following key strategic objectives designated to provide improved output to EFL's internal and external customers:

- FASTER: Increase speed of delivery of goods and services.
- BETTER: Improve quality of goods and services.
- MORE AFFORDABLE: Reduce costs of providing goods and services.
- PLAN and MANAGE: supply chain disruption

Given the corporate and aligned divisional objectives, the following primary outcomes were achieved in 2021:

i) Procurement of Goods & Services:

- The Supply Chain Unit played a critical role in driving the tendering and procurement processes, preparing and negotiating contracts, and other major projects that helped EFL meet its key performance indicators for core strategic business areas.
- In terms of the actual average tender turnaround time (for tenders valued between $10k and $100k), 6.48 weeks was accomplished for the year against a target of 7 weeks.
- The initial aim to achieve $5M in financial savings through procurement and tender negotiations. As at 31st December 2021, EFL has saved around $5.68M via tender negotiations against a target of $5M. This shows the effectiveness of tender negotiations within EFL team.

Stores personnel dispatching materials at Kinoya stores.

ii) Sound Inventory Management, Vigilance and Best Practices:

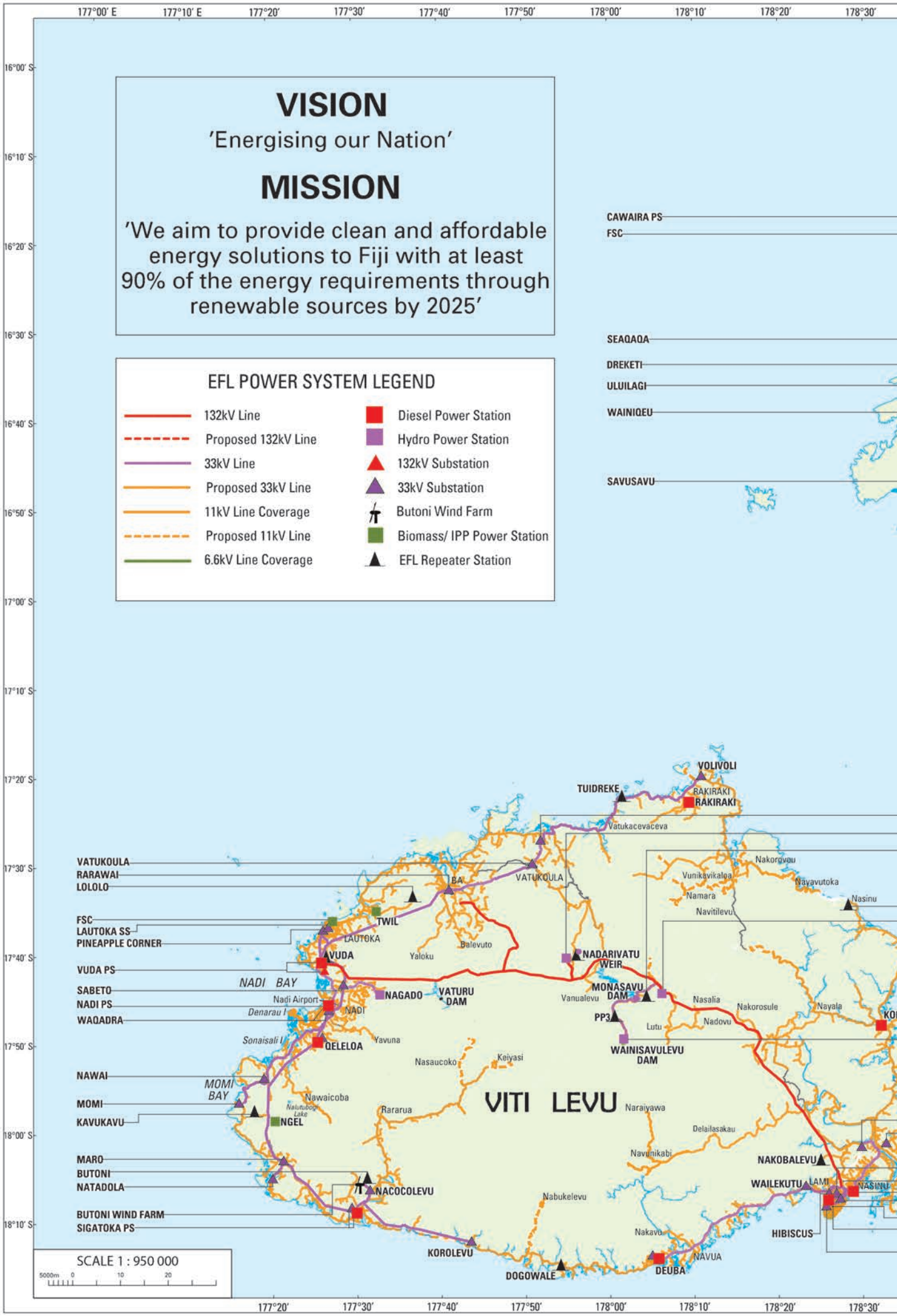
- The Unit implemented sound inventory management and adhered to industry best practices, achieving a normal operating inventory stock holding level of $6.99M against a target of $10M.
- Average stock turn target (improvement of stock utilization rates) of greater than or equal to 8% was exceeded, with 8.3% average stock turn achieved in 2021. This indicates that EFL's stock items were managed and turned over efficiently throughout the year, contributing to savings in EFL's working capital.
- Preferred Supplier tenders were called to assist the supply chain unit to procure inventory in a timely manner, avoiding stock outs and to provide efficient services to its internal and external customers to achieve set targets.
- Inventory Management Procedure and Policy was reviewed and implemented in 2021 to bring about better controls efficiency and best practices to safeguard EFL and eliminate any fraudulent activity.

iii) The ongoing impact of COVID-19 on EFL Supply Chain:

- The COVID-19 pandemic has changed the business environment for EFL. To react and adapt to uncertain global situation, EFL has taken a proactive approach to plan in advance and place production orders with Suppliers to ensure there is no stock outs to provide better and reliable service to its customers.
- Shortage of containers, Port Congestions, high freight costs and lockdowns created many uncertian situations that required immediate attention in the early days of the pandemic, EFL has commenced to a "recovery mode" and have started planning for the longer lead term in collaboration with its Suppliers.
- To ensure Business Continuity, safe COVID 19 protocols has been implemented and staff were divided into different bubbles having the right mixture to ensure better, faster and reliable services to its Customers. The EFL staff also took their vaccinations to stop the spread of the virus to its internal and external Customers.

Electricity enables business to operate 24 hours a day.

The micro, small and medium enterprise business rely on electricity for continuity of their business at all times.


VISION
'Energising our Nation'
MISSION
'We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025'
EFL POWER SYSTEM LEGEND
132kV Line
Proposed 132kV Line
33kV Line
Proposed 33kV Line
11kV Line Coverage
Proposed 11kV Line
6.6kV Line Coverage
Diesel Power Station
Hydro Power Station
132kV Substation
33kV Substation
Butoni Wind Farm
Biomass/ IPP Power Station
EFL Repeater Station
CAWAIRA PS
FSC
SEAQAQA
DREKETI
ULUILAGI
WAINIQEU
SAVUSAVU
VOLIVOLI
TUIDREKE
RAKIRAKI
RAKIRAKI
Vatukacevaceva
VATUKOULA
RARAWAI
LOLOLO
BA
VATUKOULA
Nakorovou
Vunikavikalou
Navavutoka
Namara
Nasinu
Navitilevu
FSC
LAUTOKA SS
PINEAPPLE CORNER
TWIL
LAUTOKA
Balevuto
Yaloku
VUDA
NADARIVATU WEIR
VUDA PS
NADI BAY
SABETO
NADI PS
WAQADRA
Nadi Airport
Denarau I
NADI
NAGADO
VATURU DAM
MONASAVU DAM
Vanualevu
Nasalia
Nakorosule
Nayala
PP3
Lutu
Nadovu
Sonaisali I
QELELOA
Yavuna
WAINISAVULEVU DAM
Nasaucoko
Keiyasi
NAWAI
MOMI BAY
MOMI
KAVUKAVU
Nawaicoba
Nalutubogi Lake
NGEL
Rararua
VITI LEVU
Naraiyawa
Delailasakau
Navunikabi
NAKOBALEVU
MARO
BUTONI
NATADOLA
NACOCOLEVU
WAILEKUTU
LAMI
NASINU
Nabukelevu
BUTONI WIND FARM
SIGATOKA PS
Nakavo
HIBISCUS
KOROLEVU
NAVUA
DOGOWALE
DEUBA
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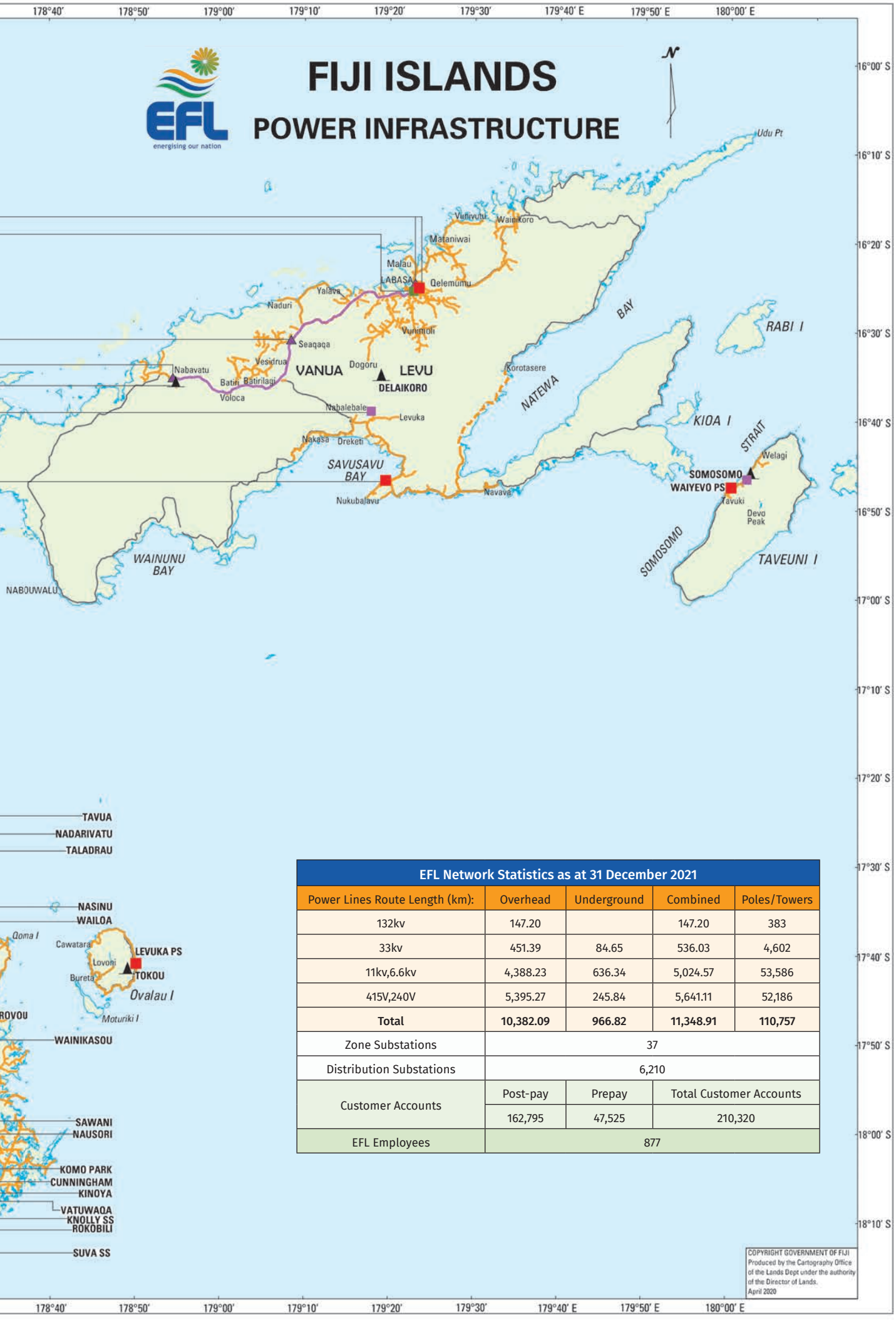

