



Energy Fiji Limited (Previously, the Fiji Electricity Authority)

Offer Document

**An offer of Non-Voting Shares in the capital of
Energy Fiji Limited**

This is an important document. Please consult your professional advisor(s) if you have any questions.

IMPORTANT NOTICES

Purpose of this Offer Document

The purpose of this Offer Document is to explain the terms of the Offer, the manner in which the Offer will be conducted and to provide information to Eligible Fijian Residents in respect of the Offer and the Company.

This Offer Document is **not** a prospectus or offer document that has been prepared in accordance with Part 26 of the Companies Act.

You should read this Offer Document in its entirety before making a decision to apply to receive Non-Voting Shares.

Offer made without disclosure

The Offer is made without disclosure in accordance with Part 26 of the Companies Act by reason of being an offer of securities by the Government in accordance with section 283(4)(a) of the Companies Act.

Responsibility for information

The Government has prepared this Offer Document and takes responsibility for the information contained in this Offer Document. Except for the historical financial information provided in section 2.8, the Company has not prepared this Offer Document and neither the Company nor its advisors assumes any responsibility for the accuracy or completeness of the information contained in this Offer Document.

The Company accepts no liability for any statement contained or information omitted from this Offer Document.

Role of Reserve Bank and the SPSE

This Offer Document has not been lodged with or registered by the Reserve Bank or the SPSE.

Neither the Reserve Bank nor the SPSE accept any liability for any statement

contained in, or information omitted from, this Offer Document.

Distribution of Offer Document

No action has been taken to register or qualify the Non-Voting Shares or the Offer, or to otherwise permit a public offering of the Non-Voting Shares in any jurisdiction outside the Republic of Fiji.

The distribution of this Offer Document in jurisdictions outside the Republic of Fiji may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Offer Document does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Document.

Representations

No person is authorised to provide any information or make any representation in connection with the Offer contained in this Offer Document which is not contained in this Offer Document.

Forward-Looking Statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other

important factors, many of which are beyond the control of the Company, the Directors and the management.

The Government cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Government has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 2.7 of this Offer Document.

Privacy

Personal information may be collected by the Government or the Company in the process of implementing the Offer.

This information may include the name and contact details of Eligible Fijian Residents. The primary purpose for collecting this information is to assist the Government in conducting and implementing the Offer.

Any personal information collected may be disclosed to the Government’s advisors and the Company’s share registry, advisors, print and mail service providers and related bodies to the extent necessary to effect the Offer.

Shareholders are entitled under section 86 of the Companies Act to inspect and obtain copies of personal information collected by the Company and maintained on the Company’s register. Shareholders should contact the Company’s share registry if they wish to access their personal information.

Glossary

Certain terms and abbreviations used in this Offer Document have defined meanings which are explained in the Glossary at the end of this Offer Document.

Date of Offer Document

This Offer Document is dated 20 April 2018.

KEY DATES FOR OFFER

| | |
|--|----------------------------|
| Opening Date of Offer | 20 April 2018 |
| Closing Date of Offer (4.00 pm Fiji time) | 29 May 2018 |
| Completion of transfer of Non-Voting Shares | Mid-June 2018 |
| Date by which the Company must apply for the Official Quotation of Shares on SPSE unless deferred by the Company | On or before 31 March 2020 |

The above dates are indicative only and may vary. The Government reserves the right to change the key dates of the Offer without prior notice, which may have a consequential impact on other dates.

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**Attorney-General and Minister for Economy, Public Enterprises,
Civil Service and Communications**

P.O. Box 2213, Government Buildings, Suva, Republic of Fiji
Telephone: +679 330 9866 Fax: +679 331 0807 E-mail: info.ag@govnet.gov.fj

18 April 2018

Bula vinaka

Offer of shares in Energy Fiji Limited

On behalf of the Prime Minister Rear Admiral (Retired) Hon. Josaia Voreqe Bainimarama and the Government of the Republic of Fiji (**'Government'**), we are delighted to offer you Non-Voting Shares in Energy Fiji Limited (**'Company'** or **'EFL'**), the successor to the Fiji Electricity Authority (**'FEA'**) completely for free.

In line with the Government's strategy to bring innovation and international best practice to Fiji, the Government has undertaken to reform Fiji's energy sector. This reform would allow Fiji to access international expertise in the electricity sector while meeting long term energy sector development goals (such as ensuring a more clean, stable and affordable supply of electricity).

The Government is also proposing to offer 5% of its interest in the Company to eligible Fijians as part of this reform. To qualify for a parcel of shares in this billion-dollar asset company, you need to be a domestic account holder with FEA as of 16 April 2018 and a Fijian citizen who is residing in Fiji.

Moreover, those domestic customers who receive a subsidy under the Electricity Subsidy Scheme will be offered a parcel of 250 shares, while non-subsidised customers will be offered one parcel of 150 shares. Future domestic customers of EFL will also have the opportunity to access these shares from a trustee until such time as all shares have been allotted.

As a shareholder, you will be entitled to receive dividends, meaning that when EFL makes a profit, money goes directly into your pocket. Additionally, shareholders will benefit from any capital appreciation.

Shareholders will also have the opportunity to participate in our capital markets when these shares are listed on the South Pacific Stock Exchange (**'SPSE'**). Unless the Board of Directors defer this date, the listing is expected to happen no later than 31 March 2020. When that happens, non-voting shareholders will then be able to buy or sell their shares through the SPSE platform.

All Fijians are invited to apply for Non-Voting Shares using the Application Form contained at Annexure A. Completed Applications must be received by no later than 4.00 pm (Fiji time) on 29 May 2018. Applications can be submitted using one of the following means:

- (a) online at <http://efl.com.fj/shares/apply-now>;
- (b) e-mailed to shares@efl.com.fj;
- (c) by post to "Share Offer, Energy Fiji Limited, Private Mail Bag, Suva"; or
- (d) hand delivered to one of the Temporary Customer Care Centres which will be set up by EFL.

To assist you with submitting your application forms, the Government has prepared a detailed offer document ('**Offer Document**') which provides an overview of the Company and outlines the terms of the Non-Voting Shares. This is available at <http://efl.com.fj/shares/offer-letter.pdf>. A limited number of hard copies will also be available upon request.

In addition, a dedicated toll-free line at number 1333 has also been set up to answer any questions on the offer, or you can visit one of EFL's Temporary Customer Care Centres, locations of which will be publicised on the EFL website, the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations.

We strongly encourage you to study the Offer Document prior to completing the Application Form and applying for the Non-Voting Shares.

We urge all Fijians who are eligible to take advantage of this free share offer. This is your chance to become a shareholder in a major Fijian company and share in the success of Energy Fiji Limited's bright future.

Thank you. Vinaka vakalevu.



Hon. Aiyaz Sayed-Khaiyum
Attorney-General and Minister for Economy, Public Enterprises,
Civil Service and Communications



16th April 2018

Dear Investor

On behalf of the Directors of Energy Fiji Limited ('EFL'), I am pleased to offer you the opportunity to become a shareholder of the Company.

The Government, as the sole shareholder of the EFL, has determined that Non-Voting Shares will be transferred **free of charge** to Eligible Fijian Residents who return an Application Form. This means that you are not required to pay any money to accept the Offer and be transferred the Non-Voting Shares. To accept the Offer, you only need to return a completed Application as set out in this Offer Document.

EFL is the corporatized form of the Fiji Electricity Authority, the public utility which has been responsible for the generation, transmission, distribution and retailing of electricity in the major islands of Fiji since its inception in 1966. FEA had a strong heritage of being proudly Fijian and has provided employment for, and supported the development of, Fijians since 1966. EFL intends to maintain this heritage and, for this reason, is proud to offer Fijian citizens the opportunity to be transferred a 5% interest in EFL.

Before deciding on whether to apply to receive Non-Voting Shares, you should read this Offer Document carefully and to seek independent professional advice. I also encourage you to read information on some of the key risks that the Company may be exposed to which are included in **Section 2.7** of this Offer Document.

The Directors and Senior Management of EFL look forward to welcoming you as an EFL Shareholder.

A handwritten signature in black ink, appearing to read 'Daksesh Patel', written in a cursive style.

Daksesh Patel

Chairman, Energy Fiji Limited

1 KEY QUESTIONS

| Question | Summary | Further details |
|--|--|------------------------------------|
| Details of the Transaction | | |
| What is the Offer? | <p>Under this Offer Document, the Government is inviting each Eligible Fijian Resident to apply to receive:</p> <p>(a) 150 Non-Voting Shares for each Non-Subsidised Account Holder; or</p> <p>(b) 250 Non-Voting Shares for each Subsidised Account Holder,</p> <p>by way of transfer from the Government for nil consideration. Each eligible applicant will only be entitled to one parcel of 150 Non-Voting Shares, in the case of eligible Non-Subsidised Account Holders, or 250 Non-Voting Shares, in the case of eligible Subsidised Account Holders.</p> | Section 3.1 of this Offer Document |
| Who is the Offer being made to? | The Offer is being made to Eligible Fijian Residents, being all natural persons who are Fijian citizens and residents and have an Account with FEA/the Company at the Record Date (being 16 April 2018). | Section 3.1 of this Offer Document |
| Who is making the Offer? | The Offer is being made by the Government, who is the sole shareholder of the Company. The Company is the successor entity to FEA following completion of the Corporatisation (as described in this Offer Document) and is responsible for the generation, transmission, distribution and retailing of electricity in the major islands of Fiji. | Section 2.1 of this Offer Document |
| Do I have to pay anything to accept the Offer? | <p>The Government, as the sole shareholder of the Company, has determined that the Offer will be made for nil consideration. This means that you are not required to pay any money to accept the Offer and to receive the Non-Voting Shares.</p> <p>To accept the Offer, you only need to return a completed Application as set out in this Offer Document.</p> | Section 3.1 of this Offer Document |
| What will I be given if I accept the Offer? | <p>If you accept the Offer and can prove that you are an Eligible Fijian Resident, you will receive:</p> <p>(a) 150 Non-Voting Shares if you are a Non-Subsidised Account Holder; or</p> <p>(b) 250 Non-Voting Shares if you are a Subsidised Account Holder.</p> <p>The rights and benefits associated with holding Non-</p> | Section 3.1 of this Offer Document |

| Question | Summary | Further details | | | | | | | | |
|--|---|---|---------------|---|-------------|---|---------------|--|----------------------------|---|
| | <p>Voting Shares are set out below. If you do not accept the Offer, you are still entitled to receive an interest in Non-Voting Shares, but your interest will be held on your behalf by the Trustee for a limited period.</p> | | | | | | | | | |
| <p>What is the timetable of the transaction?</p> | <p>The key dates in respect of the Offer are as follows:</p> <table border="0" data-bbox="587 510 1305 952"> <tr> <td>Opening Date of Offer</td> <td>20 April 2018</td> </tr> <tr> <td>Closing Date of Offer (4.00 pm Fiji time)</td> <td>29 May 2018</td> </tr> <tr> <td>Completion of transfer of Non-Voting Shares</td> <td>Mid-June 2018</td> </tr> <tr> <td>Date by which the Company must apply for the Official Quotation of Shares on SPSE unless deferred by the Company</td> <td>On or before 31 March 2020</td> </tr> </table> <p>The above dates are indicative only and may vary. The Government reserves the right to change the key dates of the Offer without prior notice, which may have a consequential impact on other dates.</p> | Opening Date of Offer | 20 April 2018 | Closing Date of Offer (4.00 pm Fiji time) | 29 May 2018 | Completion of transfer of Non-Voting Shares | Mid-June 2018 | Date by which the Company must apply for the Official Quotation of Shares on SPSE unless deferred by the Company | On or before 31 March 2020 | <p>Section 3.4 of this Offer Document</p> |
| Opening Date of Offer | 20 April 2018 | | | | | | | | | |
| Closing Date of Offer (4.00 pm Fiji time) | 29 May 2018 | | | | | | | | | |
| Completion of transfer of Non-Voting Shares | Mid-June 2018 | | | | | | | | | |
| Date by which the Company must apply for the Official Quotation of Shares on SPSE unless deferred by the Company | On or before 31 March 2020 | | | | | | | | | |
| <p>When will I receive the Non-Voting Shares?</p> | <p>It is expected that the transfer of Non-Voting Shares under the Offer will be completed on or around mid-June 2018. It is further expected that holding statements will be delivered to Eligible Fijian Residents who accepted the Offer as follows:</p> <ul style="list-style-type: none"> • for Eligible Fijian Residents who continue to have an Account with the Company, with the next invoice to be sent in respect of the Account following Completion of the Offer; and • for Eligible Fijian Residents who cease to have an Account with the Company after the Record Date, within one month of Completion of the Offer. <p>The above date is indicative only and may vary. The Government reserves the right to change the above dates without prior notice.</p> | <p>Section 3.4 of this Offer Document</p> | | | | | | | | |
| <p>How do I accept the Offer?</p> | <p>To accept the Offer and receive Non-Voting Shares, you must complete an Application and return this to the Government before the Closing Date (being 29 May 2018).</p> <p>An Application for Non-Voting Shares must be made on the Application Form contained at the back of this Offer Document.</p> <p>Completed Applications must be received by no later</p> | <p>Section 3.5 of this Offer Document</p> | | | | | | | | |

