

STOCK MARKET UPDATE

VISION INVESTMENTS LIMITED GOES PUBLIC ON THE SOUTH PACIFIC STOCK EXCHANGE.

The bold forerunner sets prime example for Private Companies in Fiji

OFFICIAL LISTING CEREMONY

Monday 29th February, 2016 marked an important day for capital markets development in Fiji as the South Pacific Stock Exchange (SPSE or Exchange) formally welcomed Vision Investments Limited (VIL) to its official list. VIL is an iconic Fijian enterprise comprising four business divisions that have become a household name amongst Fijians and more importantly has displayed a solid track record of profitability. The listing was acknowledged as profoundly progressive and motivating not only for VIL but also for the Exchange and the Fijian financial market as a whole.

At 2.30pm on the same day, VIL quoted a total of 103,769,425 ordinary shares on the local Bourse and officially became:

- the second largest company by market capitalisation (14.26%) behind Amalgamated Telecom Holdings Limited (ATH);
- the first company to have tested and proven successful a raft of new tax incentives by the Fijian Government to encourage listing; and
- Subject to 10% corporate tax rate relative to the 20% that its four divisions used to pay before joining the SPSE.

On the date of listing, VIL increased total market capitalisation from FJD1, 091,479,837 to FJD1, 267,887,859.

In addressing representatives of Fiji's private sector and licenced capital markets participants, the Chief Guest, Reserve Bank of Fiji's (RBF) Governor and Chairman of the Capital Markets Development Taskforce Mr Barry Whiteside, acknowledged the great foresight of the founding shareholders of VIL for their strategic decision to take VIL to another level of operational excellence and growth through a public listing. This became a recurring sentiment by various stakeholders throughout the Listing Ceremony.



RBF Governor & Chief Guest, Mr Barry Whiteside after keying in VIL's credentials on the electronic trading platform rings the SPSE trading bell to welcome VIL on SPSE's official list

In May 2015 VIL founding shareholders and corporate advisors (BDO Fiji) contacted both the RBF and SPSE to advise of their commitment to list VIL. At that point SPSE became acutely aware that the listing drought that it had faced for more than 4 years was going to come to an end. Beyond this excitement was the knowledge that this new listing would herald in a new season of stock market and capital markets development in Fiji.

Dr Nur Bano Ali, SPSE Chairperson

Recent Tax Incentives Validated as Effective

“VIL is the first entity to have tested some of the recent lucrative tax incentives offered by the Fijian Government to encourage companies, particularly family-owned companies to list. In particular, tax exemptions associated with reorganization, restructure or amalgamation of a company for the purpose of listing on the Exchange. It is no secret that there are a number of private companies interested in an SPSE listing but were waiting for a front-runner that was bold enough to test the waters (so to speak) for the new listing incentives. Now that VIL has proven the effectiveness of those incentives, the Exchange is confidently expectant that those same companies will soon list. This listing is also testament of FRCA’s commitment to working closely with potential listed companies to understand and enjoy such incentives.”

Ms Latileta Qoro, SPSE Chief Executive Officer

Increasing the Supply of Investable Securities

“In the recent past and to a large extent because of financial literacy efforts and our investor education initiatives, the Fijian stock market has been flooded with investor demand for stocks. Unfortunately, the supply of securities has remained subdued. This listing is ideal as it injects much needed liquidity into the market with a total of 3 million shares to be divested over the next month by founding shareholders. Investors who have been looking for shares with a competitive rate of return (tax free) will now have one such investment opportunity in VIL shares. The availability of VIL shares for investors also complements the national financial inclusion agenda, supporting Government’s desire to promote wider participation of Fijians in commerce.”

On listing day, live at the listing ceremony, VIL founding shareholders divested 28,750,260 shares to institutional investors and 564,078 shares to retail investors in a total of 163 trades at share prices within the range of \$1.57 and \$1.70.



SPSE Chairperson Dr Nur Bano Ali hands VIL Chairperson, Mr Dilip Khatri the official SPSE Listing Certificate after welcoming VIL to the Exchange’s Main Board - Photo Credit: RBF

Mr Dilip Khatri, VIL Chairman

Cornerstone investor – First for Fiji’s stock market

“The participation of the World Bank’s International Finance Corporation (IFC) as a cornerstone investor in the company, heralds a new milestone in the depth and development of Fiji’s stock market and capital markets at large.”