EFL Network Statistics as at 31 December 2021				
Power Lines Route Length (km):	Overhead	Underground	Combined	Poles/Towers
132kv	147.20		147.20	383
33kv	451.39	84.65	536.03	4,602
11kv,6.6kv	4,388.23	636.34	5,024.57	53,586
415V,240V	5,395.27	245.84	5,641.11	52,186
Total	**10,382.09**	**966.82**	**11,348.91**	**110,757**
Zone Substations	37			
Distribution Substations	6,210			
Customer Accounts	Post-pay	Prepay	Total Customer Accounts	
	162,795	47,525	210,320	
EFL Employees	877			

FINANCIAL STATEMENTS

for the year ended 31 December 2021

DIRECTOR'S REPORT for the year ended 31 December 2021 Energy Fiji Limited

In accordance with a resolution of the Board of Directors, the Directors of Energy Fiji Limited ("the Company") present their report together with the financial statements of the Company for the year ended 31 December 2021.

1 DIRECTORS

The following were Directors of the Company at any time during the financial year end up to the date of this report:
Daksesh Patel (Chairman)
Gardiner Henry Whiteside
David Kolitagane (Term Expired- May 2021)
Shiri Gounder (Appointed - June 2021)
Kamal Goundar (Term Expired- May 2021)
Viliame Vodonaivalu (Term Expired- May 2021)
Koichi Tsunematsu (Appointed - June 2021)
Chitoshi Fukuda (Appointed - October 2021)
So Horikiri (Appointed - June 2021)
Hasmukh Patel

2 PRINCIPAL ACTIVITIES

The principal activities of the Company are the generation, transmission, distribution and sale of electricity on Viti Levu, Vanua Levu, Ovalau and Taveuni as governed by the Electricity Act and Regulations.

3 TRADING RESULTS

The profit after income tax of the Company attributable to the members of the Company for the year ended 31 December 2021 was $66.6 million (2020: $66.8 million).

4 DIVIDEND

The Directors declared and paid $20 million in dividends for the year ended 31 December 2021 (2020: $19.1 million).

5 BAD DEBTS AND ALLOWANCE FOR IMPAIRMENT LOSS

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

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

6 CURRENT AND NON-CURRENT ASSETS

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

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

7 SIGNIFICANT EVENTS DURING THE YEAR

a) On 25th March 2021, the Fijian Government entered into a Share Sale Agreement with Sevens Pacific Pte Limited, which is a consortium owned by The Chugoku Electric Power Co.,Inc ("CEPCO") and Japan Bank for International Cooperation ("JBIC") to acquire 44% shareholding in EFL (acquiring 24% from Government and 20% from FNPF) . The transaction for the sale of 44% shares to Sevens Pacific Pte Limited was completed in June 2021. Post the share acquisition, EFL will continue to operate in a manner consistent with its operation prior to this transaction.

b) The Second Wave of COVID-19 pandemic also impacted EFL's electricity demand for 2021. Initially, when the second wave of the pandemic hit Fiji, the electricity demand declined significantly to around 17% to 20% as compared to 2019 (Pre-Covid year) due to the lockdowns in containment zones, closing of the international borders (which significantly affected the tourism industry in Fiji), industries that operated on reduced hours and those that were forced to close down. By the end of the year, the reduction in demand improved to a negative 12% in comparison to 2019.

c) EFL implemented the Transactive Banking facility/Electronic Funds Transfer (EFT) with ANZ bank for local suppliers effective from 29th July 2021. All EFL local payments are now done via Transactive banking except for overseas payments.

d) On 31st January 2021, TC Ana headed to Fiji where it hit the Fiji group as a category 3 cyclone. The cyclone caused power disruptions and damage to the power line infrastructures as a result of strong winds and widespread flooding. EFL spent around $2.9M in TC Ana power restoration works to the affected areas in Fiji and damaged infrastructures.

DIRECTOR'S REPORT for the year ended 31 December 2021

8 RELATED PARTY TRANSACTIONS

In the opinion of the Directors all related party transactions have been adequately recorded in the books of the Company and reflected in the attached financial statements.

9 OTHER CIRCUMSTANCES

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

10 UNUSUAL TRANSACTIONS

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

11 EVENTS SUBSEQUENT TO BALANCE DATE

a) On 10th January 2022, TC Cody headed to Fiji where it hit the Fiji group as a category 1 cyclone. The cyclone caused power disruptions and damage to the power line infrastructures as a result of strong winds and widespread flooding. EFL estimates that the cost of the power restoration to the affected areas in Fiji to be around $0.6M.

b) As part of the 2021-2022 Revised National Budget announced in March 2022, the Government approved that effective from 25th March 2022 the fiscal duty on the importation of Industrial Diesel Oil (IDO) will be reduced from 40 cents to 20 cents per litre. This reduction in fiscal duty will help cushion the rising IDO prices in 2022. Also as part of the Revised Budget announcement, the government reduced VAT on 21 essential items to be zero rated and raised VAT on 21 goods and services from 9% to 15%. This amendment to the VAT rate is not applicable to the sale of electricity.

c) The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries is increasingly causing the oil price to spike. Oil prices have reached an 8-year high, going above US$100 per barrel which is higher than EFL's budgeted fuel price of US$71 per barrel for 2022. Although EFL has hedged 72% of its forecasted 2022 fuel usage at the weighted average price of US$74.92 per barrel, still its fuel cost will be affected on the 28% unhedged portion which is bought over the counter with prices still above US$100 per barrel.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in future financial years.

12 GOING CONCERN

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

13 DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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

Dated this 26 day of April 2022.

Daksesh Patel
DIRECTOR

Koichi Tsunematsu
DIRECTOR

DIRECTOR'S DECLARATION for the year ended 31 December 2021

The declaration by Directors is required by the Companies Act, 2015.

The Directors of the Company have made a resolution that declared:

a) In the opinion of the Directors, the financial statements of the Company for the financial year ended 31 December 2021:

i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Company as at 31 December 2021 and of the performance and cash flows of the Company for the year ended 31 December 2021; and

ii. have been prepared in accordance with the provisions of the Electricity Act and Companies Act, 2015;

b) The Directors have received declarations as required by Section 395 of the Companies Act, 2015; and

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

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

Dated this 26 day of April 2022.

Daksesh Patel
DIRECTOR

Koichi Tsunematsu
DIRECTOR

INDEPENDENT AUDITOR'S REPORT to the shareholders of Energy Fiji Limited

KPMG

Independent Auditors' Report

To the Shareholders of Energy Fiji Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Energy Fiji Limited ("the Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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 (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Company has recorded assets generated from the Rural Electrification Scheme as part of its property, plant and equipment in Note 11. Government have not yet transferred the ownership of these assets to the Company. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended 31 December 2020 were audited by another auditor, who expressed an unqualified opinion on those financial statements on 26 April 2021.

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT to the shareholders of Energy Fiji Limited

KPMG

Independent Auditors' Report

To the Shareholders of Energy Fiji Limited

Report on the Audit of the Financial Statements

Other Information (continued)

When we read the annual report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate that fact. We have nothing to report in relation to the Directors' report.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

INDEPENDENT AUDITOR'S REPORT to the shareholders of Energy Fiji Limited

KPMG

Independent Auditors' Report

To the Shareholders of Energy Fiji Limited

Report on the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

In our opinion:

i). proper books of account have been kept by the Company, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and

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

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Steve Nutley
Partner
Suva, Fiji
28 April, 2022

AUDITOR'S INDEPENDENCE DECLARATION to the Directors of Energy Fiji Limited

KPMG

Independence Declaration

For the year ended 31 December 2021

Auditors Independence Declaration under Section 395 of the Companies Act 2015

To the Directors of Energy Fiji Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 December 2021 and up to the date of this report there have been:

i). no contraventions of the Auditor independence requirements as set out in the Companies Act 2015 in relation to the audit; and

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

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Steve Nutley
Partner
Suva, Fiji
28 April, 2022

STATEMENT OF COMPREHENSIVE INCOME for the Year Ended 31 December 2021

	Notes	2021 $'000	2020 $'000
Revenue - electricity sales	5	318,912	327,095
Other operating revenue	5	11,039	7,943
Total revenue		**329,951**	**335,038**
Change in allowance for expected credit loss		(446)	(97)
Personnel costs		(26,735)	(27,666)
Fuel costs		(77,761)	(94,063)
Electricity purchases		(27,819)	(29,130)
Town and city rates		(170)	(108)
Depreciation on property, plant and equipment and right-of-use assets		(46,027)	(45,813)
Amortisation of intangible assets		(382)	(387)
Other operating expenses		(38,771)	(39,399)
Total expenses		**(218,111)**	**(236,663)**
Profit before finance costs, cyclone restoration costs and income tax		**111,840**	**98,375**
Finance cost:			
Finance cost		(11,439)	(13,447)
Finance income		2,851	4,295
Unrealised foreign exchange gain/(loss), net		594	(2,023)
Profit before cyclone restoration costs and income tax		**103,846**	**87,200**
Cyclone Ana/ Harold/Tino/ Sarai/Yasa - restoration costs		(7,226)	(4,531)
Profit before income tax	6	**96,620**	**82,669**
Income tax expense	7(a)	(30,030)	(15,880)
Profit after income tax		**66,590**	**66,789**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges		2,825	1,957
Total comprehensive income for the year, net of tax		**69,415**	**68,746**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION as at 31 December 2021

	Notes	2021 $'000	2020 $'000
SHAREHOLDERS EQUITY			
Share capital	23	750,000	750,000
Retained earnings		193,250	146,697
Hedging reserves	24	2,825	1,957
TOTAL EQUITY		**946,075**	**898,654**
Represented by:			
CURRENT ASSETS			
Cash and cash equivalents	8	268,982	213,897
Receivables and prepayments	9	36,681	36,173
Derivative financial asset	3.1(a)	6,229	4,129
Inventories	10	28,721	31,798
TOTAL CURRENT ASSETS		**340,613**	**285,997**
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,135,599	1,132,777
Intangible assets	12	448	823
Right-of-use assets	18(a)	27,272	26,406
Deferred tax assets	7(b)	214	496
TOTAL NON-CURRENT ASSETS		**1,163,533**	**1,160,502**
TOTAL ASSETS		**1,504,146**	**1,446,499**
CURRENT LIABILITIES			
Trade and other payables	13	36,946	37,659
Derivative financial liability	3.1(a)	-	946
Employee benefit liability	14	3,619	3,523
Interest-bearing borrowings	15	18,054	18,053
Deferred income	16	3,006	2,057
Lease liabilities	18(b)	154	1,869
Current tax liability	7(d)	9,200	3,604
TOTAL CURRENT LIABILITIES		**70,979**	**67,711**
NON-CURRENT LIABILITIES			
Trade and other payables	13	102,446	103,478
Interest-bearing borrowings	15	166,680	172,474
Lease liabilities	18(b)	28,084	24,861
Deferred income	16	113,199	114,057
Deferred tax liabilities	7(c)	76,683	65,264
TOTAL NON-CURRENT LIABILITIES		**487,092**	**480,134**
TOTAL LIABILITIES		**558,071**	**547,845**
NET ASSETS		**946,075**	**898,654**