| Question | Summary | Further details | | | | | | | | |
|---|---|---|--|------------------|---|-------------|---|----------------|---|--|
| | <p>than 4.00 pm (Fiji time) on the Closing Date. Applications (along with proof of your Fijian citizenship) can be submitted by one of the following means:</p> <table border="1" data-bbox="594 369 1276 1234"> <tr> <td data-bbox="594 369 865 499">Online</td> <td data-bbox="865 369 1276 499">Online Applications at: http://efl.com.fj/shares/apply-now</td> </tr> <tr> <td data-bbox="594 499 865 642">By E-mail</td> <td data-bbox="865 499 1276 642">E-mail completed Applications to: shares@efl.com.fj</td> </tr> <tr> <td data-bbox="594 642 865 915">Post</td> <td data-bbox="865 642 1276 915">Post completed Applications to: Share Offer Energy Fiji Limited Private Mail Bag Suva Fiji</td> </tr> <tr> <td data-bbox="594 915 865 1234">By Hand</td> <td data-bbox="865 915 1276 1234">Hand deliver completed Applications to any one of the Temporary Customer Care Centres, locations of which will be publicised on the EFL website, on the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations.</td> </tr> </table> | Online | Online Applications at: http://efl.com.fj/shares/apply-now | By E-mail | E-mail completed Applications to: shares@efl.com.fj | Post | Post completed Applications to: Share Offer Energy Fiji Limited Private Mail Bag Suva Fiji | By Hand | Hand deliver completed Applications to any one of the Temporary Customer Care Centres, locations of which will be publicised on the EFL website, on the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations. | |
| Online | Online Applications at: http://efl.com.fj/shares/apply-now | | | | | | | | | |
| By E-mail | E-mail completed Applications to: shares@efl.com.fj | | | | | | | | | |
| Post | Post completed Applications to: Share Offer Energy Fiji Limited Private Mail Bag Suva Fiji | | | | | | | | | |
| By Hand | Hand deliver completed Applications to any one of the Temporary Customer Care Centres, locations of which will be publicised on the EFL website, on the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations. | | | | | | | | | |
| <p>What if I don't return an Application before the Closing Date?</p> | <p>The capital structure of the Company makes provision for:</p> <p>(a) 150 Non-Voting Shares to be transferred to each Eligible Fijian Resident that is a Non-Subsidised Account Holder at the Record Date; and</p> <p>(b) 250 Non-Voting Shares to be transferred to each Eligible Fijian Resident that is a Subsidised Account Holder at the Record Date.</p> <p>Where Eligible Fijian Residents fail to complete and return an Application by the Closing Date, the Non-Voting Shares for which those persons were entitled to under the Offer will be transferred to the Trustee to be held on trust for a limited period for the benefit of all Eligible Fijian Residents who did not return valid Applications by the Closing Date.</p> <p>To be transferred the Non-Voting Shares held on trust in this manner, it will be necessary for an Eligible Fijian</p> | <p>Section 3.6 of this Offer Document</p> | | | | | | | | |

| Question | Summary | Further details |
|--|---|---|
| | <p>Resident to:</p> <ul style="list-style-type: none"> • contact the Trustee; • establish that they were an Eligible Fijian Resident at the Record Date that did not receive Non-Voting Shares; and • complete any documentation required by the Trustee. <p>Where a person claims to be a Subsidised Account Holder at the Record Date (and accordingly be eligible to receive 250 Non-Voting Shares), that person must establish to the satisfaction of the Trustee that they were a Subsidised Account Holder at the relevant point in time.</p> | |
| <p>What if I become a customer of EFL after the Record Date?</p> | <p>The capital structure of the Company also makes provision for additional Non-Voting Shares to be held by the Trustee for the benefit of Future EFL Customers, being Fijian citizens and residents who become customers of the Company after the Record Date.</p> <p>Only a limited number of Non-Voting Shares will be held by the Trustee for the benefit of Future EFL Customers. It is not intended that this number of Non-Voting Shares will be increased. Accordingly, Non-Voting Shares will be allocated to Future EFL Customers until such time as all the Non-Voting Shares held by the Trustee have been allocated. Once these Non-Voting Shares have been exhausted, there will be no further Non-Voting Shares to be transferred by the Government pursuant to the Offer.</p> <p>To receive shares held on trust in this manner, it will be necessary for the Future EFL Customer to:</p> <ul style="list-style-type: none"> • contact the Trustee; • establish that they were not an Eligible Fijian Resident at the Record Date and that they did not receive Non-Voting Shares pursuant to the Offer; • establish that they have become a Future EFL Customer after the Record Date and are a Fijian citizen and resident; and • complete any documentation required by the Trustee. <p>Future EFL Customers will only be entitled to receive one parcel of 150 Non-Voting Shares, in the case of eligible Account holders who are not registered under the Scheme, or 250 Non-Voting Shares, in the case of eligible Account holders who are registered under the</p> | <p>Section 3.7 of this Offer Document</p> |

| Question | Summary | Further details |
|---|--|------------------------------------|
| | Scheme. | |
| On what basis is the Offer being made? | This Offer is made without disclosure in accordance with Part 26 of the Companies Act by reason of being an offer of securities by the Government in accordance with section 283(4)(a) of the Companies Act. | Section 3.2 of this Offer Document |
| What is the purpose of the Offer? | <p>The Government is undertaking a reform process in respect of the Fijian electricity industry to (among other things) encourage private sector participation in the industry and to align the industry with international best practices.</p> <p>To ensure that the Fijian public receives the benefit of undertaking the regulatory reform, the Government has resolved to undertake the Offer:</p> <ul style="list-style-type: none"> • so that the Fijian public acquires and maintains a direct economic interest in the Company; • to align the interests of the Company with those of its customers; and • to increase participation of Fijians in the development of Fiji's capital markets. | Section 3.1 of this Offer Document |
| Energy Fiji Limited | | |
| What is Energy Fiji Limited and how is it related to FEA? | <p>FEA was a commercial statutory authority established under the Electricity Act 1966, which is currently in operation. FEA was responsible for the generation, transmission, distribution and retailing of electricity in the four major islands of Fiji, namely Viti Levu, Vanua Levu, Ovalau and Taveuni.</p> <p>Under the provisions of the PE Act, FEA was converted to a public company limited by shares and was registered under the Companies Act pursuant to regulations that were gazetted and came into force on 16 April 2018.</p> <p>Having been converted from FEA, the Company maintains title to the assets held by FEA as at the date of conversion and remains party to contracts to which FEA was party to. Pursuant to these regulations, the Company was also appointed as the successor entity of FEA.</p> | Section 2.1 of this Offer Document |
| What business does Energy Fiji Limited undertake? | <p>The Company is responsible for the generation, transmission, distribution and retailing of electricity in the major islands of Fiji, namely Viti Levu, Vanua Levu, Ovalau and Taveuni.</p> <p>Under the terms of the Electricity Act 1966 (and also under the terms of the Electricity Act 2017, when it comes into force), the Company is the sole retail seller</p> | Section 2.6 of this Offer Document |

| Question | Summary | Further details |
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| | of electricity in Fiji and is the sole network company in Fiji. The Company is also authorised to generate electricity in Fiji. | |
| Non-Voting Shares | | |
| What is the value of Non-Voting Shares? | The value of Non-Voting Shares depends on the value of EFL and its future performance. The value of the Non-Voting Shares will become more readily accessible once the Non-Voting Shares are listed on the SPSE and in the context of the partial divestment of Ordinary Shares by the Government. | N/A |
| What are the rights associated with holding Non-Voting Shares? | <p>Non-Voting Shares have the same rights as Ordinary Shares (including in relation to the payment of dividends) except as follows:</p> <ul style="list-style-type: none"> • certain disposal restrictions, being the Initial Disposal Restrictions, apply initially to Non-Voting Shares; • A Non-Voting Share does not entitle its holder to vote at any general meeting of the Company except in specified circumstances. • A Non-Voting Share does not entitle its holder to receive notices of general meetings, reports, balance sheets and audited accounts or otherwise attend and be heard at general meetings of the Company. | <p>Section 3.8 of this Offer Document</p> <p>Annexure B to this Offer Document</p> |
| What are the benefits of holding Non-Voting Shares? | <p>Among other things, the key benefits of holding Non-Voting Shares are as follows:</p> <ul style="list-style-type: none"> • Shareholders will be entitled to receive dividends when declared by the directors of the Company. • Shareholders will be positioned to benefit from any capital appreciation in respect of the Non-Voting Shares. • Reflecting the Government's focus on climate change and renewable energy, the Company's business plans involve significant investment in renewable energy sources. Maintaining an interest in Non-Voting Shares will provide investors with exposure to renewable energy. • Shareholders will share in the benefit of growth in the Fijian economy and the reformed electricity market. • Shareholders will be entitled to participate in future capital raisings undertaken by the Company in respect of Non-Voting Shares. | Section 3.8 of this Offer Document |
| How will dividends be | Subject to the requirements of the Companies Act and | Section 3.8 |

| Question | Summary | Further details |
|---|---|-------------------------------------|
| paid? | <p>the Listing Rules and as determined by the Board of the Company from time to time, it is expected that any dividends declared will be paid to the holders of Non-Voting Shares as follows:</p> <ul style="list-style-type: none"> for Shareholders who have an Account with the Company, by way of a credit on the holders Account to be applied against the first invoice issued in respect of the Account following the declaration of the dividend; and for Shareholders who do not have an Account with the Company, otherwise in accordance with the Companies Act and the Listing Rules. | of this Offer Document |
| Will I be able to sell Non-Voting Shares for cash? | As set out below, the Company intends to seek to be admitted to the official list of the SPSE and for the Non-Voting Shares to be quoted. Once the Non-Voting Shares have been quoted on the SPSE and the Initial Disposal Restrictions have been lifted, Shareholders will be able to sell the securities on the SPSE. | Section 3.11 of this Offer Document |
| Why are Non-Voting Shares subject to the Initial Disposal Restrictions? | <p>The Government resolved to place the Initial Disposal Restrictions on the Non-Voting Shares for the following reasons:</p> <ul style="list-style-type: none"> to stage the amount of Non-Voting Shares that is tradeable after the listing on the SPSE; to ensure that the price of the Non-Voting Shares is not significantly affected by too many Non-Voting Shares being available for sale; and to allow the market on the SPSE to recognise the value of the Non-Voting Shares especially in the context of the Divestment. | Section 3.11 of this Offer Document |
| How will I be able to sell Non-Voting Shares? | Once the Initial Disposal Restrictions relating to the particular Non-Voting Share are lifted, you will be able to sell Non-Voting Shares on the SPSE in the same way that other shares quoted on the SPSE are sold. | N/A |
| Regulatory Reform, Partial Divestment and Future Intentions | | |
| What regulatory reform has been undertaken by the Government? | <p>The Government has substantially reformed the electricity industry in Fiji by enacting the Electricity Act 2017 which will replace the Electricity Act 1966. The purpose of this regulatory reform has (among other things) been to:</p> <ul style="list-style-type: none"> authorise the partial divestment of a minority interest in the Company to the private sector, followed by listing of the Company's shares on a stock exchange; and mandate the appointment of an independent | Section 2.2 of this Offer Document |