Ms Qoro added “We had heard of cornerstone investors in more developed exchanges and thought that we would work towards that for Fiji in the long run. IFC has made that a reality in such a short time through this listing. We

foresee the strengthening of our regulatory framework because of IFC's experience as an internationally reputable investor and we're confident that the IFC's presence in Fiji's stock market shall elevate SPSE's reputation and presence in the region.'

Governor, Barry Whiteside

Making the national target, 100,000 investors by 2025 a reality

"While we acknowledge that the capital markets industry in Fiji has some way to go to achieve a profound impact on the rate at which our economy grows and creates jobs, firm actions by companies, such as the Vision Group, to take the decision to list, is significantly assisting the industry in reaching its potential as a vital engine for economic growth. This latest listing augurs well for our overall capital markets strategy target of reaching 100,000 new investors by the year 2025."

During the first two days of trading, VIL added a total of 151 new investors to the Fijian stock market.



Licensed Stockbrokers executing trades for their clients LIVE at the venue of the listing ceremony – Courts Samabula Megastore

VIL Overview

- The Vision Group consortium was formed in 2006 to acquire Courts (Fiji) Ltd. Since then, the consortium acquired Carpets International, Sportsworld and Mahogany Industries.
- The Group's shareholders are:
 - R C Manubhai & Company Limited;
 - Jacks Equity Investment Limited;
 - Challenge Engineering Limited; and
 - Candle Investments Limited.
- The divisions of VIL include:
 - **Courts Division** (electrical, home furnishing and electronic goods)
 - **Vision Motors Division** (motor vehicles, particularly Chevrolet and semi industrial goods)
 - **Mahogany Industries Division** (manufactures high end furniture and joinery products); and
 - **Vision Finance Division** (provides extended warranty products and operating leases).
- Vision Group also acquired Hilton Fiji, Sonaisali Double Tree Hotel and Tadrai Island Resort in Nadi for its Hotel Cluster. It then started Dhoby's Laundry to support the Hotels. However, these entities are not part of the listed entity VIL.

New Major Shareholders of VIL

- Fiji National Provident Fund Board;
- International Finance Corporation (IFC);
- BSP Life (Fiji) Limited;
- Unit Trust of Fiji (Trustee Company) Limited; and
- FHL Trustees Limited.

The SPSE wishes to commend all parties involved in the listing process and in particular the founding shareholders and executive management Team of VIL for the impact they have made in the national agenda of capital markets development. It would be remiss of the Exchange not to highlight that in the interest of market development VIL chose to:

- (i) Use all three stockbroking firms for share divestment;
- (ii) Set aside 500,000 shares to be sold at \$1.70 to ordinary ('mum and dad') retail investors to increase their participation in the stock market and long term savings amongst grassroots Fijians; and
- (iii) Bring in a cornerstone investor despite the stringent and somewhat onerous due diligence process and investment requirements they were exposed to.

This collaborative approach and progressive mindset has no doubt elevated the status and marketability of the Fijian stock market in the region and beyond. The priority now for the Exchange is to remain relevant as an access to finance platform and to maintain and seek to accelerate the current development trajectory and momentum.

The SPSE Listing Team is available to meet with your Directors and Executive Management team to present how a listing on the SPSE can unlock the value of your company and provide an impetus for further growth.



VIL CEO, SPSE Chairperson, Governor Barry Whiteside and SPSE CEO alongside VIL founding shareholders.

For further information about SPSE operations, listing on the Exchange, listed company performance and/or investing in SPSE listed companies, please feel free to contact us.

Website: www.spse.com.fj Email: info@spse.com.fj

Telephone: +679 3304 130 OR +679 3313 764

Facebook: [facebook.com/csrl15](https://www.facebook.com/csrl15) Twitter: twitter.com/SPSE_



Invited Guests: Westpac (Fiji) General Manager Mr Brett Hooker, Ms Lorraine Seeto (Chief Manager Risk Management, RBF), Mr David Evans (VIL Independent Director) and Mr Div Damodar (CEO Damodar Group) – Photo Credit: RBF



Ms Jenny Seeto (Partner PwC Fiji), Mr Tom Ricketts (Director, Amalgamated Telecom Holdings Ltd PLC) and Mr Nalin Patel (BDO Fiji - VIL's Corporate Advisor & Listing Manager) at the Listing Ceremony - Photo Credit: RBF