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS for the year ended 31 December 2021

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		326,569	337,623
Payments to suppliers and employees		(173,351)	(198,749)
Interest received		2,893	4,346
Interest paid		(11,576)	(12,112)
Tax payments/Withholding taxes paid		(12,413)	(7,017)
Net cash flows provided by operating activities		**132,122**	**124,091**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(55,691)	(47,930)
Proceeds for rural electrification, net		2,798	5,510
Proceeds from refundable contribution for general extension, net		3,382	8,200
Proceeds from disposal of property, plant and equipment		393	378
Net cash flows used in investing activities		**(49,118)**	**(33,842)**
Cash flows from financing activities			
Repayment of bonds and loans		(18,053)	(29,208)
Proceeds from borrowings - local		12,260	-
Repayment of lease liability - principal portion only		(189)	(247)
Net acquisition of derivatives		(2,177)	(1,108)
Dividends paid	25	(20,037)	(19,123)
Net cash flows used in financing activities		**(28,196)**	**(49,686)**
Net increase/(decrease) in cash and cash equivalents		**54,808**	**40,563**
Effect of exchange rate movement on cash and cash equivalents		594	(2,023)
Cash and cash equivalents - at 1 January		214,161	175,621
Cash and cash equivalents - at 31 December	8	**269,563**	**214,161**

The above statement of cash flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2021

	Share capital	Hedging reserves	"Retained earnings"	Total
	$'000	$'000	$'000	$'000
Balance as at 1 January 2020	**750,000**	**1,760**	**99,031**	**850,791**
Total comprehensive income				
Profit for the year	-	-	66,789	66,789
Transfer of hedge reserve to Statement of Comprehensive income	-	(1,760)	-	(1,760)
Other comprehensive gain for the year	-	1,957	-	1,957
Total comprehensive income for the year	**-**	**197**	**66,789**	**66,986**
Transactions with shareholders of the Company				
Dividend declared	-	-	(19,123)	(19,123)
Total transactions with shareholders of the Company	**-**	**-**	**(19,123)**	**(19,123)**
Balance as at 31 December 2020	**750,000**	**1,957**	**146,697**	**898,654**
Total comprehensive income				
Profit for the year	-	-	66,590	66,590
Transfer of hedge reserve to Statement of Comprehensive Income	-	(1,957)	-	(1,957)
Other comprehensive gain for the year	-	2,825	-	2,825
Total comprehensive income for the year	**-**	**868**	**66,509**	**67,458**
Transactions with shareholders of the Company				
Dividend declared	-	-	(20,037)	(20,037)
Total transactions with shareholders of the Company	**-**	**-**	**(20,037)**	**(20,037)**
Balance as at 31 December 2021	**750,000**	**2,825**	**193,250**	**946,075**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1. GENERAL INFORMATION

a Corporate Information

Energy Fiji Limited (the Company) is a limited liability company incorporated and domiciled in Fiji. The registered office and principal place of business is 2 Marlow Street, Suva, Fiji Islands.

b. Principal Activities

The principal activities of the Company are the generation, transmission, distribution and sale of electricity on Viti Levu, Vanua Levu, Ovalau and Taveuni as governed by the Electricity Act and Regulations.

There were no significant changes in the nature of these activities during the financial year.

c. Statement of Compliance

The financial statements have been prepared in accordance with the Electricity Act 2017 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the requirements of the Companies Act, 2015.

Approval of Financial Statements

The financial statements were approved for issue by the Company's Board of Directors at its meeting held on 26/04/2022.

d. Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency).

The Company operates in Fiji and hence, the financial statements are presented in Fijian dollars, which is the Company's functional and presentation currency.

e. Basis of Accounting

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements of the Company are prepared on a going concern basis.

f. Use of Judgements and Estimates

In the application of IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 4.

g. Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; Or

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1. GENERAL INFORMATION (Continued)

g. Current versus non-current classification (Continued)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

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

h. Changes in Accounting Policies

New standards, interpretations and amendments effective from 1 January 2021
A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application permitted; however the Company has not early adopted the new or amended standards in preparing there financial statements.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

- Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Annual improvements to IFRS Standards 2018 - 2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendment to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendment to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Definition of accounting estimates (Amendments to IAS 8)
- Deferred tax related assets and liabilities (Amendments to IAS 12)
- Onerous contracts (Amendments to IAS 37)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

a. Bond instruments

Bonds issued are recognised initially at fair value, net of transaction cost incurred. Transaction costs on the issue of bond instruments are capitalised and amortised in profit or loss over the maturity life of the bond instruments. Transaction costs are the costs that are incurred directly in connection with the issue of those bond instruments and which would not have been incurred had those instruments not been issued. Bonds are subsequently measured at amortised cost.

b. Borrowings

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

c. Borrowing costs

The borrowing costs that are directly attributable to major capital expenditures and projects under construction are capitalised as part of the cost of these assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The government guarantee fees on loans drawdown specifically for capital projects are also capitalised as part of the cost of the assets. Other guarantee fees paid are expensed. Capitalised borrowing costs are amortised over the useful life of the assets.

d. Refundable and non-refundable capital contributions

A 100% refundable capital contribution represents the cost of the extension, received from the developer or a prospective consumer. The cost of the extension is the estimated cost incurred from the Company's nearest mains supply point capable of providing the assessed load required. The developer or a prospective consumer applying for a general extension provides a 100% refundable capital contribution in relation to the cost of the extension which is credited to trade and other payables and is refunded to the customer over a period of 5, 6 and 8 years. This is in accordance with the determination by the Fijian Competition and Consumer Commission (FCCC).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Refundable and non-refundable capital contributions (Continue)

Non-refundable capital contributions are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and EFL will comply with the conditions associated with the scheme. They are then amortised to profit or loss as other operating revenue on a systematic basis over the useful life of the asset.

e. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash on hand, cash in banks, short term deposits held with banks with an original maturity term of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities in the statement of financial position.

f. Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

g. Deferred income

Government grant in aid and assets acquired at no cost to the Company are capitalised and systematically recognised as other income on the basis of the expected lives of the assets to which the grants relate.

h. Employee benefits

i. Annual leave

Provision for annual leave represents the amount which the Company has a present obligation to pay for employees' services provided up to the balance date. The provision has been calculated on the current wage and salary rate.

ii. Performance pay

The Company maintains a Performance Management System which is used to remunerate employees based on the achievement of certain Key Performance Indicators (KPIs). These KPIs are established based on predetermined objectives of the Company. The liability is measured at the wage or salary rates prevailing during the year.

iii. Defined contribution plans

Obligations for contributions to Fiji National Provident Fund (defined contribution plan) are expensed as the related service is provided.

i. Foreign currency translation

Transactions denominated in a foreign currency are translated to Fijian currency at the exchange rate at the date of the transaction.

Foreign currency receivables and payables at balance date are translated to Fijian currency at exchange rates prevailing at balance date.

All gains and losses arising (realised and unrealised) are brought to account in determining the profit or loss for the year.

j. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the stock and bringing it to its existing condition and location.

Provision for inventory obsolescence are raised based on a review of inventories. Inventories considered obsolete are written off in the year in which they are identified.

k. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company 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 group 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.

An assessment is made at each reporting date for non-financial assets as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Impairment of non-financial assets (Continue)

If such indication exists, the Company makes an estimate of the 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 reversal is recognised in the statement of comprehensive income.

l. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Financial instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company recognition of the assets.

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

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plusccrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

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

iii. Modification of financial assets

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

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

iv. Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from assets have expired ;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Financial instruments (Continued)

iv. Derecognition of financial asset (Continued)

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and not gains and losses including any interested expenses, are recognised in profit or loss. Other financial liabilities are subsequent recognised at amortised costs using effective interest rate. Interest expense and foreign exchange differences are recognised in profit or loss.

ii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iii. Offsetting

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

v. Impairment of financial assets

Financial instruments:

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

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

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

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECL as it does not include a significant financing component.

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

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

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

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Financial instruments (Continued)

Impairment of financial assets (Continued)

Measurement of ECLs:
ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

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

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 30 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position:
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

m. Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Where estimated useful lives or recoverable values have diminished due to technological change, market conditions or dynamics, amortisation is accelerated.

n. Leased assets

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

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

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Leased assets (Continued)

i. As a lessee

Under IFRS 16

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the long term RBF bond rate.

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

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

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

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

The Company presents right-of-use assets and lease liabilities as separate line items in the statement of financial position (see Note 18).

Short-term leases and leases of low-value assets

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

ii. As a lessor

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

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.
If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating revenue'.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Leased assets (Continued)

ii. As a lessor (Continued)

Where the Company is an intermediate lessor the sub-leases were classified with reference to the underlying asset.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

o. Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services provided at reporting date.

p. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the item. Cost of leasehold land includes initial premium payment or price paid to acquire leasehold land including acquisition costs.

Additions

While expenditure on assets with a value of less than $300 is generally not capitalised, physical control is maintained over all items regardless of cost. Subsequent expenditure above $300 is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

Depreciation rates

Depreciation is calculated using the straight-line method to write off the cost of each asset over their estimated useful lives as follows:

	Rates
Leasehold land	1.01%
Buildings - concrete	1.25%
Buildings - others	1.25%
Hydro Assets - dams	1.33% - 2.50%
Hydro Assets - tunnels	1.33% - 2.44%
Hydro Assets - plant and machinery	2.50% - 3.00%
Thermal assets	4.00% - 7.00%
Transmission	2.50%
Communication system and control	2.86%
Reticulation	4.00%
Wind mill	5.00%
Furniture and fittings	7.00% - 24.00%
Motor vehicles	20.00%
Computers	33.30%

Other fixed assets except for capital spares, are depreciated when they are brought into service.

Freehold land is not depreciated. Leasehold land is amortised over the remaining lease period.

Capital spares

Capital spares represent items held primarily for use in thermal stations in the event of a breakdown. In recognition of the increased risk of obsolescence over a protracted period, capital spares are amortised in line with the depreciation rates applicable to the related plant and machinery. Capital spares are reported as part of Company's fixed assets.

Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss.

Repairs and maintenance

Repairs and maintenance is charged to the statement of comprehensive income during the financial period

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Property, plant and equipment (Continued)

Repairs and maintenance (Continued)

in which it is incurred. The cost of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

q. Provisions

Provisions are recognised:

- When the Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

r. Rounding off amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

s. Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared by the Company but not paid.

t. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income on term deposits;
- guarantee fees paid to government;
- interest expense on leases;
- interest expense on borrowings; and
- impairment losses (and reversals) on investments in debt securities carried at amortised cost.