| Question | Summary | Further details | | | | | | |
|---|---|---|-------------------|------------|-----|----------|-----|---|
| | <p>regulator charged with overseeing the electricity industry in Fiji, with particular responsibility for licensing, safety supervision and tariff setting.</p> <p>Further details regarding the key features of the regulatory regime under the Electricity Act 2017 are set out in section 2.2 of this Offer Document.</p> | | | | | | | |
| <p>How was FEA converted to Energy Fiji Limited?</p> | <p>FEA was declared as a “Reorganisation Enterprise” under the PE Act with effect from 8 November 2016.</p> <p>Under the provisions of the PE Act, FEA was converted to a public company limited by shares and was registered under the Companies Act pursuant to regulations that were gazetted and came into force on 16 April 2018.</p> <p>Pursuant to these regulations, the Company was also appointed as the successor entity of FEA, maintains title to FEA’s assets and remains party to all existing contracts to which FEA is party to.</p> <p>The purpose of corporatising FEA in this manner was to facilitate the Divestment and the Offer by providing a structure whereby shares in the Company (including the Non-Voting Shares) may be issued and transferred.</p> | <p>Section 2.3 of this Offer Document</p> | | | | | | |
| <p>Is it intended that Energy Fiji Limited will apply to the SPSE for the quotation of Non-Voting Shares?</p> | <p>Following completion of the Divestment, it is intended that the Company will seek to apply to be admitted to the official list of the SPSE and for the quotation of the Non-Voting Shares.</p> <p>It is possible that there may be delays to the completion of the Divestment. If this occurs, the Government intends to procure that the Company applies to the SPSE to be admitted to the official list of the SPSE and for the quotation of the Non-Voting Shares no later than 31 March 2020, subject to the board of directors of EFL having a right to defer the listing.</p> <p>If the listing and quotation does occur, Shareholders will have the ability to trade Non-Voting Shares on the SPSE.</p> | <p>Section 2.5 of this Offer Document</p> | | | | | | |
| <p>Does the Government intend to partially divest its interest in Energy Fiji Limited?</p> | <p>For the reasons outlined below, the Government has resolved to partially divest its interest in the Company such that the economic interests in the Company following completion will be as follows:</p> <table border="1" data-bbox="657 1821 1171 2063"> <thead> <tr> <th data-bbox="657 1821 943 1924">Shareholder</th> <th data-bbox="943 1821 1171 1924">Economic Interest</th> </tr> </thead> <tbody> <tr> <td data-bbox="657 1924 943 1993">Government</td> <td data-bbox="943 1924 1171 1993">51%</td> </tr> <tr> <td data-bbox="657 1993 943 2063">Investor</td> <td data-bbox="943 1993 1171 2063">44%</td> </tr> </tbody> </table> | Shareholder | Economic Interest | Government | 51% | Investor | 44% | <p>Section 2.4 of this Offer Document</p> |
| Shareholder | Economic Interest | | | | | | | |
| Government | 51% | | | | | | | |
| Investor | 44% | | | | | | | |

| Question | Summary | Further details | | |
|---|---|---|----|--|
| | <table border="1" data-bbox="657 255 1171 356"> <tr> <td data-bbox="657 255 943 356">Eligible Fijian EFL customers</td> <td data-bbox="943 255 1171 356">5%</td> </tr> </table> | Eligible Fijian EFL customers | 5% | |
| Eligible Fijian EFL customers | 5% | | | |
| <p>Why has the Government decided to undertake the Divestment?</p> | <p>Some of the key reasons why the Government has resolved to undertake the Divestment include the following:</p> <ul style="list-style-type: none"> to meet long term energy sector development goals while encouraging enhanced private sector participation (particularly in respect of renewable energy); to access international expertise in the electricity sector (particularly in respect of renewable energy); to align the Fijian energy sector to international best practices; to ensure a more stable and affordable supply of electricity; and to increase participation of Fijians in the development of Fiji's capital markets. | <p>Section 2.4 of this Offer Document</p> | | |
| <p>What is the status of the Divestment?</p> | <p>The Government is currently undertaking a competitive sale process where it has invited potential investors (comprising of both international entities with expertise in power generation and the management of power stations and financial investors) to submit binding bids in relation to the acquisition of up to a 44% economic interest in the Company in the form of Voting Shares.</p> <p>The Government has engaged Squire Patton Boggs and EY as transaction advisors in respect of the Divestment.</p> | <p>Section 2.4 of this Offer Document</p> | | |
| <p>What are the future intentions with respect to the Company's business?</p> | <p>The Company is a vertically integrated entity responsible for the generation, transmission, distribution and retail of electricity on the larger islands of Fiji. Following the completion of the Offer, it is intended that the Company will continue to carry on its business in this regard.</p> <p>As the Company will not raise any funds pursuant to the Offer, it is not anticipated that the Offer will materially affect the business of the Company.</p> <p>It is intended that the Government will undertake the Divestment, pursuant to which up to a 44% interest in the Company will be devolved to an investor (or a consortium of investors). Following completion of the Divestment, a review of the Company's operations may be undertaken in conjunction with the selected investor</p> | | | |

| Question | Summary | Further details |
|----------|--|-----------------|
| | with a view to identifying areas in which efficiency improvements may be achieved. | |

2 INVESTMENT OVERVIEW

This Investment Overview contains a summary of what the Government considers to be key information with respect to the Company and the Offer. It is not a summary of this Offer Document.

It is important that you read this Offer Document carefully, in its entirety and seek professional advice where necessary. In particular, in considering the prospects for the Company, you should consider the risk factors outlined at section 2.7 that could affect the performance of the Company. This Offer Document does not take into account your investment objectives, financial situation and particular needs.

2.1 The Company and its History

The Company is a vertically integrated entity responsible for the generation, transmission, distribution and retail of electricity on the larger islands of Fiji. The Company is the corporatised form of FEA, following the conversion of FEA to a public company limited by shares on 16 April 2018.

FEA was a commercial statutory authority established under the Electricity Act 1966. FEA was responsible for the generation, transmission, distribution and retailing of electricity in the major islands of Fiji, namely Viti Levu, Vanua Levu, Ovalau and Taveuni. In addition, FEA was responsible for administering and enforcing the Electricity Act 1966 and regulations thereunder, setting standards, examining and registering electricians, and approving and licensing third party generators, as well as power suppliers, to serve areas that are not directly served by FEA.

Under the provisions of the PE Act, FEA was converted to a public company limited by shares and was registered under the Companies Act pursuant to regulations that were gazetted and came into force on 16 April 2018. Having been converted from FEA, the Company maintains title to the assets held by FEA as at the date of conversion and remains party to contracts to which FEA was party to. Pursuant to these regulations, the Company was also appointed as the successor entity of FEA.

Under the terms of the Electricity Act 1966 and once it is in force, the Electricity Act 2017, the Company is, and will remain, the sole retail seller of electricity in Fiji and the sole network company in Fiji. The Company is also authorised to generate electricity in Fiji. New generation capacity required in the main islands of Fiji will be subject to a competitive tender process which, under the Electricity Act 2017 (once it is in force), will be administered by the Regulator. However, the Company will have the right to procure new generation capacity in Fiji in circumstances where it may do so more efficiently than any IPP.

The Company is currently governed by a six member board of directors (including the Chief Executive Officer who serves on the board in an ex-officio capacity). The Company is managed and operated under the direction of the Chief Executive Officer by a dedicated and experienced professional management team.

As at the date of this Offer Document, the Company has approximately 774 full time employees and 6 permanent part time employees.

2.2 Electricity Act 2017 and Reform of the Fijian Electricity Industry

The Electricity Act 2017 was passed by the Fijian Parliament on 22 March 2017 and assented to by the President of Fiji on 28 March 2017. The Electricity Act 2017 has yet

to come into force but will do so when declared that all or part of it is in force by the responsible Minister. An electronic copy of this legislation is available at <http://www.parliament.gov.fj/wp-content/uploads/2017/03/Act-13-Electricity.pdf>.

Among other things, the Electricity Act 2017 mandates the appointment of an independent regulator (**'Regulator'**) charged with overseeing the electricity industry in Fiji, with particular responsibility for licensing, safety supervision and tariff setting.

The key features of the regulatory regime under the Electricity Act 2017 include the following:

- (a) the Company has legislative authority to continue to operate its generation, network (transmission and distribution) and retail businesses, and can expect to be issued new licences (**'Licences'**) for such operations;
- (b) the Regulator will assume responsibility for:
 - (i) enforcing and administering the Electricity Act 2017;
 - (ii) granting and administering all licences in relation to the electricity industry in Fiji;
 - (iii) setting and enforcing standards for the electricity industry in Fiji;
 - (iv) setting retail electricity tariffs (as described below); and
 - (v) safeguarding the interests of consumers in the electricity sector in Fiji;
- (c) subject to compliance with the Electricity Act 2017, the Company will be the sole licensed retail seller of electricity in the main islands of Fiji and the sole licensed network company (transmission and distribution) in Fiji;
- (d) tariffs for sale of electricity by the Company will be approved and set by the Regulator;
- (e) such tariffs must ensure that the Company is financially able to cover its capital and operational costs and receive a certain predicted revenue stream through a determined tariff determination methodology established by the Regulator; and
- (f) the Licences for the Company will require adherence to service standards and levels as determined by the Regulator as the prime statutory obligation to supply electricity will remain with the Company.

2.3 Corporatisation

In order to implement the Divestment and the Offer, it was necessary for FEA to be restructured in such a manner so that shares in its capital were capable of being issued and transferred. Accordingly, the Government resolved to convert FEA to a public company limited by shares incorporated under the Companies Act by undertaking the Corporatisation.

The Corporatisation was effected as follows:

- (a) FEA was declared as a "Reorganisation Enterprise" under the PE Act with effect from 8 November 2016;

- (b) under the provisions of the PE Act, FEA was converted to a public company limited by shares and was registered under the Companies Act pursuant to regulations that were gazetted and came into force on 16 April 2018.

The Company was also appointed as the successor entity of FEA, maintains title to FEA's assets and remains party to all existing contracts to which FEA is party to.

It is noted that following the Corporatisation, there will be minor changes in the asset base and cost base of the Company. Such changes will be the result of, amongst other things:

- (a) regulatory and licensing functions being carved out and transferred to the Regulator; and
- (b) freehold land held by EFL being transferred to a Government entity before being leased to the Company under long term lease agreements.

2.4 Partial Divestment

In line with the Government's strategy to bring innovation and international best practice to Fiji by partially privatising existing public enterprises, the Government is currently undertaking a process under which up to a 44% interest in the Company is to be divested to an investor (or a consortium of investors). Some of the key reasons why the Government has resolved to undertake the Divestment include the following:

- (a) to meet long term energy sector development goals while encouraging enhanced private sector participation (particularly in respect of renewable energy);
- (b) to access international expertise in the electricity sector (particularly in respect of renewable energy);
- (c) to align the Fijian energy sector to international best practices;
- (d) to ensure a more stable and affordable supply of electricity; and
- (e) to increase participation of Fijians in the development of Fiji's capital markets.

The Government is currently undertaking a competitive sale process where it has invited potential investors (comprising of both international entities with expertise in power generation and the management of power stations and financial investors) to submit binding bids in relation to the acquisition of up to a 44% economic interest in the Company.

2.5 Listing on the SPSE

It is intended that the Company will apply to be admitted to the official list of the SPSE and for the quotation of the Non-Voting Shares following completion of the Divestment.

Following completion of the Offer and the Divestment, the Company expects to have satisfied all the requirements for listing on the SPSE and for the quotation of the Non-Voting Shares, or otherwise received waivers from the SPSE in the application of certain Listing Rules.

Accordingly, it is expected that, provided the SPSE grants approval for the listing and quotation, that the Non-Voting Shares will be trading shortly following completion of the Divestment.

It is possible that there may be delays to the completion of the Divestment. If this occurs, the Government intends to procure that the Company applies to the SPSE to be admitted to the official list of the SPSE and for the quotation of the Non-Voting Shares no later than 31 March 2020 (subject to the board of directors of the Company not deferring that date).

The above dates are indicative only and may vary. The Government reserves the right to change the above dates without prior notice.

If the listing and quotation does occur, subject to the Initial Disposal Restrictions, Shareholders will have the ability to trade Non-Voting Shares on the SPSE.

