

Report Dated: 28th July 2017



**SPSE Chief Executive Officer
Ms Krishika Narayan**



INVESTOR INFORMATION

Current Share Price:	\$4.35
Best Bid:	\$3.20
Best Offer:	\$4.80
Current Dividend Yield:	9.20%
Current Market Cap:	FJD61.04 million
Total Shares on Issue:	14.03 million
Sector Represented:	Automotive



**Toyota Tsusho (South Sea)
Ltd, CEO/Director
Mr Craig Sims**

Greetings from SPSE!

As part of our investor awareness initiative, the SPSE continues to furnish potential investors and existing shareholders with relevant information about listed companies. These important highlights of the company can be used as a parameter in deciding which company you should invest in. Given that all December year ending listed companies have submitted their Annual Reports and the Exchange has provided an Insight on these companies for the benefit of the current and potential investors, our focus now moves to the March financial year ending listed companies.

In this edition, we catch up with the Chief Executive Officer/Director of **Toyota Tsusho (South Sea) Limited**, the company widely known as Asco Motors, Mr Craig Sims. We will focus on how the company has done financially as well as provide a snapshot of the company's key stock market related statistics and the details regarding the company's upcoming Annual General Meeting (AGM).

COMPANY PROFILE & BACKGROUND

Toyota Tsusho (South Sea) Limited, trading as Asco Motors, operates through dealerships which are strategically located throughout Fiji, Tonga, Samoa and American Samoa. The company markets Toyota, Yamaha, Massey Ferguson, Bridgestone, Kobe, other world proven products and also operates the Avis franchise. In each region that Asco Motors operates, it is the market leader in many of the market segments.

Toyota Tsusho (South Sea) Limited has been operating in the Pacific for nearly 100 years. Initially part of the Burns Philp Group, the company has been majority owned by Toyota Tsusho Corporation since 1998.

TOP 5 SHAREHOLDERS

- Toyota Tsusho South Pacific Holdings Pty Ltd – 79.68%
- FNPF Board – 14.50%
- QBE Insurance (Fiji) Ltd – 4.16%
- Niranjana's Autoport Ltd – 0.36%
- Unit Trust of Fiji (Trustee Co) Ltd - 0.26%

DIRECTORS & SENIOR MANAGEMENT

- ▶ Mr Yoshiaki Kato (Chairman)
- ▶ Ms Teresa Julia Apted (Director)
- ▶ Mr Satoshi Sase (Director)
- ▶ Mr John Benedict Thomas (Director)
- ▶ Mr Digby Bossley (Director)
- ▶ Mr Craig Sims (CEO/Director)
- ▶ Mr Ronald Kumar (Financial Controller/Company Secretary)

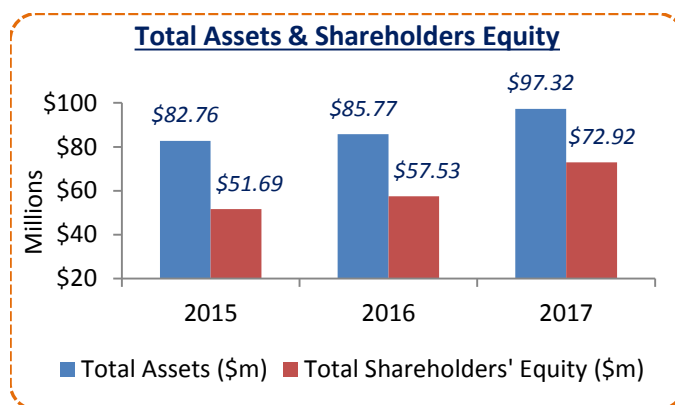
KEY FINANCIAL HIGHLIGHTS

SPSE: The Group has delivered a strong financial performance with substantial increases noted in revenue and profitability. What were the Group's key financial highlights driving the level of growth during the year?

TTS: Group revenue and profitability growth attributed to the strong business performance in Fiji operations. Fiji experienced good new vehicles sales, higher than expected improvement in aftermarket, AVIS and leasing businesses. Our used vehicle operations were negatively impacted by the used vehicle duty changes and the influx of Hybrid vehicles. The government lease business is an important component of our business, majority of the growth came from the aforementioned businesses. The buoyant economic growth in Fiji, improved spending capacity, increased investments across the various industries provide the stimulus for business success. However, the same can't be said about our other subsidiary countries, whereby the economic environment needed for organic business growth is not available.