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

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

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

u. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u. Fair value measurement(Continued)

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

v. Revenue from sale of electricity

The Company recognises revenue from services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for services. Revenue is recognised at an amount that reflects the consideration that the Company is expected to be entitled to in exchange for transferring services to a customer, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- Identification of the contract;
- Identification of separate performance obligations for each good or service;
- Determination of the transaction price;
- Allocation of the price to performance obligations; and
- Recognition of revenue.

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

Nature and timing of satisfaction of performance obligations and significant payment terms

There is an implied contract between a customer and the Company for the distribution and sale of electricity. This represents a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. The customer obtains control of the good (electricity) when delivered and consumed by them over time.

Invoices are issued monthly and are usually payable within 14 days thus there is no significant financing component. Additionally, discount is provided to high voltage industrial and commercial customers against the approved tariff rates by Fiji Competition and Consumer Commission (FCCC).

Contract with domestic customers and some commercial customers permit quantities of electricity consumed to be estimated based on previous months' average consumption in the event the Company could not conduct the monthly readings.

Revenue recognition

Revenue including upfront fees is recognised net of VAT and discount over time and the progress is determined based on kilowatts (units) consumed. This provides a faithful depiction of the transfer of the good as the customer simultaneously receives and consumes the benefits provided by the Company's performance of the electricity revenue contract.

The transaction price is determined based on regulated tariffs approved by FCCC at the time the service had been rendered and units of kilowatts consumed by the customers. The transaction price includes the non-refundable upfront fees as it not considered to be a significant material right. The transaction price is variable due to the following:

- Tiered pricing for commercial and industrial customers; and
- Estimate of unbilled electricity supplied to 'domestic and commercial' customers.

The variable consideration is included in the transaction price only to the extent that it is 'highly probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. In respect to the considerations from:

a) Industrial customers, these are not constrained because it is calculated based on actual units consumed during the period, thus consideration for the period is known.

b) Domestic and some commercial customers, the unbilled electricity supplied at period end is estimated based on previous periods' average consumption (expected value). EFL considers this to be best

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

v. Revenue from sale of electricity (Continued)
Revenue recognition (Continued)

estimate of the transaction price without incurring undue cost and time and thus not necessary for the Company to quantify all possible outcomes using complex models and techniques. Additionally, the full transaction price not considered constrained as the likelihood and potential magnitude of the revenue reversal not considered by to be significant.

The Company had applied the practical expedient in paragraph 121 of IFRS 15 and did not disclose information about remaining performance obligations that have an original expected duration of one year or less.

Revenue recognition with respect to the Company's specific business activities are as follows:

Electricity income
Electricity income is recorded in the statement of comprehensive income on an accrual basis.

Interest income
Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

All other income is recorded in the statement of comprehensive income on an accrual basis.

w. Fuel hedging
EFL continued with its fuel and foreign currency hedging programme. The primary objective of the programme is to mitigate volatility on earnings arising from fluctuations in the global fuel price as well as movements in foreign exchange rates, both factors which are outside the control of EFL.

The Company manages these risk exposures using various financial instruments. The Board has determined hedging limits for financial risks and these are documented in the Commodity Risk Management and Hedging Policy. Transactions entered into are to be carried out within these guidelines. Implementation of this policy is delegated to Risk Management Committee, who have flexibility to act within the bounds of the authorised policy limits. Company policy is to not enter, issue or hold derivative financial instruments for speculative trading purposes. Compliance with the policy is monitored on an ongoing basis through regular reporting to the Board.

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. All derivatives are measured at fair value in the statement of financial position.

Cash flow hedges
When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in the hedging reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of comprehensive income.

If the hedging derivatives expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discounted prospectively. If the hedged cash flows are no longer expected to occur, then the Company immediately reclassifies the amount in the hedged reserve from OCI to profit or loss. For terminated hedged relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss; if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Company reclassifies the amount in the hedged reserve from OCI to profit or loss on a straight-line basis.

x. Taxation
Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Current tax for the current and prior years is recognised as a liability or asset to the extent that it is unpaid or refundable.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

x. Taxation(Continued)

Deferred tax

Deferred tax is accounted for using the liability method on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation Authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

y. Value Added Tax (VAT)

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

i) where the amount of VAT incurred is not recoverable from the taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for trade receivables and trade payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation Authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which are recoverable from or payable to the taxation Authority is classified as operating cash flows.

3. RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

a. Market risk

Market risk is the risk that changes in market prices, such as fuel prices, foreign exchange rates and interest rates, will affect the Company's cash flows and profits. The objective of market risk management is to manage and control market exposures, within tolerances.

The Company enters into derivatives to manage market risks relating to fuel prices and foreign exchange rates. Derivatives are recognised at fair value on an ongoing basis. On initial designation of the hedge, the Company formally documents the relationship between the hedging instruments and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company assesses, both at the inception of the hedge relationship and on an ongoing basis, whether the hedging instruments are expected to be "highly effective".

Hedges of highly probable forecast transactions which are exposed to variations in cash flows that could ultimately affect profit or loss are called cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recognised directly in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

3. RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

a. Market risk (Continued)

profit or loss. Cumulative gains and losses in other comprehensive income, including those relating to discontinued hedges, are recognised in profit or loss in the periods in which the hedged item will affect profit or loss.

The following table summarises the derivative financial assets and liabilities of the Company related to the Company's forward foreign exchange and fuel hedging contracts as at reporting date.

	31-Dec-21 $'000	31-Dec-20 $'000
Current assets		
Forward foreign exchange contracts - cash flow hedges	262	-
Fuel hedging contracts - cash flow hedges	5,967	4,129
Total derivative financial asset	**6,229**	**4,129**
Current liabilities		
Forward foreign exchange contracts - cash flow hedges	-	429
Fuel hedging contracts - cash flow hedges	-	517
Total derivative financial liability	**-**	**946**

(i) Foreign exchange risk

The Company procures a significant portion of its supplies from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US, AU and NZ dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require the Company to manage its foreign exchange risk against its functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fiji dollar.

To protect against exchange rate movements, the Company uses forward exchange contracts and option contracts to purchase US dollars to hedge highly probable forecasted fuel purchases for the ensuing financial periods. The contracts are timed to mature when the fuel bills are expected to be settled. Realised gains or losses on these contracts arise due to differences between the actual spot rates on settlement, the forward rates of the derivative contracts and the cost of option premiums paid.

	31-Dec-21 $'000	31-Dec-20 $'000
Foreign exchange hedging gains recognised in fuel cost	**2,576**	**2,177**

The weighted average contract rates of hedge accounted foreign currency derivatives outstanding as at reporting date are set out below:

	Weighted Average Hedge Rate	Notional Amount US$'000
AUD/USD Options	**0.7215**	**13,700**

The following significant exchange rates have been applied as at reporting date:

	31-Dec-21
FJD/USD	**0.4875**
FJD/AUD	**0.6557**

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

3. RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the USD and AUD against Fiji Dollars at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts show below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast transactions.

	Profit or loss	
	Strengthening	Weakening
	$'000	$'000
USD	2,810	(2,810)
AUD	(2,781)	2,781

Forward exchange contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently restated to their fair value at each reporting date.

(ii) Price risk

The Company does not have investments in equity securities and hence is not exposed to equity securities price risk. However, the Company is exposed to commodity price risk as it purchases fuel through a local agent from offshore. The volatility on international fuel prices and its impact on the Company's profitability is given below considering two scenarios based on price, quantity mix, demand growth and hydro availability.

	Average Fuel Price (F$/ Metric Tonne)	Consumption (Metric Tonne)	"Fuel costs $'000"
31 December 2021 (Actual)	1,402.18	70,715	99,155
Fuel price-Increase by 10%	1,542.40	70,715	109,071
Fuel Price-Decrease by 10%	1,261.96	70,715	89,240

Based on the above, if fuel price increase or decrease by 10%, the fuel costs to the Company would increase or decrease by $7.78 million annually. The above sensitivity calculation is based on the 2020 fuel consumption levels.

The Company's fuel price risk management strategy aims to provide EFL with protection against sudden and significant increases in fuel prices while ensuring that the Company is not competitively disadvantaged in the event of a substantial decrease in the price of fuel.

The Company's risk management policy is to hedge anticipated IDO and HFO fuel consumption subject to limits determined by the Board. This exposure is managed by using the ICE Brent crude commodity swaps, option contracts and other fuel related derivatives. These contracts are designated as hedges of price risk on specific volumes of future IDO and HFO fuel consumption. The Company considers Brent crude to be a separately identifiable and measurable component of Singapore IDO and HFO. The price of Brent crude is highly correlated with the price of Singapore IDO and HFO.

Realised gains or losses on fuel hedging contracts arises due to differences between the actual fuel prices on settlement, the forward rates of derivative contracts and the cost of option premiums paid.

	31-Dec-21	31-Dec-20
	$'000	$'000
Brent crude hedging gain/(losses) recognised in fuel cost	19,076	(16,795)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

3. RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Price risk (Continued)

The weighted average contract rates of hedge accounted fuel derivatives outstanding as at reporting date are set out below:

	Weighted Average Hedge Strike Rate	Notional Amount Barrels
	US$/bbl	
Brent Swap	71.32	149,500
Brent Option	70.70	191,500

(iii) Interest rate risk

The Company has significant interest-bearing assets in the form of short-term cash deposits. These are at fixed interest rates hence there are no interest rate risks during the period of investment. For re-investment of short and long term cash deposits, the Company negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return.

Given the fixed nature of interest rates described above, the Company has a high level of certainty over the impact on cash flows arising from interest income. Accordingly, the Company does not require simulations to be performed over the impact on net profits arising from changes in interest rates.

All debts of the Company raised through bond issues bear fixed interest rates. Therefore, the Company is not exposed to interest rate risk.

The Company is not exposed to interest rate risk from its borrowings from Suva City Council, as it borrows funds at fixed interest rates.

In relation to the borrowings from other commercial banks, the Company to a certain extent is not exposed to interest rate risk as these borrowed funds are at fixed interest rates, for the agreed term. Thereafter, the interest rates are re-negotiated and new interest rates are agreed upon. The risk is managed closely within the approved policy parameters.

The Company did not enter into any interest swap contracts during the year.

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from receivables from customers, investment in debt securities, and cash and call deposits.

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

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure services are made to customers with an appropriate credit history. The Company does not have any policies that limit the amount of credit exposure to any one customer or group of customers.

The Company uses a provision matrix to determine the lifetime expected credit losses. It is based on the Company's historical observed default rates, and is adjusted by a forward-looking estimate that includes the probability of a worsening economic environment within the next year. At each reporting date, the Company updates the observed default history and forward-looking estimates.

Expected credit loss assessment for receivables as at 1 January 2021 and 31 December 2021

The Company uses an allowance matrix to measure the ECLs of Receivables from individual customers, which comprise a large number of balances. It is based on the Company's historical observed default rates, and is adjusted by a forward-looking estimate that includes the probability of a worsening economic environment within the next year. At each reporting date, the Company reviews the observed default and forward-looking estimate.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for receivables from individual customers as at 31 December 2021:

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

3. RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

b. Credit risk (Continued)

	Weighted-average loss rate	Gross carrying amount	Loss allowance
		$'000	$'000
31 December 2021			
Current – 30 days past due	0.44%	21,368	93
31 – 60 days past due	0.74%	6,115	45
61 – 90 days past due	8.77%	624	55
More than 90 days past due	29.17%	2,422	707
		30,529	900
Other debtors	0.00%	921	-
		31,450	900

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

The movement in the allowance for impairment in respect of trade receivables and other receivables during the year is disclosed in Note 9.