The Initial Disposal Restrictions are as follows:

- (a) until the earlier of the SPSE Listing and 31 March 2020 (or such later date determined by the board of directors of the Company), the Non-Voting Shares are not transferable; and
- (b) once the SPSE Listing occurs (even if this occurs after 31 March 2020 or such later date determined by the board of directors of the Company), a holder of Non-Voting Shares is only entitled to sell as follows (subject to the board of directors of the Company being entitled to adjust the percentages and timing of the disposal restrictions referred to below):

| Time Period (percentage) | Non-Subsidised Account Holder (Number of Shares) | Subsidised Account Holder (Number of Shares) |
|--|---|--|
| Upon SPSE Listing (10%) | 15 Non-Voting Shares | 25 Non-Voting Shares |
| 10 th Business Day after SPSE Listing (10%) | 15 Non-Voting Shares (cumulatively 30 Non- Voting Shares) | 25 Non-Voting Shares (cumulatively 50 Non- Voting Shares) |
| One month after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 60 Non- Voting Shares) | 50 Non-Voting Shares (cumulatively 100 Non- Voting Shares) |
| Two months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 90 Non- Voting Shares) | 50 Non-Voting Shares (cumulatively 150 Non- Voting Shares) |
| Three months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 120 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 200 Non- Voting Shares) |
| Four months after | 30 Non-Voting Shares (cumulatively 150 | 50 Non-Voting Shares (cumulatively 250 Non- |

| Time Period (percentage) | Non-Subsidised Account Holder (Number of Shares) | Subsidised Account Holder (Number of Shares) |
|-------------------------------------|---|---|
| SPSE Listing (20%) | Non-Voting Shares) | Voting Shares) |

2.6 Company Information

The Company is a vertically integrated entity responsible for the generation, transmission, distribution and retail of electricity on the larger islands of Fiji. Set out below are details of each of the Company's primary activities.

Generation

The Company is the primary electricity generation provider in Fiji. The Government also promotes competition in the generation segment and the development of renewable energy by IPPs to reduce the dependency on imported fuel and to work towards the Government's goal of 90% renewable energy by 2025.

The installed generation capacity of the Company (as at 31 December 2017) is 322.19MW consisting of 174.67MW of thermal generation capacity and 147.52MW of renewable energy generation capacity. Available generation capacity is 267.23 MW, consisting of 140.9MW thermal generation and 126.33MW renewable generation.

The below table sets out the key generation assets (being those assets with an installed capacity of approximately 10MW or more) of the Company.

| Generator Name | Type | Year | Installed Capacity |
|-------------------------------|---------------|-------------|---------------------------|
| Wailoa/Monasavu Power Station | Hydro | 1983 | 80MW |
| Butoni Wind Farm | Wind | 2007 | 9.8MW |
| Nadarivatu Power Station | Hydro | 2012 | 44MW |
| Vuda Power Station | Thermal (IDO) | 1976 | 10MW |
| Labasa Power Station | Thermal (IDO) | 1995 | 15MW |
| Vuda Power Station (New) | Thermal (HFO) | 2001 | 12MW |
| Kinoya Power Station | Thermal (HFO) | 2001 | 20MW |
| | Thermal (IDO) | 2005 | 28MW |
| Nadi Power Station | Thermal (IDO) | 2002 | 9MW |
| Kinoya Power Station (New) | Thermal (HFO) | 2014 | 35MW |

The Wailoa/Monasavu Power Station is the Company's key, strategic generation asset as it meets the majority of the daily base load for Viti Levu. The plant is undergoing a major refurbishment program (commenced in 2012 and scheduled to complete in 2019) for the purpose of ensuring the operation of the power plant for a further 30 years. The program is expected to cost the Company around \$80 million over its duration and is being funded from internal cash flows.

The Government is cognisant of the need to adopt sustainable development to protect Fiji's pristine and finite resources and places priority in developing its renewable energy sector. The Government has adopted a number of national policies, frameworks and plans in this regard, including:

- (a) incentivising the renewable energy sector to attract private sector investment by providing for accelerated depreciation on renewable energy equipment and various related tax invoices;
- (b) the establishment of the Green Growth Framework which clearly states the need to invest in clean energy and reduce dependence on imported fossil fuel; and
- (c) being the first nation in the world to ratify the Paris Agreement on Climate Change and positively advocating for its implementation through its Presidency of the 23rd session of the United Nations Climate Change Conference (otherwise known as COP23).

By ratifying the Paris Agreement, the Government committed to reduce its national carbon emissions by 30% leading up to the year 2030 solely from the electricity sector. The Company itself has set goals to:

- (a) provide at least 90% of Fiji's energy requirements through renewable sources by 2025; and
- (b) achieve 100% of its generation through renewable energy by 2030.

Networks (Transmission and Distribution)

The Company is the monopoly networks provider (in respect of both the transmission and distribution of electricity) in Fiji.

The Company's transmission network consists of 147km of 132kV transmission lines, 455km of 33kV overhead sub-transmission lines and 80km of 33kV underground sub-transmission cables. The network consists of a total of 36 zone substations which transform electricity to the required voltages. The distribution network consists of 3,831km of overhead high voltage distribution lines, 593km of underground high voltage distribution cables, 4,867km of overhead low voltage distribution lines and 223km of low voltage distribution underground cables.

Retail

The Company is the monopoly retail seller of electricity in Fiji.

The Company presently serves approximately 184,537 retail customer accounts comprising of approximately:

- (a) 166,388 domestic and institutional accounts;

- (b) 18,047 commercial accounts; and
- (c) 102 industrial accounts.

The sale of electricity makes up over 96.9% of total revenue (unaudited) earned by the Company as at the end of December 2017 of approximately \$351.15 million. Other revenue sources include contract income, power pole rentals, realised and unrealised foreign exchange gain, optic fibre lease rental, regulated fees and charges, and interest income.

The Company's top 10 customers are all state owned or large private enterprises, and collectively account for approximately 9% of the Company's total revenues.

Details regarding the tariffs which the Company is permitted to charge customers in connection with the supply of electricity is available at <http://www.efl.com.fj/your-home/electricity-tariffs-and-rates/> and <http://www.efl.com.fj/your-business/electricity-tariffs-and-rates/>.

2.7 Key Risks

There are a number of risks and uncertainties, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, and/or the value of its securities. In particular, the Company is subject to risks relating to the generation, transmission, distribution and retail sale of electricity, which are not generally associated with other businesses. Many of the circumstances giving rise to these risks are beyond the control of the Company, its directors and management.

This section describes key risks associated with an investment in the Company. It is not an exhaustive list of the risks and should be considered in conjunction with other information disclosed in this Offer Document. Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company.

Company Specific Risks

Availability of Water

The Company's hydro generation (comprising approximately 52% of the Company's current generation capacity in Fiji) is dependent upon the availability of, and access to, water. This availability may be adversely affected (among other factors) by adverse hydrological conditions (such as a sustained dry period in the catchment area of the Company's hydro schemes).

Because the Company is obliged to provide electricity under the Electricity Act 1966, a sustained dry period will require the Company to purchase additional IDO and HFO to provide for additional generation through thermal sources.

Catastrophic Events – Cyclones

A catastrophic event such as a major earthquake, landslide, fire, flood, cyclone, explosion, act of terrorism or other disaster, could adversely affect or cause a failure of any or all of the Company's power stations, high voltage transmission grid, distribution lines or other operations.

| | |
|---|---|
| | <p>The Company's power poles and transmission lines are not insured.</p> <p>Cyclones, in particular, are a risk in Fiji. The impact of Cyclone Winston in early 2016 is an example of this risk.</p> |
| Fuel Price Risk | <p>The Company is exposed to movement in the price of HFO and IDO, which is affected by, among other factors, the price of oil. Currently, the Company does not hedge in relation to its fuel costs. Accordingly, significant and sustained increases in the price of fuel may adversely affect the Company's future operating results.</p> |
| Fuel Security and Supply | <p>The Company's generation is dependent on the availability of, and access to, 'fuel', including water for hydro generation, wind for wind power generation and IDO and HFO for the Company's thermal generators. The principal risks to the Company include that it is unable to generate expected levels of electricity due to either temporarily or permanently reduced fuel supplies or that it may face increased costs to secure the necessary fuel. Either eventuality may adversely affect the Company's future operating results.</p> |
| Contracting, Recontracting and Renewal | <p>The Company contracts with a number of counterparties. There is a risk that contracts may not be secured or renewed or that capacity will not be recontracted which may negatively affect the Company and its operating and financial performance.</p> |
| Power Station Availability Risks | <p>The Company's ability to generate electricity is dependent on the continued efficient operation of its power stations. The viability, efficiency or operability of the Company's power stations could be adversely affected by a range of factors, including plant failure, generation technology, catastrophic events and reliance on third party providers.</p> |
| Aging Infrastructure | <p>The inadvertent break down of ageing major plant and machinery could adversely affect or cause a failure in the Company's power stations, high voltage transmission grid, distribution lines or other operations.</p> |
| Other Operational Risks | <p>The Company has a large, complex and highly specialised business which presents a number of other operational risks, including:</p> <ul style="list-style-type: none"> • operational error; • information technology and telecommunications system or asset failure; or • acts of vandalism or protest. |
| Foreign Exchange | <p>Foreign exchange risk arises from the Company entering into commercial transactions that are denominated in currencies other than Fijian dollars. The Company is primarily exposed to foreign currency risk through the acquisition of fuel and power station plant and equipment,</p> |

| | |
|--|--|
| | <p>particularly under long term agreements for the acquisition or replacement of parts that are denominated in foreign currency. Foreign exchange movements may increase the Fijian dollar cost of such expenditure where exposure has not been effectively hedged.</p> |
| Reliance on Key Personnel | <p>The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel could have an adverse effect on the performance of the Company.</p> |
| Reputation | <p>The Company's business is large, complex and highly specialised which presents a number of reputational risks. The Company could be adversely affected should it, or the industry generally, suffer from adverse publicity. The effect on the Company could be a reduction in sales or increase in costs, which may affect financial performance.</p> |
| Litigation Risk | <p>The Company may become party to litigation or other adversary proceedings, with or without merit. The cost of defending such claims may take away from management time and effort and if determined adversely to the Company, may have a material and adverse effect on its cash flows, results of operation and financial condition.</p> |
| Electricity Industry Risk | |
| Competition in Generation from IPPs | <p>Under the existing regulatory regime and also under the Electricity Act 2017 (when it comes into force), new generation will be subject to a competitive tender process under which IPPs may submit bids to undertake generation projects.</p> |
| Retail Electricity Sales | <p>The volume and price at which the Company is able to sell electricity to customers can materially influence the Company's financial performance. Volume and price may be adversely affected by customer behaviour (such as reduced demand due to increased energy efficiency). They can also be adversely affected by factors that affect longer-term electricity prices. These include generation capacity being increased before it is required in the market, a significant gas discovery, a reduction in demand in the industrial sector, adverse conditions in the Fijian economy, adverse regulatory changes or overall warming of the climate.</p> |
| Electricity Tariffs | <p>The Company is subject to movements in the electricity tariffs it may charge various customer classes as set by the Fijian Competition and Consumer Commission (currently) or the Regulator (following the Electricity Act 2017 coming into force). Movements in electricity tariffs can have a significant effect on the Company's revenues and prudential capital requirements and therefore its financial</p> |

| | |
|-------------------------------|---|
| | performance. |
| Regulatory Environment | The electricity market in which the Company operates is highly regulated by the Government. Changes to the way in which the market is regulated could adversely affect the business or financial performance of the Company by the imposition of additional capital and/or operational obligations on the Company. |
| Licences and Permits | The Company has been granted, or is required to hold, specific licences or permits (or both). There is a risk that the Company (or a particular asset) does not have, might not obtain, or might lose, licences or permits necessary for it to operate. The conditions of those licences and permits may change over time, or new licences or permits may be required. The cost of complying with and obtaining licences or permits (or both) may affect the Company. |
| Health and Safety | As the operator of power stations, the national high voltage transmission grid, distribution lines and associated equipment, there are inherent risks to people and equipment. These include major safety incidents, general operational hazards, failure to comply with policies, terrorism and general health and safety. The consequences include injuries, loss of life, environmental harm and disruption to business activities. Laws and regulations may become more complex and stringent or the subject of increasingly strict interpretation or enforcement. The terms of licences may include more stringent requirements. Failure to comply with applicable legal requirements or recognised international standards may give rise to significant liabilities and may lead to suspended operations and increased costs. |
| Climate Change | The Company's operations generate greenhouse gas emissions and there is an increasing opinion that energy consumption is a contributor to global warming, greenhouse effects and potentially climate change. A number of governments or governmental bodies, including the Government, have introduced or are contemplating regulatory change in response to the potential impacts of climate change and greenhouse gas emissions. These regulatory mechanisms could have a material adverse effect on the Company's operations or development projects. While the terms of any potential climate change legislation are unclear, the regulation of greenhouse gas emissions may become more stringent in the future which could see changes in the demand for energy produced by the Company's projects and returns that the Company can generate on its assets. |
| Environmental | Environmental legislation and regulations affect the operations of the Company and its assets. These regulations set standards regarding certain aspects of health and environmental quality, provide for penalties and other liabilities for violation of such standards and establish |

in certain circumstances, obligations to remediate current facilities and locations where operations are, or were previously conducted. There is a risk that such liabilities could be imposed on the Company.