Some key financial statistics displaying a three year trend is illustrated below:

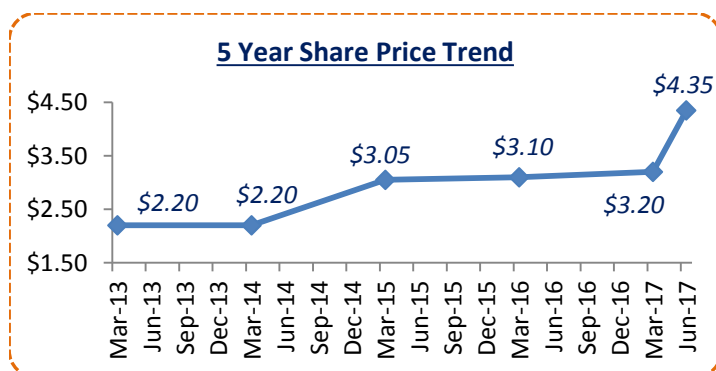
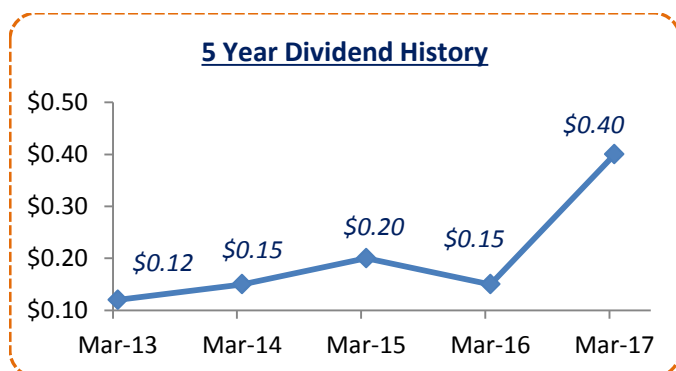
Consolidated Financial Highlights			
Particulars	Mar-15	Mar-16	Mar-17
Total Revenue (\$m)	141.92	141.87	168.44
Net Profit after Tax (\$m)	7.33	8.64	15.28
Earnings per Share (Cents)	0.52	0.62	1.09



RETURNS TO SHAREHOLDERS

SPSE: TTS declared a \$0.40 per share dividend recently following an improved financial performance. Subsequent to this announcement, the share price increased to an all-time high of \$4.35. Is TTS going to adopt a dividend policy of paying out certain percentage of profits as dividends from the next financial year?

TTS: The dividend payout related to previous financial year of \$0.40 was purely due to the good financial results and improved cash position. In terms of this financial year, the dividend payout will again be based on the business performance and also factoring in any cash requirements for immediate capital and/or leasing business. TTS Board's direction is to ensure continued business growth and sustainable dividend payouts to shareholders.



COMMUNITY DEVELOPMENT

SPSE: TTS is always seen assisting community-level initiatives. What were the company's main Corporate Social Responsibility (CSR) highlights during the financial year?

TTS: CSR activities included ASCO Fiji's donation of cash and a Hiace vehicle to the Petero Ciconiceva Foundation in order to assist them in their fight against NCD's. In addition to this, we held our annual Christmas dinner for the underprivileged kids in Suva and Nadi.

Various other environment and health related activities were undertaken in the communities we operate in and is spearheaded by our internal CSR committee. CSR forms part of our corporate culture and our valued employees take active participation in these activities.

FUTURE OUTLOOK

SPSE: After experiencing a successful financial year, what can shareholders expect in the next financial year that will further improve shareholder value?

TTS: The business is expected to deliver similar results. As previously mentioned, the economic stimulus and growing investments in the country would indicate continued good performance. The National Budget announcement highlighted a duty regime change of 10% Environment and Climate Adaptation Levy on vehicles with engine capacity over 3000cc is going to impact sales of our Land Cruiser 200 series vehicle which likely will affect our revenue numbers. Aside from this, we expect other business segment results to experience low to moderate growth and in line with general economic conditions.

UPCOMING ANNUAL GENERAL MEETING (AGM)

If you are a shareholder in TTS, you have a **RIGHT TO ATTEND** this upcoming meeting. The AGM is conducted once a year and is the occasion where the Directors share insights with the shareholders about the past year's business performance, strategies and the outlook going forward. Shareholders also vote on resolutions about the company. If any shareholders are unable to attend, they may appoint a proxy to represent them at the AGM.

Central Share Registry Ltd (CSRL), a subsidiary of SPSE, manages the Share Registry for TTS and provides all shareholder related services for the shareholders. The Registry Officer from CSRL will be available at the AGM and you can use this opportunity to update your shareholding details or register for the [Online Shareholder Portal](#). Details of the upcoming AGM are as follows:

- ▶ **Date:** Wednesday, 2nd August 2017
- ▶ **Time:** 12.30pm
- ▶ **Venue:** Asco Motors Regional Training Centre, Ratu Mara Road, Nabua



For further information including those relating to listing on SPSE, listed company performance and/or investing in listed companies, as well as any shareholder related queries regarding your investments in one of the listed companies, please do not hesitate to contact us.

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If you wish to invest your savings in shares of any of the SPSE listed companies or being an existing investor, you wish to enquire about capital gain opportunities in the market, please contact any one of the licensed stockbrokers listed below. Your stockbroker will guide you through the process.

Licensed Stockbroking Firms:

- ▶ **FHL Stockbrokers Ltd (FHS)**
Phone: 3307 025 Email: fhls@fijianholdings.com.fj
- ▶ **FijiStock Brokers Ltd (FSB)**
Phone: 3304 675 Email: mail@fijistockbrokers.com.fj
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