Impairment on other receivables has been measured on the 12 month expected loss basis.

Cash at bank and on hand

The Company held cash at bank of $114,563,216 at 31 December 2021 (2020: $89,161,118). The cash is held with a bank, which is rated AA- based on Standards & Poor's ratings.

Impairment on cash at bank and on hand has been measured on the 12 month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash at bank and on hand have low credit risk based on the external credit ratings of the counterparties.

The Company did not recognise impairment allowance as at 31 December 2021 (2020: $nil) as the Company does not consider the impairment allowance to be material.

Debt investment securities

The Company held debt investment securities of $155,000,000 at 31 December 2021 (2020: $125,000,000). The debt investment securities are held with banks which are rated AA- to B+ based on Standards & Poor's ratings. In relation to debt investment securities held with banks the Company monitors changes in credit risk by tracking published external credit ratings but when external credit ratings are not available or published, the Company monitors changes in credit risk by reviewing available press and regulatory information.

The Company recognised an impairment allowance of $581,164 as at 31 December 2021 (2020: $264,067).

Impairment on debt investment securities held with banks has been measured on the 12 month expected loss basis and reflects the short maturities of the exposures. The Company considers that its debt investment securities held with banks have low credit risk based on the external credit ratings of the counterparties.

The Company recognised an impairment allowance of $899,728 as at 31 December 2021 (2020: $454,344).

c. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure availability of funding. The Company monitors liquidity through rolling forecasts of the Company's cash flow position on a daily basis. Overall, the Company does not see liquidity risk as high given that a reasonable portion of revenues are billed and collected.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest payments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

3. RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

c. Liquidity risk (Continued)

Financial liabilities:	Less than one year	2 to 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
Trade and other payables (Note 13)	(36,946)	(40,409)	(62,036)	(139,391)
Interest-bearing borrowings	(27,470)	(180,568)	(7,800)	(215,838)
Total	(64,416)	(220,977)	(69,836)	(355,229)

d. Fair value estimation

The carrying value less allowance for impairment loss of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities and financial assets and provisions are estimated to approximate their fair values.

Financial assets:	Less than one year	2 to 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
Short term deposits (Note 8(a))	155,000	-	-	155,000
Receivables (Note 9)	30,550	-	-	30,550
Derivative financial asset (Note 3.1(a))	6,229	-	-	6,229
Total	191,779	-	-	191,779

Financial liabilities:	Less than one year	2 to 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
Trade and other payables (Note 13)	(36,946)	(40,409)	(62,036)	(139,391)
Interest-bearing borrowings	(10,554)	(174,180)	-	(184,734)
Total	(47,500)	(214,589)	(62,036)	(324,125)

(i) Regulatory risk

The Company's profitability can be significantly impacted by regulatory agencies established which govern and control the electricity sector in Fiji. Specifically, fuel surcharges, regulatory fees and electricity tariffs are regulated by the Fijian Competition and Consumer Commission (FCCC).

(ii) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Company cannot eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

(iii)Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

3. RISK MANAGEMENT (Continued)

3.1 Financial risk factors(Continued)

(iii) Capital risk management

The gearing ratios at 31 December 2021 and 2020 were as follows:

	31-Dec-21 $'000	31-Dec-20 $'000
Total borrowings (Note 15)	184,734	190,527
Less: Cash and cash equivalents (Note 8)	(268,982)	(213,897)
Net debt	(84,248)	(23,370)
Total capital and reserves	946,075	898,654
Total capital (total capital and reserves plus net debt)	861,827	875,284
Gearing ratio (net debt / total capital and reserves plus net debt)	-9.78%	-2.67%

The decrease in the gearing ratio during the year resulted from the repayments of loans net amounting to $5.8M in 2021 and through the record profit generated in 2021.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The critical judgements and assumptions made in applying the accounting policies of the Company have been disclosed under following notes to the financial statements:

Note 2 (j) – Allowance for inventory obsolescence
Note 2 (l) – Allowance for impairment on receivables
Note 2 (p) – Property, plant and equipment
Note 2(w) - Fuel hedging - fair value measurement

5. OPERATING REVENUE

	2021 $'000	2020 $'000
ELECTRICITY SALES		
Commercial	154,113	161,996
Industrial	67,789	71,935
Domestic	92,700	88,530
Others	4,310	4,634
Total electricity sales	**318,912**	**327,095**
OTHER OPERATING REVENUE		
Bad debts recovered	10	3
Liquidated damages	2,442	-
Contract sales	1,090	1,259
Deferred income	2,706	2,066

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

5. OPERATING REVENUE (Continued)

	2021 $'000	2020 $'000
Gain on disposal of plant and equipment	359	378
Lease rental - fibre optic	495	495
Power pole rentals	700	700
Rentals	16	12
Realised exchange gain, net	693	637
Sales and commissions	427	510
Service and licence fees	2,022	1,813
Training revenue	79	70
Total other operating revenue	**11,039**	**7,943**
Total revenue	**329,951**	**335,038**

6. PROFIT BEFORE INCOME TAX

	2021 $'000	2020 $'000
Profit before income tax has been determined after charging the following expenses:		
Change in allowance for expected credit loss	446	97
Auditor's remuneration for auditing services	65	54
Professional fees for other services	590	449
Directors' fees	17	32
Depreciation on property, plant and equipment and right-of-use assets	46,027	45,813
Amortisation of intangible assets	382	387
Personnel costs	26,735	27,666

The electricity used internally by the Company in all its locations Fiji wide has been included as cost of producing electricity and therefore is not shown separately as electricity cost and revenue. EFL used $120,055 of electricity internally in 2021 (2022: $157,241).

7. a) INCOME TAX EXPENSE

	2021 $'000	2020 $'000
The prima facie income tax on the pre-tax profit reconciles to the income tax expense as follows:		
Profit before income tax	96,620	82,669
Prima facie income tax payable at 20%	19,324	16,534
Tax effect of amounts which are not taxable in calculating taxable income:		
- Employee taxation scheme	(86)	(101)
- Amortisation of grant	(541)	(413)
- Uniform and FNPF incentive	(143)	(140)
- Financial assistance	5,460	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

7. a) INCOME TAX EXPENSE (Continued)

	2021 $'000	2020 $'000
- Underprovision/overprovision in prior year	6,016	-
Income tax expense attributable to profit	**30,030**	**15,880**
Income tax expense comprises movements in:		
Deferred tax assets	282	(187)
Deferred tax liabilities	11,419	4,595
Current tax liabilities	18,329	11,472
	30,030	**15,880**

b) DEFERRED TAX ASSET

The deferred tax assets consist of the following deductible temporary differences at future tax rates:		
Allowance for impairment loss on accounts receivable and other financial assets	**180**	**91**
Unrealised exchange losses	**34**	**405**
	214	**496**

c) DEFERRED TAX LIABILITY

The deferred tax liabilities consist of the following taxable temporary differences at future tax rates:		
Difference in carrying value of property, plant and equipment for accounting and income tax purpose	76,696	65,329
Right-of-use assets	(132)	(65)
Unrealized exchange gain	119	-
	76,683	**65,264**

d) CURRENT TAX (LIABILITIES)/ASSETS

Movement during the year were as follows:		
Balance at the beginning of the year	(3,604)	852
Income tax paid	12,412	6,582
Tax liability for the current year	(18,329)	(11,472)
Resident interest withholding tax deducted at source	321	434
Balance at the end of the year	**(9,200)**	**(3,604)**

8. CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
Short term deposits (a)	155,000	125,000
Cash at bank and on hand - EFL operation	41,459	25,245
USD bank account off-shore	8,060	7,550
Project bank account on-shore (b)	29,574	29,574
USD fuel payment bank account	15,705	24,206
USD hedge settlement bank account	19,765	2,586
Expected credit loss	(581)	(264)
Total cash and cash equivalents	**268,982**	**213,897**

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

8. CASH AND CASH EQUIVALENTS (Continued)

(a) The short term deposit's amounting to $10M is held with Westpac Banking Corporation (WBC), $30M is held with Australia and New Zealand Banking Group Limited (ANZ) and $115M is held with Home Finance Company Limited (HFC). The short term deposits has a maturity of twelve months or less from the date of inception. Accordingly, these deposits have been considered as cash and cash equivalents for the purpose of the statement of cash flows.

(b) The on-shore project bank account is in respect of funds committed to projects that are still in Work-in-Progress (WIP) or are yet to commence as at year end.

(c) The total Syndicate Banking facility available but not used at year end was at $116.1M.

9. RECEIVABLES AND PREPAYMENTS

	2021 $'000	2020 $'000
Electricity debtors (a)	30,529	29,090
Other debtors	921	2,285
Prepayments and deposits	6,131	5,252
	37,581	36,627
Allowance for doubtful debts		
- Electricity debtors	(846)	(450)
- Other debtors	(54)	(4)
Total receivables and prepayments (net)	36,681	36,173

(a) Electricity debtors include receivable from Government of Fiji amounting to $3.46M (2020: $3.06M).
(b) The terms of trade for electricity debtors are 14 days from the date of billing.
Movements in the allowance for impairment loss of electricity debtors and other debtors are as follows:

Balance as at 1 January	454	455
Impairment loss during the year	446	(1)
Balance as at 31 December	900	454

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

	Current	30 Days	60 Days	Over 60 Days	Total
	(F$'000)	(F$'000)	(F$'000)	(F$'000)	(F$'000)
2021	22,694	4,721	626	2,488	30,529
2020	22,017	4,692	798	1,583	29,090

The maximum exposure to credit risk at the reporting date is the fair value of each classes of receivables mentioned above less electricity deposits. The Company generally obtains security deposits in the form of bank guarantees and cash deposits from all electricity customers which is estimated based on two months electricity consumptions. The total carrying amount of security deposits in relation to the above trade receivables carried by the Company is $45.7M (2020: $44.7M). The rest are secured through bank guarantees maintained by the Company. The inflows and outflows from the security deposit is from new customers being connected and refunds to customers for closure of accounts mostly related to tenants moving from one flat to another.