Securities Investment and Market Risk

Securities Investments

Investors should be aware that there are risks associated with any securities investment. The prices at which the Company's shares trade may fluctuate in response to a number of factors including the risk factors identified in this section as well as securities market factors such as limited liquidity of the shares and large share price movements due to trading by major shareholders.

Concentration of Voting Power

Following completion of the Offer and the Divestment, the Government and investor will respectively hold approximately 53.68% and 45.32% of the voting power in the Company. Accordingly, both shareholders will be in a position to exert significant influence over the outcome of matters relating to the Company, including the election of directors and the approval of transactions. The interests of the Government and investor may differ from the interests of the Company and Shareholders.

The sale of shares in the future by the Government or investor (or the perception that such sales might occur) could adversely affect the market price of Non-Voting Shares.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially and adversely affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be transferred under the Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

2.8 Historical Financial Information

The following financial information comprises the Company's historical information only and has been derived from the unaudited financial statements of FEA for the year ended 31 December 2017 and the audited financial statements of FEA for the years ended 31 December 2016 and 31 December 2015. The audited financial statements for FEA for the period 2015 to 2016 can be obtained from the EFL website: www.efl.com.fj.

FEA adopts International Financial Reporting Standards (IFRS) when preparing its financial statements.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of the accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

This historical financial information for FEA is presented in Fijian dollars, which is the currency of the primary economic environment in which the Company operates.

Consolidated Statement of Financial Position

| | 2015 \$'000 | 2016 \$'000 | Unaudited 2017 \$'000 |
|-----------------------------------|------------------|------------------|--------------------------|
| Capital and Reserves | | | |
| Retained Profits | 551,999 | 611,132 | 696,324 |
| Capital Contribution | 95,175 | 95,175 | - |
| | 647,174 | 706,307 | 696,324 |
| Current Assets | | | |
| Cash on hand and at bank | 37,343 | 59,466 | 98,349 |
| Short term deposits | 20,000 | 60,000 | 60,000 |
| Held to maturity financial assets | 12,468 | - | - |
| Receivables and pre-payments | 39,587 | 36,459 | 38,612 |
| Inventories | 29,566 | 32,362 | 37,646 |
| Current tax assets | 308 | - | - |
| | 139,272 | 188,287 | 234,607 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 1,029,748 | 1,034,662 | 1,054,898 |
| Intangible Assets | 782 | 670 | 2,001 |
| Deferred tax assets | 2,009 | 157 | 198 |
| | 1,032,539 | 1,035,489 | 1,057,097 |
| TOTAL ASSETS | 1,171,811 | 1,223,776 | 1,291,704 |
| Current Liabilities | | | |
| Trade and other payables | 49,288 | 27,616 | 22,083 |
| Employee benefit liability | 2,465 | 2,649 | 2,942 |
| Interest bearing borrowings | 23,975 | 24,540 | 21,961 |
| Current tax liabilities | - | 8,145 | 3,056 |
| | 75,728 | 62,950 | 50,042 |
| Non-Current Liabilities | | | |
| Trade and other payables | 84,257 | 89,386 | 99,418 |
| Interest bearing borrowings | 316,654 | 294,919 | 275,605 |
| Deferred income | 7,280 | 24,870 | 120,249 |
| Deferred tax liabilities | 40,718 | 45,344 | 50,066 |
| | 448,909 | 454,919 | 545,338 |
| TOTAL LIABILITIES | 524,637 | 517,469 | 595,380 |
| NET ASSETS | 647,174 | 706,307 | 696,324 |

Consolidated Statement of Profit or Loss and other Comprehensive Income

| | 2015 \$'000 | 2016 \$'000 | Unaudited 2017 \$'000 |
|--|------------------|------------------|--------------------------|
| Revenue | | | |
| Revenue – Electricity Sales | 311,989 | 317,835 | 340,223 |
| Other Operating Revenue | 9,877 | 10,550 | 10,933 |
| Total Revenue | 321,866 | 328,385 | 351,156 |
| Expenses | | | |
| Personnel Costs | (19,975) | (21,723) | (23,912) |
| Fuel Costs | (140,704) | (89,849) | (121,873) |
| Electricity Purchases | (16,894) | (12,262) | (18,546) |
| Lease and Rent Expenses | (1,567) | (1,620) | (1,731) |
| Depreciation on Property, Plant and Equipment | (37,714) | (39,268) | (39,496) |
| Amortisation of Intangible Assets | (180) | (112) | (131) |
| Losses due to flooding | - | - | - |
| Other Operating Expenses | (48,924) | (48,041) | (48,940) |
| Total Expenses | (265,958) | (212,875) | (254,629) |
| Profit before finance costs, cyclone restoration costs and income tax | 55,908 | 115,510 | 96,527 |
| Finance Cost | (9,885) | (12,911) | (13,283) |
| Interest Income | 1,004 | 1,404 | 2,191 |
| Unrealised foreign exchange gain/(loss), net | (1,673) | 716 | (199) |
| Profit before cyclone restoration costs and income tax | 45,354 | 104,719 | 85,236 |
| Cyclone Winston – Restoration Costs | - | (30,066) | (1,067) |
| Profit before income tax | 45,354 | 74,653 | 84,169 |
| Income Tax Expense | (5,664) | (15,055) | (16,779) |
| Profit after income tax | 39,690 | 59,598 | 67,390 |
| Other Comprehensive Income | - | - | - |
| Total Comprehensive Income for the Year | 39,690 | 59,598 | 67,390 |

Consolidated Statement of Cash Flows

| | 2015 \$'000 | 2016 \$'000 | Unaudited 2017 \$'000 |
|--|-----------------|-----------------|--------------------------|
| Cash Flow from Operating Activities | | | |
| Receipts from Customers | 321,111 | 328,637 | 346,383 |
| Payments to Suppliers and Employees | (228,922) | (212,561) | (222,341) |
| Interest Received | 977 | 1,312 | 2,312 |
| Interest Paid | (12,449) | (13,109) | (13,586) |
| 1% Transitional Tax Paid | - | (465) | (2,440) |
| Insurance Proceeds for business interruption | 2 | 5 | - |
| Tax Payment/Withholding Tax Paid | (194) | (123) | (17,187) |
| Net Cash Flows provided by Operating Activities | 80,525 | 103,696 | 93,141 |
| Cash flows from Investing Activities | | | |
| Proceeds from Term Deposit | - | 12,468 | - |
| Acquisition of Property, Plant and Equipment | (80,633) | (63,117) | (47,035) |
| Payment for Intangible Assets | - | - | (1,462) |
| Proceeds from Capital Contributions for Rural Electrification, net | 6,835 | 18,324 | 27,391 |
| Proceeds from Refundable Contribution for General Extension, net | 7,279 | 11,114 | 8,502 |
| Proceeds from Disposal of Property Plant and Equipment | 211 | 143 | 164 |
| Net Cash Flows used in Investing Activities | (66,308) | (21,068) | (12,440) |
| Cash Flows from Financing Activities | | | |
| Repayment of bonds and loans | (56,764) | (24,674) | (21,859) |
| Proceeds from borrowings – Local | 40,668 | 3,883 | - |
| Dividend | - | - | (20,000) |
| Net Cash Flows used in Financing Activities | (16,096) | (20,791) | (41,859) |
| Net increase/(decrease) in cash and cash equivalents | (1,879) | 61,837 | 38,842 |
| Effect of Exchange Rate movement on Cash and Cash Equivalents | 699 | 286 | 41 |
| Cash and Cash Equivalents at the Beginning of the Year | 58,523 | 57,343 | 119,466 |
| Cash and Cash Equivalents at the End of the Year | 57,343 | 119,466 | 158,349 |

2.9 Directors

The Directors of the Company, and details on the experience of each Director are set out below.

| Director and position held | Summary of experience |
|-------------------------------------|---|
| Daksesh Patel <i>Chairperson</i> | <p>Mr Daksesh Patel is a Director and a Senior Business Executive associated with the Vinod Patel Group of Companies.</p> <p>The Vinod Patel Group has diverse business interests in the manufacturing, wholesale, retail and distribution sectors. Related companies in the Group are engaged in substantial steel distribution operations in Australia and which are headed by Mr Patel.</p> <p>He holds a Bachelor of Business from Charles Sturt University, Australia and a Masters Degree in Business Administration from Massey University, New Zealand.</p> <p>Mr Patel has more than 25 years' experience in Senior and Executive Management positions.</p> <p>He has over the years served in several key positions in the Fiji Business Sector including terms as the President of the Fiji Manufacturers Association, Vice President of the Fiji Chamber of Commerce, President of the Ba Chamber of Commerce and as a Representative on the Joint Economic Consultation Committee.</p> <p>Mr Patel is a member of the Australian Institute of Directors and currently serves as a Commissioner of the Public Service Commission.</p> |
| Gardiner Whiteside | <p>Mr Gardiner Whiteside is a chartered accountant and has been in public practice for many years. He was appointed a director of the Fiji Electricity Authority in 1997. He has had over 30 years' experience as a member of the board of local companies and statutory and commercial entities. Mr Whiteside is a member of the New Zealand and Fiji Institute of Chartered Accountants.</p> |
| David Kolitagane <i>Member</i> | <p>Mr David Kolitagane was appointed as the Permanent Secretary for Agriculture in January 2018. He is also Acting Permanent Secretary for Infrastructure and Transport. He was Permanent Secretary for Public Enterprises from January</p> |

2016 to January 2018.

Before his appointment as Permanent Secretary for Public Enterprises, he was Chief Economist at the Ministry of Economy and also held the position of Deputy Secretary for Economy. He spent a total of 17 years at the Ministry of Economy before joining the Ministry of Public Enterprises in 2016. He brings with him a very wide and rich professional training and experience in economics, finance and investment both locally and overseas. He was a Senior Advisor to the Executive Director (South-East Asia – Group) World Bank Group in Washington DC for two years ending in 2014. Mr Kolutagane is also a board director of Amalgamated Telecom Holdings Limited, iTaukei Trust Fund Board, Yaqara Pastoral Company Limited and Assets Fiji Limited.

Alipate Naiorosui
Member

Mr Alipate Naiorosui is the CEO for Yatu Lau Co. Ltd and was formerly the CEO for the Housing Authority of Fiji. Mr Naiorosui has more than 15 years' experience in executive management positions and holds degrees in Accounting and Economics and a Masters Degree in Business Administration from the University of the South Pacific. He also received the Young Accountant Award from the Fiji Institute of Accountants in 2003.

Kamal Gounder
Member

Mr Kamal Gounder has over 10 years of professional experience with the Ministry of Economy in areas of national budget formulation, policy and planning, the coordination, development and implementation of policy initiatives in the infrastructure sector, public financial management and statistics. During his professional career he has assumed a number of senior leadership roles and responsibilities and is also a Board Director of the Fiji Roads Authority, Land Transport Authority and Water Authority of Fiji.

Mr Gounder has a Masters in International and Development Economics from the International University of Japan and a Bachelor of Arts Degree in Economics and Geography from the University of the South Pacific. He has also worked at the World Bank in Washington DC on a secondment program and gained vast knowledge on the Bank's procurement processes and procedures and also reviewed large energy projects at the Bank. He is also coordinating and managing the implementation of large infrastructure projects funded through

the Asian Development Bank and World Bank at the Ministry of Economy.

Hasmukh Patel
Ex-Officio Member

Mr Hasmukh Patel joined FEA in 1976 as a graduate electrical engineer. He has served in numerous senior engineering and senior management positions covering technical, field and system operational aspects of electricity networks.

Mr Patel became the Joint Managing Director of Kasabias Limited from January 2006 to July 2008 before being appointed as CEO of FEA in August 2008, and ever since has been in this role.

Mr Patel has a First Class Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, Madras, India and a Graduate Certificate in Management from Monash University in Australia.

Mr Patel is a Chartered Electrical Engineer and a Member of the Institute of Electrical Engineers, UK and Australia. Mr Patel also serves as the Chair of Fiji Ports Terminal Limited and is an independent director of Kasabias Ltd, a local hardware company.