10.INVENTORIES

Consumables - at cost	28,808	31,642
Goods in transit	423	291
Total gross inventory	29,231	31,933
Provision for stock obsolescence	(510)	(135)
Total net inventory	28,721	31,798

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT

	2021 $'000	2020 $'000
Freehold land		
At cost	28,943	28,943
Leasehold land		
At cost	16,163	16,163
Accumulated depreciation	(2,859)	(2,689)
	13,304	13,474
Buildings and improvements		
At cost	89,342	89,342
Accumulated depreciation	(25,131)	(23,971)
	64,211	65,371
Dam, tunnels, water conductor		
At cost	553,056	553,056
Accumulated depreciation	(126,391)	(116,091)
	426,665	436,965
Plant, equipment and transmission assets		
At cost	812,707	775,718
Accumulated depreciation	(366,797)	(339,246)
	445,910	436,472
Furniture and fittings		
At cost	37,334	36,000
Accumulated depreciation	(26,596)	(24,669)
	10,738	11,331
Wind mill		
At cost	34,393	34,393
Accumulated depreciation	(24,943)	(23,224)
	9,450	11,169
Motor vehicles		
At cost	29,960	28,096
Accumulated depreciation	(25,491)	(23,078)
	4,469	5,018
Capital spares		
At cost	5,934	5,143

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2021 $'000	2020 $'000
Capital works in progress		
Rural and Urban Reticulation & System Reinforcement	17,883	40,263
33kV Outdoor Circuit-Western Region & Central	2,124	2,582
33kV Cable Waqadra Sub-Station To Denarau Sub-Station	1,614	1,595
Switchgear & 110V DC System for Wailoa Project	4,088	3,092
33/11kV Zone Substation, Naikabula, Lautoka	7,281	5,850
Virara Project	16,774	3,536
Generator Rehabilitation Project at Wailoa	13,946	13,753
Replacement Rust Refurbishment 4x Transmission & Telecom Towers	1,749	2,103
EFL's Backbone Communication Network Upgrade	1,453	1,391
2x132/33kV P/Transformer Cunningham Rd Sub-Station	7,351	8,808
2x132/33kV P/Transformer Vuda Sub-Station	6,691	8,082
2x15/18MVA 33/11kV P/Transformers Rarawai & Sigatoka Sub-Station	6,418	4,925
2 x 25MVA Transformer Upgrade & Replacement,Kinoya	3,023	3,023
Rust Refurbishment 51 Towers 132kV Wailoa-Cunningham	5,166	5,200
2x10/12MVA P/Transformer Suva Sub-Station & Wailekutu	2,486	1,158
Establishment of a new 33/11kv zone Sub-Station Denarau	5,751	3,096
Water Authority Fiji Viria Project	2,731	-
Design Supply Install 2x10/12MVA P/Transf Suva Sub-Station	2,461	-
Others	16,985	10,434
	125,975	**118,891**
Total		
- At cost	1,733,807	1,685,745
- Accumulated depreciation	(598,208)	(552,968)
Closing net book value	**1,135,599**	**1,132,777**

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT(Continued)

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

	Freehold land	Leasehold land	Buildings & improvements	Dam, tunnels and water conductor	Plant, equipment & transmission assets	Furniture & fittings	Wind mill	Motor vehicles	Capital spares	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	**$'000**
Balance as at 1 January 2020	**28,943**	**13,644**	**66,538**	**447,298**	**437,934**	**12,604**	**12,897**	**6,819**	**5,123**	**89,091**	**1,120,891**
Additions	-	-	-	-	-	750	-	-	285	56,256	**57,291**
Transfers	-	-	-	-	25,886	-	-	570	(27)	(26,456)	**(27)**
Depreciation charge	-	(170)	(1,167)	(10,333)	(27,348)	(2,023)	(1,728)	(2,371)	(238)	-	**(45,378)**
Balance as at 31 December 2020	**28,943**	**13,474**	**65,371**	**436,965**	**436,472**	**11,331**	**11,169**	**5,018**	**5,143**	**118,891**	**1,132,777**
Additions	-	-	-	-	-	1,334	-	1,898	175	44,073	**47,480**
Disposals	-	-	-	-	-	-	-	(33)	-	-	**(33)**
Transfers in/(out) from WIP	-	-	-	-	36,989	-	-	-	-	(36,989)	**-**
Transfers from inventory	-	-	-	-	-	-	-	-	881	-	**881**
Depreciation charge	-	(170)	(1,160)	(10,300)	(27,551)	(1,927)	(1,719)	(2,414)	(265)		**(45,506)**
Balance as at 31 December 2021	**28,943**	**13,304**	**64,211**	**426,665**	**445,910**	**10,738**	**9,450**	**4,469**	**5,934**	**125,975**	**1,135,599**

a) Certain property, plant and equipment forming part of the Company's Power Infrastructure System are not insured for various risks including risk of losses arising from fire, cyclone, flooding, business interruption and others as the cost of insurance is significant.

b) In accordance with security arrangements in respect to secured borrowings from ANZ Bank, as discussed in Note 15 of the financial statements, property, plant and equipment have been pledged as security.

c) The Company's property, plant and equipment includes assets generated from the Rural Electrification Schemes. The Government is yet to transfer the ownership of assets with WDV of $35.4 million generated from Rural Electrification Schemes.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

12. INTANGIBLE ASSETS

	2021 $'000	2020 $'000
Software license		
Gross carrying amount:		
Balance as at 1 January	**7,952**	**7,952**
Additions	7	-
Balance as at 31 December	**7,959**	**7,952**
Accumulated amortisation:		
Balance as at 1 January	(7,129)	(6,742)
Amortisation for the year	(382)	(387)
Balance as at 31 December	**(7,511)**	**(7,129)**
Net book amount	**448**	**823**

Software license are made up of the Company's Financial Management Information System, Payroll System, Billing System and other specialized Energy Monitoring Information System.

13. TRADE AND OTHER PAYABLES

Current		
Trade creditors	11,799	10,702
Other creditors and accruals	8,894	14,726
VAT payable	314	1,224
Accrued interest	161	603
Customer security deposits	1,290	1,199
General extension refundable deposits	14,488	9,205
Total current trade and other payables	**36,946**	**37,659**
Non-current		
Customer security deposits	44,414	43,545
General extension refundable deposits	58,032	59,933
Total non-current trade and other payables	**102,446**	**103,478**

The customer security deposits relates to the mandatory cash deposit which is equivalent to two months electricity consumptions in accordance with the Electricity Act 2017. This is refunded to the customer when the electricity account is permanently closed. The general extension refundable deposits are the capital contribution from prospective customers or developer for the supply of electricity from the Company's nearest grid in accordance with the General Extension Policy. The amount is refunded to the customer over a period of 5, 6 and 8 years.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

14. EMPLOYEE BENEFIT LIABILITY

	2021 $'000	2020 $'000
Annual leave	1,280	1,316
Performance pay	2,339	2,207
Total employee benefit liability	**3,619**	**3,523**
Balance as at 1 January	3,523	3,447
Additional employee benefit liability provided during the year, net of payments	96	76
Carrying amount as at 31 December	**3,619**	**3,523**
Employee numbers		
Number of full-time equivalent employees as at 31st December	877	876

15. INTEREST-BEARING BORROWINGS

Current		
Term loans - ANZ Bank (a)	9,450	9,450
Term loans - BSP (b)	8,550	8,550
Term loan - Suva City Council (c)	54	53
Total current interest-bearing borrowings	**18,054**	**18,053**
Non-current		
Term loans - ANZ Bank (a)	81,989	85,002
Term loans - BSP (b)	19,895	22,621
Term loan - Suva City Council (c)	4,796	4,851
Term Loans - WBC (d)	60,000	60,000
Total non-current interest-bearing borrowings	**166,680**	**172,474**
Total interest-bearing borrowings	**184,734**	**190,527**

a. **Term loans - ANZ Bank**
The interest-bearing borrowings from ANZ Bank are at competitive rates and are repayable on monthly instalments. The term loans from ANZ Bank are secured by:
(i) First registered mortgage debenture over all assets and undertakings including capital and unpaid premiums.
(ii) International Swaps and Derivatives Association, Inc. (ISDA) 2002 Master Agreement.

b. **Term loan - BSP**
The interest-bearing borrowings from BSP Bank are at competitive rates and are repayable on monthly instalments. The term loans from BSP Bank are secured by first registered mortgage debenture over all assets and undertakings including capital and unpaid premiums.

c. **Term loan - Suva City Council**
The term loan from Suva City Council (SCC) is subject to interest at fixed rate of 3% per annum and is unsecured. The loan is repayable over a period of 87 years in equal instalments of $200,000 on 25th July each year until July 2065.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

15. INTEREST-BEARING BORROWINGS (Continued)

d. Term loan - WBC

The interest-bearing borrowings from WBC Bank are at competitive rates and are repayable on monthly instalments. The term loans from WBC Bank are secured by first registered mortgage debenture over all assets and undertakings including capital and unpaid premiums.

e. Capitalised borrowing costs

The Company will be developing a 132kV transmission network from Virara settlement to Rarawai, Ba in consideration of the Fijian Government declaring the areas between Korovou to Ba in Viti Levu as tax free zone with a certain level of investment. This will enable sufficient and consistent power supply to the northern-western region of Viti Levu. The project will be financed via the syndicate banking facility.

The Company borrowed $12.26M in December 2021 to facilitate the advance payment for 132kv transmission Network Development project from Virara to Koronubu in Ba. The amount of borrowing costs capitalised during the year ended 31 December 2021 was $12,092.

f. Syndicate banking facility

EFL signed the Syndicate Banking Facility Agreement with ANZ, WBC and BSP Banks for a total credit commitment of $335M, the largest ever syndicate credit facility signed by EFL. The allocation of the Syndicate Banking Facility is as follows:

Facilty	Lender	M
Working Capital / Letter of Credit	ANZ	15
Fixed Rate Facility	ANZ	60
Variable Rate Facility	ANZ	105
Variable Rate Facility	BSP	95
Fixed Rate Facility	WBC	60
Total		335

ANZ Bank New Zealand Limited is the appointed facility agent. As at year the available but not used funds of the facility was at FJ$116.1M.

16. DEFERRED INCOME

	2021 $'000	2020 $'000
EEC Grant In Aid		
EEC Grant in Aid	12,330	12,330
Less: accumulated amortisation	(11,123)	(10,640)
Closing balance - 31 December	**1,207**	**1,690**
Government Grant For Rural Electrification		
Government Grant for Rural Electrification	97,079	94,898
Less: accumulated amortisation	(9,543)	(8,649)
Closing balance - 31 December	**87,536**	**86,249**
Australian Grant Cyclone Winston – Vehicle		
Australian Grant Cyclone Winston – Vehicle	140	140
Less: accumulated amortisation	(140)	(129)
Closing balance - 31 December	**-**	**11**

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

16. DEFERRED INCOME (Continued)

	2021 $'000	2020 $'000
Government Grant - Somosomo Hydro		
Govt. Grant - Somosomo Hydro	14,642	14,642
Less: accumulated amortisation	(1,680)	(1,344)
Closing balance - 31 December	**12,962**	**13,298**
Government Grant - Waiyevo Taveuni		
Govt. Grant - Waiyevo Taveuni	6,296	6,296
Less: accumulated amortisation	(1,727)	(1,393)
Closing balance - 31 December	**4,569**	**4,903**
75% Non-Refundable Capital Contribution		
75% non-refundable capital contribution	6,164	5,547
Less: accumulated amortisation	(1,743)	(1,094)
Closing balance - 31 December	**4,421**	**4,453**
KOICA Grant - Taveuni Solar		
KOICA Grant - Taveuni Solar	5,510	5,510
Closing balance - 31 December	5,510	5,510
Total deferred income (net)	**116,205**	**116,114**
Deferred income		
Current	3,006	2,057
Non-current	113,199	114,057
Total deferred income	**116,205**	**116,114**

Reconciliation of the carrying amounts of deferred income at the beginning and end of the current financial year is set out as follows:

	EEC Grant in Aid	Government Grant For Rural Electrification	Australian Grant Cyclone Winston Vehicle	Government Grant Somosomo Hydro	Government Grant Waiyevo Taveuni	75% Non Refundable Capital Contribution	KOICA Grant Taveuni Solar	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at December 2019	2,173	93,583	39	13,634	5,239	3,981	-	118,649
Additions	-	(6,592)	-	-	-	613	5,510	(469)
Amortisation Charge	(483)	(742)	(28)	(336)	(336)	(141)	-	(2,066)
Balance as at 31 December 2020	1,690	86,249	11	13,298	4,903	4,453	5,510	116,114
Additions	-	2,181	-	-	-	616	-	2,797
Amortisation charge	(483)	(894)	(11)	(336)	(334)	(649)	-	(2,706)
Balance as at December 2021	1,207	87,536	-	12,962	4,569	4,421	5,510	116,205

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

17. CONTINGENT LIABILITIES

a. Contingent liabilities exist with respect to the following:

	2021 $'000	2020 $'000
Bank guarantee	35	63
Litigation claims - others	1,418	1,027
	1,453	1,090

b. Miscellaneous claims

Other then amounts referred in note 17(a) no provision has been recorded in the financial statements for unsecured contingent liabilities mainly in respect of sundry court actions against the Company. The Company estimates such liability, if any, to be immaterial.