It is expected that following completion of the Divestment, there will be changes to the Directors of the Company whereby:

- (a) a number of directors are appointed by the Government and the investor in accordance with their rights as substantial holders of Voting Shares; and
- (b) certain Directors resign their position as directors of the Company.

3 DETAILS OF THE OFFER

3.1 Overview

This Offer Document relates to the Offer whereby the Government is inviting Eligible Fijian Residents to apply to receive:

- (a) 150 Non-Voting Shares if they are Non-Subsidised Account Holders; and
- (b) 250 Non-Voting Shares if they are Subsidised Account Holders (being account holders who are registered under the Scheme),

for **nil consideration** by way of transfer from the Government.

Pursuant to the Offer, the Government proposes to transfer 5% of its economic interest in the Company to Eligible Fijian Residents and eligible Future EFL Customers, comprising of 25,000,000 Non-Voting Shares.

Non-Voting Shares will be held by the Trustee for the benefit of Eligible Fijian Residents, who do not apply for the Non-Voting Shares, and Future EFL Customers. The Non-Voting Shares will be allocated to Eligible Fijian Residents (who can prove eligibility) and Future EFL Customers strictly until such time as all Non-Voting Shares held by the Trustee have been allocated (including proving that they are eligible for the subsidy under the Scheme if applying to be issued 250 Non-Voting Shares). Once these Non-Voting Shares have been exhausted, there will be no further Non-Voting Shares to be transferred by the Government pursuant to the Offer.

The Government has determined that the Offer will be made for **nil consideration**. This means that you are **not** required to pay any money to accept the Offer and be transferred the Non-Voting Shares.

To accept the Offer, you only need to return a completed Application as set out in section 3.5 of this Offer Document.

If you do not complete an Application by the Closing Date, the Non-Voting Shares that you were entitled to will be held by the Trustee and dealt with as set out in section 3.6 of this Offer Document.

The Non-Voting Shares offered for transfer under this Offer Document will be fully paid Non-Voting Shares in the capital of the Company issued on the terms and conditions as set out in Annexure B to this Offer Document.

3.2 Offer Made Without Disclosure

This Offer is made without disclosure in accordance with Part 26 of the Companies Act by reason of being an offer of securities by the Government in accordance with section 283(4)(a) of the Companies Act.

3.3 Minimum Subscription

There is no minimum subscription requirement with respect to the Offer.

3.4 Key Dates

| | |
|---|---------------|
| Opening Date of Offer | 20 April 2018 |
| Closing Date of Offer (4.00 pm Fiji time) | 29 May 2018 |
| Completion of transfer of Shares | Mid-June 2018 |

The above dates are indicative only and may vary. The Government reserves the right to change the key dates of the Offer without prior notice which may have a consequential impact on other dates.

3.5 Application for Non-Voting Shares

An Application for Non-Voting Shares must be made on the Application Form contained at Annexure A of this Offer Document.

The Application Form must be completed in accordance with the instructions set out on the document.

By making an Application for Non-Voting Shares, you declare that you were given access to this Offer Document, together with an Application Form.

The Government reserves the right not to accept an Application from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with this Offer Document and any relevant supplementary or replacement Offer Document or any of those documents were incomplete or altered.

Completed Applications must be received by no later than 4.00 pm (Fiji time) on the Closing Date by the Government. Applications (along with proof of your Fijian citizenship) can be submitted by one of the following means

| | |
|------------------|--|
| Online | Online Applications at: http://efl.com.fj/shares/apply-now |
| By E-mail | E-mail completed Applications to: shares@efl.com.fj |
| Post | Post completed Applications to: Share Offer Energy Fiji Limited Private Mail Bag Suva Fiji |
| By Hand | Hand deliver completed Applications to any one of the Temporary Customer Care Centres locations of which will be publicised on the EFL website, on the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations. |

By completing and returning an Application, you appoint the Permanent Secretary as your attorney to execute a Master Transfer Form to effect the transfer of Non-Voting Shares to you.

The Government reserves the right to extend the Offer or close the Offer early without notice.

An original, completed and lodged Application, constitutes a binding and irrevocable offer to receive the number of Non-Voting Shares specified in the Application Form. An Application will be deemed to have been accepted by the Government upon allotment of the Non-Voting Shares.

If the Application Form is not completed correctly, it may still be treated as valid. The Government's decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

No brokerage or commission or stamp duty is payable by you in respect of Applications for Non-Voting Shares under this Offer Document.

3.6 Failing to return an Application

The Government has recognised that the requirement to complete an Application imposes an administrative burden on Eligible Fijian Residents and understands that, if appropriate steps are not taken, such residents may inadvertently lose the right to receive Non-Voting Shares under the Offer by failing to return an Application.

To mitigate such harsh consequences, the Government has ensured that the Company's capital structure makes provision for:

- (a) 150 Non-Voting Shares to be transferred to each Eligible Fijian Resident that is a Non-Subsidised Account Holder at the Record Date; and
- (b) 250 Non-Voting Shares to be transferred to each Eligible Fijian Resident that is a Subsidised Account Holder at the Record Date.

Where Eligible Fijian Residents fail to complete and return an Application by the Closing Date, the Non-Voting Shares for which those persons were entitled to under the Offer will be transferred to the Trustee to be held on trust for the benefit of all Eligible Fijian Residents who did not return valid Applications by the Closing Date.

Accordingly, where an Eligible Fijian Resident fails to complete and return an Application, the person will nonetheless maintain a beneficial interest in the Non-Voting Shares to which that person was entitled to receive under the Offer provided that, at some point in the future prior to the allocation of all Non-Voting Shares, that person can show that they were an Eligible Fijian Resident to the satisfaction of the Trustee. Such Non-Voting Shares may be subsequently transferred from the Trustee to the Eligible Fijian Resident.

Only a certain number of Non-Voting Shares are held by the Trustee for the benefit of Eligible Fijian Residents who fail to complete and return an Application by the Closing Date and Future EFL Customers. It is not intended for this number of Non-Voting Shares to be increased. Accordingly, once these Non-Voting Shares have been exhausted, there will be no further Non-Voting Shares to be transferred by the Government pursuant to the Offer.

To be transferred the Non-Voting Shares held on trust in this manner, it will be necessary for an Eligible Fijian Resident to:

- (a) contact the Trustee;
- (b) establish that they were an Eligible Fijian Resident at the Record Date that did not receive Non-Voting Shares; and
- (c) complete any documentation required by the Trustee.

Where a person claims to be a Subsidised Account Holder at the Record Date (and accordingly be eligible to receive 250 Non-Voting Shares), that person must establish to the satisfaction of the Trustee that they were a Subsidised Account Holder at the relevant point in time.

The contact details of the Trustee for the purpose of applying for Non-Voting Shares held on trust for Eligible Fijian Residents who fail to return Applications will be provided following completion of the Offer.

Any dividends (but not accrued interest) that have accrued to the Non-Voting Shares prior to the legal transfer to an Eligible Fijian Resident, will be provided to the Eligible Fijian Resident at the time of transfer of the Non-Voting Shares to the Eligible Fijian Resident.

3.7 Becoming a Future EFL Customer

Only persons whom are Eligible Fijian Residents at the Record Date are entitled to apply to receive Non-Voting Shares under the Offer. On this basis, if a person who would otherwise be an Eligible Fijian Resident but for the fact that the person opened an Account with the Company on the day after the Record Date, would not be eligible to receive Non-Voting Shares under the Offer.

Recognising this, the Government has made provision for additional Non-Voting Shares to be held by the Trustee for the benefit of Future EFL Customers, being Fijian citizens and residents who become customers of the Company after the Record Date.

Only a certain number of Non-Voting Shares are held by the Trustee for the benefit of Eligible Fijian Residents who fail to complete and return an Application by the Closing Date and Future EFL Customers. It is not intended for this number of Non-Voting Shares to be increased. Accordingly, once these Non-Voting Shares have been exhausted, there will be no further Non-Voting Shares to be transferred by the Government pursuant to the Offer.

To receive Non-Voting Shares held on trust in this manner, it will be necessary for the Future EFL Customer to:

- (a) contact the Trustee;
- (b) establish that they were not an Eligible Fijian Resident at the Record Date and that they did not receive Non-Voting Shares pursuant to the Offer;
- (c) establish that they have become a Future EFL Customer after the Record Date and are a Fijian citizen and resident; and
- (d) complete any documentation required by the Trustee.

The contact details of the Trustee for the purpose of applying for Non-Voting Shares held on trust for Future EFL Customers will be provided following completion of the Offer.

Where Non-Voting Shares are transferred to a Future EFL Customer as set out above, the Future EFL Customer is not entitled to receive any dividends that have been paid in respect of those Non-Voting Shares (if any) prior to the date on which the Non-Voting Shares were transferred to the Future EFL Customer by the Trustee.

3.8 Rights and Benefits Attaching to Non-Voting Shares

Among other things, the key benefits of holding Non-Voting Shares are as follows:

- (a) Shareholders will be entitled to receive dividends when declared by the directors of the Company;
- (b) Shareholders will be positioned to benefit from any capital appreciation in respect of the Non-Voting Shares;
- (c) reflecting the Government’s focus on climate change and renewable energy, the Company’s business plans involve significant investment in renewable energy sources. Maintaining an interest in Non-Voting Shares will provide investors with exposure to renewable energy;
- (d) Shareholders will share in the benefit of growth in the Fijian economy and the reformed electricity market; and
- (e) Shareholders will be entitled to participate in future capital raising undertaken by the Company in respect of Non-Voting Shares.

A summary of the material rights associated with holding Non-Voting Shares under the Companies Act and the Articles of Association are set out in the table below.

| Area | Rights of Shareholders |
|------------------------------------|---|
| Dividends and Distributions | <p>Under the Articles of Association, the directors may declare an interim or final dividend in accordance with the Companies Act, the Listing Rules (once the Non-Voting Shares are quoted on the SPSE), the Articles of Association and the Shareholders’ Agreement, in all cases provided the Company is solvent.</p> <p>The directors may fix the method of payment of a dividend, including the payment of cash, the issue of shares, the grant of options, and the transfer of assets and the issue of credits in respect of Accounts with the Company in the Shareholder’s name.</p> |
| Voting Rights | <p>A Non-Voting Share does not entitle a Shareholder to vote at any general meeting of the Company except in the circumstances set out below:</p> <ul style="list-style-type: none"> • Non-Voting Shareholders may vote on a proposal: <ul style="list-style-type: none"> ○ to reduce the Non-Voting Share capital of the Company; ○ that affects rights attached to Non-Voting Shares; ○ to wind up the Company; or ○ for the disposal of the whole of the property, |

| Area | Rights of Shareholders | | | | | | | | | |
|--|---|--|--|--|-------------------------|----------------------|----------------------|--|--|--|
| | <p>business and undertaking of the Company; or</p> <ul style="list-style-type: none"> • Non-Voting Shareholders may vote on a resolution to approve the terms of a buy-back agreement with respect to Non-Voting Shares. <p>Where a Shareholder is entitled to vote, the Articles of Association provides that each Shareholder is:</p> <ul style="list-style-type: none"> • entitled to vote in person or by proxy, attorney or representative; • on a show of hands, each person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and • on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, in respect of every fully paid Non-Voting Share held by him or her, or in respect of which he or she has been appointed a proxy, attorney or representative, have one vote for the share, but in respect of a partly paid Non-Voting Share, shall have a fraction of a vote for each partly paid Non-Voting Share. | | | | | | | | | |
| Restricted Securities | <p>The Initial Disposal Restrictions are as follows:</p> <p>(a) until the earlier of the SPSE Listing and 31 March 2020 (or such later date determined by the board of directors of the Company), the Non-Voting Shares are not transferable; and</p> <p>(b) once the SPSE Listing occurs (even if this occurs after 31 March 2020 or such later date determined by the board of directors of the Company), a holder of Non-Voting Shares is only entitled to sell as follows (subject to the board of directors of the Company being entitled to adjust the percentages and timing of the disposal restrictions referred to below):</p> <table border="1" data-bbox="692 1453 1355 2078"> <thead> <tr> <th data-bbox="692 1453 900 1731">Time Period (percentage)</th> <th data-bbox="900 1453 1126 1731">Non-Subsidised Account Holder (Number of Shares)</th> <th data-bbox="1126 1453 1355 1731">Subsidised Account Holder (Number of Shares)</th> </tr> </thead> <tbody> <tr> <td data-bbox="692 1731 900 1872">Upon SPSE Listing (10%)</td> <td data-bbox="900 1731 1126 1872">15 Non-Voting Shares</td> <td data-bbox="1126 1731 1355 1872">25 Non-Voting Shares</td> </tr> <tr> <td data-bbox="692 1872 900 2078">10th Business Day after SPSE Listing (10%)</td> <td data-bbox="900 1872 1126 2078">15 Non-Voting Shares (cumulatively 30 Non-Voting Shares)</td> <td data-bbox="1126 1872 1355 2078">25 Non-Voting Shares (cumulatively 50 Non-Voting Shares)</td> </tr> </tbody> </table> | Time Period (percentage) | Non-Subsidised Account Holder (Number of Shares) | Subsidised Account Holder (Number of Shares) | Upon SPSE Listing (10%) | 15 Non-Voting Shares | 25 Non-Voting Shares | 10 th Business Day after SPSE Listing (10%) | 15 Non-Voting Shares (cumulatively 30 Non-Voting Shares) | 25 Non-Voting Shares (cumulatively 50 Non-Voting Shares) |
| Time Period (percentage) | Non-Subsidised Account Holder (Number of Shares) | Subsidised Account Holder (Number of Shares) | | | | | | | | |
| Upon SPSE Listing (10%) | 15 Non-Voting Shares | 25 Non-Voting Shares | | | | | | | | |
| 10 th Business Day after SPSE Listing (10%) | 15 Non-Voting Shares (cumulatively 30 Non-Voting Shares) | 25 Non-Voting Shares (cumulatively 50 Non-Voting Shares) | | | | | | | | |

| Area | Rights of Shareholders | | | |
|---------------------------|---|---------------------------------------|---|---|
| | | One month after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 60 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 100 Non-Voting Shares) |
| | | Two months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 90 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 150 Non-Voting Shares) |
| | | Three months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 120 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 200 Non-Voting Shares) |
| | | Four months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 150 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 250 Non-Voting Shares) |
| General Meetings | <p>Except in relation to matters to which Shareholders are entitled to vote on (as set out above), a Non-Voting Share does not entitle its holder to:</p> <ul style="list-style-type: none"> • receive notices (including notices of general meetings), reports, balance sheets and audited accounts; and • attend and be heard at any general meetings of the Company. <p>Notices of meeting and other reports will be published on the Company's website and, once listed, disclosed to the SPSE in accordance with the Company's obligations under the Listing Rules.</p> | | | |
| Buy-back of Shares | <p>The Companies Act allows the Company to buy-back its own shares through a specific buy-back procedure provided that:</p> <ul style="list-style-type: none"> • the buy-back does not materially prejudice the Company's ability to pay its creditors; • the Company will remain solvent immediately following the buy-back of its own shares; and • the Company follows the procedures set out in the Companies Act. <p>The buy-back procedure, which includes the form of shareholder approval (for example, ordinary, special or unanimous resolutions) depends upon the type of buy-back.</p> | | | |
| Winding Up | <p>The members of a solvent company may decide to wind up the company under the Companies Act. A special resolution is required. Shareholders are entitled to vote on a resolution to wind up the Company.</p> | | | |

| Area | Rights of Shareholders |
|------|--|
| | <p>The Companies Act provides that in a voluntary winding up, subject to provisions as to preferential payments, the property of a company must, on its winding up, be applied in satisfaction of its liabilities equally and, subject to that application must, unless the Articles of Association otherwise provides, be distributed among the members accordingly to their rights and interests in the Company.</p> <p>In the event of a winding up, Shareholders rank equally with the holders of Voting Shares.</p> |

The terms of the Non-Voting Shares are set out in Annexure B to this Offer Document.

3.9 Capital Structure

The capital structure following completion of the Offer is set out below:

| Issued Capital | Number of Securities |
|--|----------------------|
| Voting Shares on issue as at the date of this Offer Document | 475,000,000 |
| Non-Voting Shares on issue as at the date of this Offer Document and to be transferred pursuant to the Offer | 25,000,000 |
| Total Shares on issue at the close of the Offer | 500,000,000 |

As at the date of this Offer Document, 100% of the Voting Shares are held by the Government.

3.10 Allocation of Non-Voting Shares

The Government reserves the right to reject your Application or to allocate to you fewer or more Non-Voting Shares than the number applied for. The Government also reserves the right to reject or aggregate multiple Applications in determining final allocations.

The Government reserves the right not to proceed with the Offer or any part of it at any time before the allocation of the Non-Voting Shares to you. The Government also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Application Forms either generally or in particular cases.

The allocation of Non-Voting Shares to you will occur as soon as practicable after Application Forms have been received and the Offer has closed, following which statements of shareholding will be dispatched.

3.11 Restricted Securities

The Initial Disposal Restrictions that apply to the holders of Non-Voting Shares are set out in section 2.5 of this Offer Document.

3.12 Tax Consideration

The acquisition and disposal of Non-Voting Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Non-Voting Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Government, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of receiving Non-Voting Shares under this Offer Document.

3.13 Distribution of Offer Document

This Offer Document has been prepared by the Government. In preparing this Offer Document, the Government has taken reasonable steps to ensure that the information in this Offer Document is not false or misleading. In doing so, the Government has had regard to the requirements of the Companies Act.

Eligible Fijian Residents should read the full text of this Offer Document as the information contained in individual sections is not intended to and does not provide a comprehensive review of the business and financial affairs of the Company nor the securities offered pursuant to this Offer Document.

3.14 Applicants Outside Fiji

This Offer is being extended to Eligible Fijian Residents who are invited by the Government to apply to receive Non-Voting Shares.

The Offer does not constitute an offer of securities in any country or place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Offer Document in jurisdictions outside Fiji may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities law. Applicants who are resident in countries other than Fiji should consult their professional advisors as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed to enable them to receive Non-Voting Shares.

The Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Noting that the Offer is made to Eligible Fijian Residents and Future EFL Customers who are Fijian citizens and residents, prospective investors resident outside Fiji should first consult their professional advisors as to whether or not governmental or other consents are required, or whether formalities need to be observed to enable them to invest. Intending non-resident investors should also seek advice in respect of the taxation effect of an investment in the Company and dividends that the Company may distribute in the future.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

No action has been taken to register or qualify the Non-Voting Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Fiji.

3.15 Opening and Closing Dates and Withdrawal or Early Close

The Offer will open on 20 April 2018, and will remain open until 4.00 pm (Fiji time) on 29 May 2018, subject to the right of the Government to withdraw the Offer or either close the Offer at an earlier time and date or extend the Closing Date without prior notice.

Applicants are encouraged to submit their Applications as early as possible.

4 GLOSSARY

The following defined terms apply throughout this Offer Document unless the context requires otherwise:

| | |
|---------------------------------|---|
| \$ | Fijian dollars unless otherwise specified |
| Account | an account for the supply of electricity with FEA (prior to the Record Date) or the Company (from the Record Date) |
| Application | an application for Non-Voting Shares pursuant to this Offer Document |
| Application Form | the application form attached to this Offer Document as Annexure A |
| Articles of Association | the Articles of Association of the Company |
| Closing Date | the last date on which Application Forms may be submitted being 29 May 2018 or such later date as determined by the Government |
| Companies Act | the <i>Companies Act 2015</i> |
| Company or EFL | Energy Fiji Limited (RCBS2018L9676) |
| Completion | completion of the Offer following the transfer of Non-Voting Shares pursuant to this Offer Document |
| Corporatisation | the conversion of FEA to a public company limited by shares as described in section 2.3 of this Offer Document |
| Directors | the directors of the Company as at the date of this Offer Document |
| Divestment | the proposed partial divestment of up to a 44% interest in the Company to an investor (or consortium of investors) as described in section 2.4 of this Offer Document |
| Electricity Act 1966 | the <i>Electricity Act 1966</i> , which is currently in force but will be repealed upon the Electricity Act 2017 coming into force |
| Electricity Act 2017 | the <i>Electricity Act 2017</i> |
| Eligible Fijian Resident | any natural person who, at the Record Date,: (a) is a Fijian citizen and resident; and (b) has an Account with the Company |
| FEA | the Fiji Electricity Authority |
| Future EFL Customer | any natural person who is a Fijian citizen and resident who becomes an Account holder after the Record Date and, in the |

case of a customer applying for 250 Non-Voting Shares, is registered under the Scheme

| | |
|-------------------|--|
| Government | the Government of the Republic of Fiji |
| HFO | heavy fuel oil |
| IDO | industrial diesel oil |

- Initial Disposal Restrictions** The Initial Disposal Restrictions are as follows:
- (a) until the earlier of the SPSE Listing and 31 March 2020 (or such later date determined by the board of directors of the Company), the Non-Voting Shares are not transferable; and
 - (b) once the SPSE Listing occurs (even if this occurs after 31 March 2020 or such later date determined by the board of directors of the Company), a holder of Non-Voting Shares is only entitled to sell as follows (subject to the board of directors of the Company being entitled to adjust the percentages and timing of the disposal restrictions referred to below):

| Time Period (percentage) | Non-Subsidised Account Holder (Number of Shares) | Subsidised Account Holder (Number of Shares) |
|---|---|---|
| Upon SPSE Listing (10%) | 15 Non-Voting Shares | 25 Non-Voting Shares |
| 10 th Business Day after SPSE Listing (10%) | 15 Non-Voting Shares (cumulatively 30 Non-Voting Shares) | 25 Non-Voting Shares (cumulatively 50 Non-Voting Shares) |
| One month after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 60 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 100 Non-Voting Shares) |
| Two months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 90 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 150 Non-Voting Shares) |
| Three months after SPSE Listing | 30 Non-Voting Shares (cumulatively | 50 Non-Voting Shares (cumulatively 200 |

| | | |
|--------------------------------------|---|---|
| (20%) | 120 Non-Voting Shares) | Non-Voting Shares) |
| Four months after SPSE Listing (20%) | 30 Non-Voting Shares (cumulatively 150 Non-Voting Shares) | 50 Non-Voting Shares (cumulatively 250 Non-Voting Shares) |

| | |
|--------------------------------------|--|
| IPPs | independent power producers |
| Licences | has the meaning set out in section 2.2 of this Offer Document |
| Listing Rules | the listing rules of the SPSE |
| Non-Subsidised Account Holder | A holder of an Account with FEA/the Company who, at the application date, is not a Subsidised Account Holder |
| Non-Voting Share | a non-voting share in the capital of the Company issued on the terms set out in Annexure B to this Offer Document |
| Offer | the offer to receive Non-Voting Shares pursuant to this Offer Document as described in section 3.1 of this Offer Document |
| Offer Document | this Offer Document dated 20 April 2018 |
| Opening Date | the first date on which Application Forms can be received being 20 April 2018 |
| PE Act | the <i>Public Enterprise Act 1996</i> |
| Permanent Secretary | The permanent secretary responsible for finance |
| Record Date | 16 April 2018 |
| Regulator | the regulator appointed under section 5 of the Electricity Act 2017 |
| Reserve Bank | the Reserve Bank of Fiji |
| Scheme | the Electricity Subsidy Scheme provided by the Government being the electricity subsidy in relation to the first 100 kilowatt hours of electricity usage per month (being households with a combined annual income below \$30,000) |
| Shareholder | a holder of a Non-Voting Share(s) |
| Shareholders' Agreement | a shareholders' agreement in relation to Voting Shares proposed to be executed immediately prior to completion of the Divestment by the Company, the Government and the selected investor (or consortium of investors) |
| SPSE | South Pacific Stock Exchange |
| SPSE Listing | the admission of the Company to the official list of the SPSE |

| | |
|---|--|
| | and the admission to quotation of the Non-Voting Shares |
| Subsidised Account Holder | A holder of an Account with FEA/the Company who, at the application date, is registered under the Scheme |
| Trustee | a trustee to be appointed to hold Non-Voting Shares on behalf of Eligible Fijian Residents who do not return valid Applications by the Closing Date and Future EFL Customers |
| Voting Shares or Ordinary Shares | ordinary shares in the capital of the Company |

ANNEXURE A – APPLICATION FORM

WARNING: Providing false information to Government is an offence under the False Information Act 2016. If you are found guilty of providing false information to Government, you may be fined up to \$20,000 or sentenced to imprisonment for up to 10 years

Energy Fiji Limited
RCBS2018L9676

Non-Subsidised Account Holder Application Form

Fill out this Application Form if you wish to apply to receive 150 Non-Voting Shares in the capital of Energy Fiji Limited.