18. LEASES

	2021 $'000	2020 $'000
As a lessee		
a) Right-of-use assets		
Opening balance as at 1 January	26,406	25,205
Additions	1,387	1,636
Depreciation charge for the year	(521)	(435)
Balance at 31 December	27,272	26,406
(b) Lease liabilities		
Current	154	1,869
Non-current	28,084	24,861
Total lease liabilities	28,238	26,730

Reconciliation of movement of liabilities to cash flows from financing activities

	Interest-bearing borrowings $'000	Lease liability $'000	Total $'000
Balance as at 1 January 2021	190,527	26,730	217,257
Changes from financing cash flows			
Repayment of borrowings	(18,053)	(188)	(18,241)
Proceeds from borrowings	12,260	-	12,260
Additions, net	-	1,696	1,696
Total changes from financing cash flows	(5,793)	1,508	(4,285)
Other changes – liability related			
Interest expense	8,887	1,628	10,515
Interest paid	(10,580)	(1,628)	(12,208)
Net movement in accrued interest	1,693	-	1,693
Total liability related other changes	-	-	-
Balance at 31 December 2021	184,734	28,238	212,972

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

19.COMMITMENTS

a. Capital expenditure commitments	2021 $'000	2020 $'000
Capital expenditure contracted for at balance date but not otherwise provided for in the financial statements.	49,832	19,043
Projects approved by the Board but not contracted for at balance date	58,396	96,205

Capital expenditure commitments are in respect to the following projects:

Install 145kV Circuit Breakers for four x 132kV/33kV Transformers at Vuda NCC and Cunningham Substation, Transmission Workshop Kinoya, New Liveline Workshop Navutu, Distribution System Reinforcement , EFL Capital Contribution for Subdivision Projects (25% FCCC Determination), Upgrade of 6.6kV Distribution to 11kV, Davuilevu 33kV/11kV Substation - Nakasi Feeder, Yalalevu 33kV/11kV Substaion plus TL from Naikabula to Yalalevu, Nagado 6.6kV/33kV, 3.75MVA Generator Transformer Replacement, Overhead to Under Ground Conversion under SARUP-2 (EFL Contribution), Nagado Transformer, Replace Cunningham - Kinoya 33kV Cables , Replacement of 2 x 1.6MW for Labasa Power Station, Wartsila PLC Control system upgrade, Replacement of aging High Speed Generators (Nadi, Qeleoa & Rokobili / Rakiraki / Sigatoka / Deuba / Savusavu), New Meter Connections/Regulatory & Test Bench & Equipments, Meter & Metering Accessories / Equipt, AMR Project, FMIS Upgrade/Replacement, Motor Vehicle Purchase, Construction of new Stores Building at Cawaira, Headoffice Upgrade

b. Operating lease revenue commitments

Operating leases contracted for the rental of fibre optic and power poles by the Company with the lessees are receivable as follows:

Less than one year	1,195	1,195
Later than one year	1,089	1,089
Total operating lease revenue commitments	2,284	2,284

c. Other commitments

(i) The Energy Fiji Limited (EFL) has a commitment with Pernix (Fiji) Limited (PFL) whereby the PFL operates and maintains Kinoya and Vuda Power Stations at contractually determined rates for the Company. The power produced at these two Diesel Power Stations is directly connected with the main power grid of the EFL. PFL's contract with EFL will expire on 26 May 2028.

(ii) The Company also has commitment with various other Independent Power Producers (IPPs) for purchase of energy.

20.EVENTS SUBSEQUENT TO BALANCE DATE

a) On 10th January 2022, TC Cody headed to Fiji where it hit the Fiji group as a category 1 cyclone. The cyclone caused power disruptions and damage to the power line infrastructures as a result of strong winds and widespread flooding. EFL estimates that the cost of the power restoration to the affected areas in Fiji to be around $0.6M.

b) As part of the 2021-2022 Revised National Budget announced in March 2022, the Government approved that effective from 25th March 2022 the fiscal duty on the importation of Industrial Diesel Oil (IDO) will be reduced from 40 cents to 20 cents per litre. This reduction in fiscal duty will help cushion the rising IDO prices in 2022. Also as part of the Revised Budget announcement, the government reduced VAT on 21 essential items to be zero rated and raised VAT on 21 goods and services from 9% to 15%. This amendment to the VAT rate is not applicable to the sale of electricity.

c) The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries is increasingly causing the oil price to spike. Oil prices have reached an 8-year high, going above US$100 per barrel which is higher than EFL's budgeted fuel price of US$71 per barrel for 2022. Although EFL has hedged 72% of its forecasted 2022 fuel usage at the weighted average price of US$74.92 per barrel, still its fuel cost will be affected on the 28% unhedged portion which is bought over the counter with prices still above US$100 per barrel.

No other matters or circumstances that arose since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

21. SIGNIFICANT EVENTS DURING THE YEAR

a. On 25th March 2021, the Fijian Government entered into a Share Sale Agreement with Sevens Pacific Pte Limited, which is a consortium owned by The Chugoku Electric Power Co, Inc. ("CEPCO") and Japan Bank for International Cooperation ("JBIC") to acquire 44% shareholding in EFL (acquiring 24% from Government and 20% from FNPF) . The transaction for the sale of 44% shares to Sevens Pacific Pte Limited was completed in June 2021. Post the share acquisition, EFL will continue to operate in a manner consistent with its operation prior to this transaction.

b. The Second Wave of COVID-19 pandemic also impacted EFL's electricity demand for 2021. Initially, when the second wave of the pandemic hit Fiji, the electricity demand declined significantly to around 17% and 20% as compared to 2019 (Pre-Covid year) due to the lockdowns in containment zones, closing of the international borders (which significantly affected the tourism industry in Fiji), industries that operated on reduced hours and those that were forced to close down. By the end of the year, the reduction in demand improved to a negative 12% in comparison to 2019.

c. EFL implemented the Transactive Banking facility/Electronic Funds Transfer (EFT) with ANZ bank for local suppliers effective from 29th July 2021. All EFL local payments are now done via Transactive banking except for overseas payments.

d. On 31st January 2021, TC Ana headed to Fiji where it hit the Fiji group as a category 3 cyclone. The cyclone caused power disruptions and damage to the power line infrastructures as a result of strong winds and widespread flooding. EFL spend around $2.9M in TC Ana power restoration works to the affected areas in Fiji.

22. RELATED PARTY TRANSACTIONS

a. Significant transactions (transaction value of over $200,000) with related parties during the year ended 31 December 2021 :

	2021 $'000	2020 $'000
Government guarantee fee expensed during the year (i)	-	265
Interest expense - FNPF (shareholder) loan	-	1,491

The existing Government guarantee facility of EFL expired on 31st December 2020 and no borrowings of EFL was secured via this guarantee in 2021. The Syndicate Banking Facility is secured via the Debenture Mortgage over the assets of EFL. FNPF is no longer a shareholder of EFL, its 20% shares in EFL was acquired by Sevens Pacific Pte Limited, which is a consortium owned by The Chugoku Electric Power Co, Inc. ("CEPCO") and Japan Bank for International Cooperation ("JBIC") in 2021. EFL does not have any loans with FNPF in 2021.

b. Directors

The names of persons who were directors of the Company during the year 2021 are as follows:

Daksesh Patel (Chairman)
Gardiner Henry Whiteside
Shiri Gounder (Appointed - June 2021)
Koichi Tsunematsu (Appointed - June 2021)
So Horikiri (Appointed - June 2021)
Chitoshi Fukuda (Appointed - October 2021)
Hasmukh Patel
Kamal Goundar (Term Expired - May 2021)
David Kolitagane (Term Expired - May 2021)
Viliame B. Vodonaivalu (Term Expired - May 2021)
The directors fees paid during the year were $16,875 (2020: $31,573)

c. Key Management Compensation

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

During the year, the Chief Executive Officer and Executive Management Group were identified as the key management personnel.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

22. RELATED PARTY TRANSACTIONS (Continued)

c. Key Management Compensation (Continued)

The aggregate remuneration and compensation paid to key management personnel, for the financial year ended 31 December 2021 and 2020 were:

	2021 $'000	2020 $'000
Salary, performance pay and allowances	2,534	2,644
Superannuation	116	143
Other benefits	116	99
Total	2,766	2,886

d. During the year, the Company supplied electricity to the shareholder and shareholder related entities, directors, related entities and executives at normal commercial rates, terms and conditions.

e. Receivable/payable to related parties have been disclosed in respective notes to the financial statements.

f. Viti Renewables Pte Ltd (VRL) was formed and registered on 17th January 2018, which is a Joint Venture between: EFL-51% and Sunergise-49%. The VRL did not generate any revenue in the financial year 2021.

23.SHARE CAPITAL

Issued and paid up capital (500,000 shares)	750,000	750,000

The $750M share capital is made up of 500,000,000 shares. Of the 500,000,000 shares, 51% (255,000,000 shares) is currently retained by Government, 44% (220,000,000 shares) held by Sevens Pacific Pte Limited and 5% (25,000,000 shares) to be issued to the Non-voting Shareholders (domestic customers of EFL). Of the 25,000,000 shares approved for the 5% non-voting shareholders, 7,313,550 shares were issued as at 31 December 2021 and the balance of 17,686,450 shares were held in trust with the Central Share Registry Pte Limited (CSRL). Shares of the Company do not have a par value.

24.Reserves

Hedge reserves

The hedge reserve is used to recognise the effective portion of changes in the fair value of cash flow hedging instruments. If the hedging instrument no longer meets the criteria for hedge accounting, is expired or sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedge reserve remains there until the forecast transaction is recognised in profit or loss.

Hedging reserves	2,825	1,957

25.Dividends declared and paid

Dividend Paid	20,037	19,123

The Board declared and paid $20.04M dividend to its shareholders based on 30% of the after tax profit for 2020.