- Please read the Offer Document.
- Follow the instructions to complete this Application Form (see reverse).
- Print clearly in **ENGLISH** and in **CAPITAL LETTERS** using **BLACK** or **BLUE** pen.
- By completing and returning an Application, you appoint the Permanent Secretary (as defined in the Offer Document) as your attorney to execute a Master Transfer Form to effect the transfer of 150 Non-Voting Shares.

| | |
|---|--|
| <p>A Number of shares you are applying to receive</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">150 Non-Voting Shares</div> | <p>B Enter the Account Holder's Customer Number with EFL</p> <div style="border: 1px solid black; padding: 5px; width: 100px; margin: 5px auto;"> <input type="text"/> </div> |
| <p>C Write the name of the Account Holder here <i>The Non-Voting Shares will be registered in this name</i></p> <div style="border: 1px solid black; padding: 5px; height: 20px; width: 100%;"></div> | |
| <p>D Write the postal address of the Account Holder here</p> <div style="border: 1px solid black; padding: 5px; height: 30px; width: 100%;"></div> | |
| <p>E Contact telephone number (daytime/mobile)</p> <div style="border: 1px solid black; padding: 5px; width: 100%;"></div> | <p>F E-mail</p> <div style="border: 1px solid black; padding: 5px; width: 100%;"></div> |
| <p>G Execution</p> | <p>H Fijian Citizenship Details</p> |

| | |
|---|-------------------------|
| Signed by the Account Holder in the presence of: | |
| Signature of Account Holder | Signature of witness |
| Name of Account Holder (print) | Name of witness (print) |
| Bank Name: | Bank Account No. |

| |
|---|
| Account Holder's Citizenship and Residential Details |
| Voter ID : _____ |
| Passport Number : _____ |
| Tax Identification Number : _____ |
| Residential Address : _____ |
| <input type="checkbox"/> A copy of the Account Holder's Voter ID or Passport (as applicable) has been attached to this Application Form (Please Tick) |

| | |
|--------------------------|--|
| <input type="checkbox"/> | The Account Holder confirms that they are a Non-Subsidised Account Holder eligible to complete this Non-Subsidised Account Holder Application Form (Please tick) |
|--------------------------|--|

By submitting this Application Form, I/We declare that this Application is completed and lodged according to the Offer Document and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Articles of Association of Energy Fiji Limited (the **Company**). I/We was/were given access to the Offer Document together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Non-Voting Shares will not cause the Company or me/us to violate the laws of Fiji or any other jurisdiction which may be applicable to this subscription for Shares in the Company. I/We represent, warrant and undertake to the Company the person listed in paragraph C of this Application Form is an Eligible Fijian Resident as described in the Offer Document.

Guide to the Application Form

YOU SHOULD READ THE OFFER DOCUMENT CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

Please complete this Application Form if you are a **Non-Subsidised Account Holder** that is not entitled to the subsidy provided by the Government under the Scheme. Each applicant is only entitled to one parcel of 150 Non-Voting Shares.

- A. Item A has been pre-filled with the number of Non-Voting Shares that an Eligible Fijian Resident who is an Ordinary Account Holder is entitled to receive.
- B. Enter the seven digit **Customer Number** of the Account Holder's account with EFL.
- C. Insert the **full name of the person** to whom this Offer was made, being a Fijian citizen and resident who has an account with FEA/the Company as at 16 April 2018 (initials are not acceptable for first names) (the **Account Holder**). The Non-Voting Shares will be registered in the name of the Account Holder.
- D. Enter the **postal address** of the Account Holder. All communications to you from the Company will be mailed to the person(s) and address as shown.
- E. Enter the **contact details** of the Account Holder so that we may contact you regarding the Application Form or provide other correspondence.
- F. Enter the **e-mail address** of the Account Holder so that we may contact you regarding the Application Form or provide other correspondence.
- G. Once the Application Form has been completed, **the Account Holder must execute the form**. Please ensure your signature is witnessed and the execution clause is completed fully. Please also include your bank name and account details (if available).
- H. Insert the **citizenship and residential details** of the Account Holder including the Account Holder's Voter ID number or passport number. **Attach copies of the Account Holder's Voter ID or passport (as applicable) and check the box confirming such evidence has been attached.**

Correct Form of Registrable Title

Note that **ONLY** natural persons can apply for the Non-Voting Shares. The Application must be in the name of a natural person. At least one full given name and surname is required for each natural person.

An example of the correct form of registrable title is set out below.

| Type of Investor | Correct Form of Registrable Title | Incorrect Form of Registrable Title |
|------------------|-----------------------------------|-------------------------------------|
| Individual | Mr John David Smith | J D Smith |

Lodgement

Applications (along with proof of your Fijian citizenship) can be submitted by one of the following means:

Mailing address/Hand Delivery:

| Online | E-mail | Post | Hand Delivery |
|---|--|--|---|
| Online Application at: http://efl.com.fj/shares/apply-now | E-mail completed Application to: shares@efl.com.fj | Post completed Application to: Share Offer Energy Fiji Limited Private Mail Bag Suva Fiji | Hand deliver completed Application to one of the Temporary Customer Care Centres locations of which will be publicised on the EFL website, on the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations. |

The Offer closes at 4.00 pm (Fiji Time) on 29 May 2018.*

* The Government reserves the right to vary the times and dates of the Offer without prior notice, including to close the Offer early or extend the Offer to accept late Applications.

Privacy Statement:

The Company advises that Part 9 of the *Companies Act 2015* requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact the Company at its registered office.

Guide to the Application Form

YOU SHOULD READ THE OFFER DOCUMENT CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form

Instructions

Please complete this Application Form if you are a **Subsidised Account Holder** that is entitled to the subsidy provided by the Government under the Scheme. Each applicant is only entitled to one parcel of 250 Non-Voting Shares.

- A. Item A has been pre-filled with the number of Non-Voting Shares that an Eligible Fijian Resident who is a Subsidised Account Holder is entitled to receive.
- B. Enter the seven digit **Customer Number** of the Account Holder's account with EFL.
- C. Insert the **full name of the person** to whom this Offer was made, being a Fijian citizen and resident who has an account with FEA/the Company as at 16 April 2018 (initials are not acceptable for first names) (the **Account Holder**). The Non-Voting Shares will be registered in the name of the Account Holder.

- D. Enter the **postal address** of the Account Holder. All communications to you from the Company will be mailed to the person(s) and address as shown.
- E. Enter the **contact details** of the Account Holder so that we may contact you regarding the Application Form or provide other correspondence.
- F. Enter the **e-mail address** of the Account Holder so that we may contact you regarding the Application Form or provide other correspondence.
- G. Once the Application Form has been completed, **the Account Holder must execute the form**. Please ensure your signature is witnessed and the execution clause is completed fully. Please also include your bank name and bank account details.
- H. Insert the **citizenship and residential details** of the Account Holder including the Account Holder's Voter ID number or passport number. **Attach copies of the Account Holder's Voter ID or passport (as applicable) and check the box confirming such evidence has been attached.**

Correct Form of Registrable Title

Note that **ONLY** natural persons can apply for the Non-Voting Shares. The Application must be in the name of a natural person. At least one full given name and surname is required for each natural person.

An example of the correct form of registrable title is set out below.

| Type of Investor | Correct Form of Registrable Title | Incorrect Form of Registrable Title |
|------------------|-----------------------------------|-------------------------------------|
| Individual | Mr John David Smith | J D Smith |

Lodgement

Applications (along with proof of your Fijian citizenship) can be submitted by one of the following means:

Mailing address/Hand Delivery:

| Online | E-mail | Post | Hand Delivery |
|---|--|--|---|
| Online Application at: http://efl.com.fj/shares/apply-now | E-mail completed Application to: shares@efl.com.fj | Post completed Application to: Share Offer Energy Fiji Limited Private Mail Bag Suva Fiji | Hand deliver completed Application to one of the Temporary Customer Care Centres locations of which will be publicised on the EFL website, on the Fijian Government Facebook page, the EFL Facebook page and announced on radio stations. |

The Offer closes at 4.00pm (Fiji Time) on 29 May 2018.*

* The Government reserves the right to vary the times and dates of the Offer without prior notice, including to close the Offer early or extend the Offer to accept late Applications.

Privacy Statement:

The Company advises that Part 9 of the *Companies Act 2015* requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact the Company at its registered office.

ANNEXURE B – TERMS OF NON-VOTING SHARES

1 NON VOTING SHARES

The Non-Voting Shares to be transferred under the Offer are fully paid Non-Voting Shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Voting Shares and rank equally in all respects with all of the existing Voting Shares on issue except as set out below.

2 RESTRICTED SECURITIES

The holder of Non-Voting Shares may only transfer or dispose of Non-Voting Shares:

- (a) on the earlier of the SPSE Listing and 31 March 2020 (or such later date determined by the board of directors of the Company); and
- (b) once the SPSE Listing occurs (even if this occurs after 31 March 2020 or such later date determined by the board of directors of the Company), a holder of Non-Voting Shares is only entitled to sell:
 - (i) up to 10% of its holding of Non-Voting Shares on the first day of trading ('**First Trading Day**') of the Non-Voting Shares on the SPSE;
 - (ii) a further 10% of its holding of Non-Voting Shares on the date that is 10 business days after the First Trading Day;
 - (iii) a further 20% of its holding of Non-Voting Shares each month after the First Trading Day (or the next trading day on the SPSE if such date is not a trading day on the SPSE),

subject to the board of directors of the Company being entitled to adjust the percentages and timing of the disposal restrictions referred to above.

3 VOTING RIGHTS

A Non-Voting Share does not entitle its holder to vote at any general meeting of the Company except on the questions, proposals or resolutions or during periods of time or in circumstances identified by the directors in the terms of issue, which, unless the directors decide otherwise under the terms of issue, are as follows:

- (a) a proposal:
 - (i) to reduce the Non-Voting Share capital of the Company;
 - (ii) that affects rights attached to Non-Voting Shares;
 - (iii) to wind up the Company; or
 - (iv) for the disposal of the whole of the property, business and undertaking of the Company; or
- (b) a resolution to approve the terms of a buy-back agreement with respect to Non-Voting Shares.

4. MEETINGS

Except in relation to matters to which the holder of a Non-Voting Share is entitled to vote on under paragraph 3(a) above, a Non-Voting Share does not entitle its holder to:

- (a) receive notices (including notices of general meetings), reports, balance sheets and audited accounts; and
- (b) attend and be heard at any general meetings of the Company.

5. DIVIDEND RIGHTS

The Non-Voting Shares rank for dividends equally with the holders of all shares of the Company.

6. PRIORITY

In the event of a reduction of capital or winding up, the holders of Non-Voting Shares rank equally with the holders of Voting Shares in the Company.

7. AMENDMENT TO THE TERMS

Subject to complying with all applicable laws, the Company may, without the consent of the holders of Non-Voting Shares, amend or add to the terms of the Non-Voting Shares if, in the opinion of the Company, the amendment or addition is:

- (a) of a formal, minor or technical nature;
- (b) to correct a manifest error;
- (c) made to comply with any applicable law, Listing Rule or requirement of the SPSE;
- (d) convenient for the purpose of obtaining or maintaining the listing of the Company or quotation of the Non-Voting Shares; or
- (e) not likely to be or become materially prejudicial to the holders of Non-Voting Shares.

8. VARIATION OF RIGHTS

Subject to paragraph 7 and these terms of issue, the rights attaching to a Non-Voting Share may only be varied or cancelled by a special resolution of the Company and:

- (a) by a special resolution passed at a meeting of holders of Non-Voting Shares; or
- (b) with the written consent of holders of at least 75% of the Non-Voting Shares.

CORPORATE DIRECTORY

Directors

Daksesh Patel
Gardiner Whiteside
David Kolitagane
Alipate Naiorosui
Kamal Gounder
Hasmukh Patel

Company Secretary

Bobby Naimawi

Registered office

2 Marlow Street
Suva, Fiji

Solicitors to the Offer

Squire Patton Boggs
Level 21
300 Murray Street
PERTH WA 6000

Auditors

Office of the Auditor-General
8th Floor, Ratu Sukuna
House
2-10 MacArthur Street
Suva, Fiji

BDO Fiji
Level 10, FNPF Place
343 Victoria Parade
Suva, Fiji