NETWORK STATISTICS 2021

TRANSMISSION & SUB-TRANSMISSION CENTRAL										
DISTRICT	132kV O/H Line (km)		33kV O/H Line (km)		33kV U/G Cable (km)		Substations		Transformer MVA	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Wailoa - Cunningham	62	62					1	1	100	100
Wailoa - Wainikasou			29	29			1	1	7.5	7.5
Cunningham - Kinoya 'A'					3	3	1	1	105	105
Cunningham - Kinoya 'B'					3	3	1	1	128	128
Cunningham - Vatuwaqa					4	4	1	1	36	36
Cunningham - Hibiscus Park 'A'					8	8	1	1	25.55	25.55
Cunningham - Hibiscus Park 'B'					8	8				
Cunningham - Rokobili					4.5	4.5				
Rokobili - Hibiscus Park					0.5	0.5				
Cunningham - Sawani			10	10	1	1	1	1	36	36
Vatuwaqa - Knolly					4.5	4.5	1	1	30	30
Knolly - Suva					1.3	1.3	2	2	69	69
Kinoya - Vatuwaqa					4	4				
Kinoya – Nausori			12	12	2	2	1	1	30	30
Nausori – Sawani			6	6	2	2				
Hibiscus Park - Wailekutu					6	6	1	1	24	24
Hibiscus Park - Suva					3	3				
Wailekutu - Deuba			38	38			1	1	6.25	6.25
Cunningham - Komo					6	6	1	1	30	30
Komo – Hibiscus Park					3	3				
TOTAL	**62**	**62**	**95**	**95**	**63.8**	**63.8**	**14**	**14**	**627**	**627**

TRANSMISSION & SUB-TRANSMISSION WESTERN										
DISTRICT	132kV O/H Line (km)		33kV O/H Line (km)		33kV U/G Cable (km)		Substations		Transformer MVA	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Wailoa							2	2	10.5	10.5
Wailoa - Nadarivatu	23.4	23.4					1	1	56	56
Nadarivatu - Vuda	56.6	56.6					2	2	112.5	112.5
Nadarivatu SS to PS	5.2	5.2								
Vuda - Pineapple Corner A			8	8	1	1	1	1	30	30
Vuda - Rarawai			32	32			1	1	12.5	36
Vuda - Rarawai Tee-off to Pineapple Corner			2	2	1	1				
Rarawai - Vatukoula			19	19			1	1	12.5	12.5
Vatukoula - Tavua			4	4	2	2	1	1	6.25	6.25
Tavua - Volivoli			48.7	48.7	0.05	0.05	1	1	6.25	6.25
Vuda - Sabeto			8	8						
Nagado - Sabeto			10	10			1	1	3.75	3.75
Sabeto - Qeleloa (tee-off to Waqadra)			13.5	13.5						
Vuda - Voivoi			10.4	10.4	0.23	0.23	1	1	12.5	12.5
Voivoi - Waqadra			1.89	1.89	2.17	2.17				
Vuda - Waqadra C			10.1	10.1	4.15	4.15	1	1	40	40
Vuda - Waqadra D			10.1	10.1	4.15	4.15				
Waqadra - Momi			32.6	32.6	0.1	0.1	1	1	6.25	6.25
Qeleloa - Sigatoka			53.5	53.5			1	1	5	24
Qeleloa					1	1	1	1	15	15
Maro							1	1	2	2
Maro-Natadola					5	5	1	1	15	15
Sigatoka - Nococolevu			3.5	3.5			1	1		
Nococolevu-Korolevu			21	21			1	1	6.25	6.25
TOTAL	**85.2**	**85.2**	**288.279**	**288.279**	**20.845**	**20.845**	**20**	**20**	**352.25**	**394.75**

TRANSMISSION & SUB-TRANSMISSION NORTHERN								
DISTRICT	33kV O/H Line (km)		33kV U/G Cable (km)		Substations		Transformer MVA	
	2020	2021	2020	2021	2020	2021	2020	2021
Labasa					1	1	8.5	8.5
Labasa - Seaqaqa	33.78	33.78			1	1	2.5	2.5
Seaqaqa - Dreketi	34.33	34.33			1	1	6.25	6.25
TOTAL	**68.11**	**68.11**	**0**	**0**	**3**	**3**	**17.25**	**17.25**

NETWORK STATISTICS 2021 (Continued)

DISTRIBUTION NETWORK CENTRAL												
DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATIONS		INSTALLED KVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage					
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Deuba	187.104	187.84	142.037	143.199	19.355	19.485	41.309	41.309	265	273	28958	30958
Lami	84.2989	84.9419	73.7447	74.8277	46.322	46.362	4.003	4.009	191	193	53103	53433
Suva	17.634	17.751	150.611	151.043	224.725	225.061	46.667	46.684	250	258	137117	140147
Kinoya	140.999	141.139	214.686	215.011	65.808	65.988	34.048	34.048	350	355	103204	103800
Nausori	344.899	351.267	376.141	382.238	23.05	23.295	3.649	3.649	567	577	54128	55864
Korovou	386.762	391.367	323.271	325.857	2.758	2.978	0.254	0.254	419	425	8189	8241
Wailoa	18.223	18.223	7.494	7.494	0	0	0	0	23	23	352	352
TOTAL	**1179.920**	**1192.529**	**1287.985**	**1299.670**	**382.018**	**383.169**	**129.93**	**129.953**	**2065**	**2104**	**385051**	**392795**
Increase	12.609		11.685		1.151		0.023		39		7744	
% Increase	1%		1%		0.3%		0.02%		2%		2%	

DISTRIBUTION NETWORK OVALAU												
DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATIONS		INSTALLED KVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage					
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Levuka	60.274	60.274	44.679	44.679	1.18	1.18	0	0	63	63	5837	5837
Increase	0.000		0.000		0		0		0		0	
% Increase	0%		0%		0.0%		0.0%		0%		0%	

DISTRIBUTION NETWORK - VANUALEVU												
DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATIONS		INSTALLED KVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage					
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Labasa	442.562	468.280204	828.424	861.168	12.18	12.18	4	4	476	505	25920	26275
Seaqaqa	63	63	80.717	80.717	0.412	0.412	0.025	0.025	79	79	1074	1074
Dreketi	58.924	58.924	43.636	43.636	0.155	0.155	0.025	0.025	40	40	1216	1216
Savusavu	148.688	149.541	108.61	109.062	7.416	7.416	1.474	1.474	150	154	10078	10356
TOTAL	**713.174**	**739.745**	**1061.387**	**1094.583**	**20.163**	**20.163**	**5.524**	**5.524**	**745**	**778**	**38288**	**38921**
Increase	26.571204		33.196		0		0		33		633	
% Increase	4%		3%		0%		0%		4%		2%	

DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATIONS		INSTALLED KVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage					
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Taveuni	24.067	24.067	31.294	31.294	0.1	0.1	0	0	35	35	2205	2205
Increase	0		0		0		0		0		0	
% Increase	0%		0%		0%		0%		0%		0%	

DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATION		INSTALLED kVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage					
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Sigatoka	402.598	442.66	568.698	580.751	6.668	6.668	10.809	10.821	526	548	36803	37424
Nadi - Tavua	1511.9645	1536.8635	1997.3769	2023.4909	212.821	217.821	86.802	98.537	2306	2366	232303	244237
Rakiraki	370.478	392.088	313.306	320.804	7.2	7.24	1.0	1.0	316	316	10932	11275
TOTAL	**2285.041**	**2371.612**	**2879.381**	**2925.046**	**226.729**	**231.729**	**98.611**	**110.358**	**3148**	**3230**	**280038**	**292936**
Increase	86.571		45.665		5		11.747		82		12898	
% Increase	3.8%		1.6%		2.2%		11.9%		2.6%		4.6%	

GENERATION STATISTICS FOR THE PAST TEN (10) YEARS

Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Units Generated Wailoa Hydro Mwh	466,765	420,195	314,341	320,875	384,451	381,527	433,970	454,262	451,608	440,981
Units Generated Wainiqeu Hydro Mwh	1,027	2,056	983	834	718	448	129	877	397	45
Units Generated Wainikasou Hydro Mwh	18,721	5,935	15,027	19,895	21,258	20,912	21,712	18,230	23,024	19,252
Units Generated Nagado Hydro Mwh	8,856	611	3,080	11,357	3,296	-	-	-	-	-
Units Generated Nadarivatu Hydro Mwh	29,892	98,600	67,537	52,988	85,765	86,075	108,739	83,497	80,628	85,043
Units Generated Somosomo Hydro Mwh						2,227	2,159	2,526	2,516	2,541
Total Generated Hydro MWh	**525,261**	**527,397**	**400,968**	**405,949**	**495,488**	**491,189**	**566,709**	**559,392**	**558,173**	**547,862**
Units Generated in VLIS Diesels MWh	94,215	94,425	230,957	227,042	83,283	116,470	69,136	54,552	11,546	2,953
Units Generated Diesel Others MWh	48,187	46,971	49,605	47,258	49,615	50,609	54,866	51,812	50,047	50,115
Units Generated HFO Kinoya & Vuda	128,881	183,359	173,477	206,122	291,609	323,879	299,739	343,258	288,377	274,742
Total Generated Thermal MWh	**271,283**	**324,755**	**454,039**	**480,422**	**424,507**	**490,958**	**423,741**	**449,622**	**349,970**	**327,810**
Unit Generated from Butoni Wind Farm	6,809	5,348	4,269	5,674	3,632	2,083	2,558	3,419	1,136	293
Total Generated Wind & Solar MWh	6,809	5,348	4,269	5,674	3,632	2,083	2,558	3,419	1,136	293
Total EFL Generation (MWh)	**803,353**	**857,500**	**859,276**	**892,045**	**923,628**	**984,230**	**993,009**	**1,012,433**	**909,278**	**875,965**
Generation - Independent Power Producers	38,902	14,719	32,513	22,350	10,580	23,483	39,939	48,816	67,094	61,053
Total Generation	**842,255**	**872,219**	**891,789**	**914,395**	**934,208**	**1,007,713**	**1,032,947**	**1,061,249**	**976,372**	**937,018**
Made up of										
Total VLIS Generation (MWh)	**754,139**	**808,473**	**808,687**	**843,953**	**873,294**	**930,945**	**935,855**	**957,218**	**856,318**	**823,264**
Total Other Generation (MWh)	**49,214**	**49,027**	**50,589**	**48,091**	**50,334**	**53,285**	**57,154**	**55,215**	**52,960**	**52,701**
Station Auxilliary usage MWh	8,343	9,196	10,130	8,106	11,281	11,873	12,139	12,574	12,575	11,498
Auxilliaries as % of Generation	1.04%	1.07%	1.18%	0.91%	1.22%	1.21%	1.22%	1.24%	1.38%	1.31%
% contribution from Hydro	65.38%	61.50%	46.66%	45.51%	53.65%	49.91%	57.07%	55.25%	61.39%	62.54%
% contribution from Thermal	33.77%	37.87%	52.84%	53.86%	45.96%	49.88%	42.67%	44.41%	38.49%	37.42%
% contribution from Wind & Solar	0.85%	0.62%	0.50%	0.64%	0.39%	0.21%	0.26%	0.34%	0.12%	0.03%
% increase / (decrease) in Hydro Generation	15.07%	0.41%	-23.97%	1.24%	22.1%	-0.9%	15.4%	-1.3%	-0.2%	-1.8%
% increase / (decrease) in Thermal VLIS Generation	-24.45%	24.51%	45.59%	7.10%	-13.5%	17.5%	-16.2%	7.8%	-24.6%	-7.4%
% increase / (decrease) in Total Thermal Generation	-20.15%	19.71%	39.81%	5.81%	-12%	16%	-14%	6%	-22%	-6%
% increase / (decrease) in Total Generation	0.27%	6.74%	0.21%	3.81%	4%	7%	1%	2%	-10%	-4%
Maximum Dam Level (AMSL)	**747**	**743**	**736**	**742**	**747**	**746**	**746**	**746**	**746**	**747**
Minimum Dam level (AMSL)	**731**	**730**	**724**	**734**	**739**	**734**	**734**	**730**	**730**	**733**

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