



South Pacific
Stock Exchange



**ANNUAL
REPORT
2 0 1 8**

OUR VISION

TO BE INTERNATIONALLY RECOGNISED AND TO MAINTAIN INTERNATIONAL REPUTATION AS THE PREFERRED SECURITIES EXCHANGE IN THE SOUTH PACIFIC

OUR MISSION

WE WILL:

- ✕ Increase the attractiveness of the Exchange as an option for raising capital
- ✕ Increase the attractiveness of the Exchange as an investment option
- ✕ Facilitate the orderly, efficient, transparent and timely trading of securities
- ✕ Comply with international best practices in the securities industry
- ✕ Recruit, develop and retain industry expertise

OUR CORE VALUES

- ✕ **TRUST** – To be a trusted institution for all our stakeholders
- ✕ **INTEGRITY** – To operate with integrity at all times
- ✕ **DISCIPLINE** – To exercise discipline in our work
- ✕ **ETHICS** – To uphold and maintain the highest level of ethical standards
- ✕ **COMMITMENT** – To be committed to the ongoing development of the securities industry in Fiji

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Listed Company Information

Listed Security Name	SPSE Trading Code	Date Listed on SPSE	Market Price (Day of Listing)	Operation Description
Atlantic & Pacific Packaging Company Ltd	APP	17 Aug 98	\$0.70	Manufactures a wide range of packaging materials including corrugated cartons and assorted containers and bags.
Amalgamated Telecom Holdings Ltd	ATH	18 Apr 02	\$1.14	Provides telecommunication services in Fiji and enhances the network of telecommunications, development of internet services and provision of computer hardware and software with technical support services through its subsidiaries Telecom Fiji, Vodafone, FINTEL, Fiji Directories and Datec (Fiji) Ltd. It also has 100% subsidiary company in Kiribati, ATH Kiribati Ltd and Telecom Vanuatu Ltd in Vanuatu.
Communications (Fiji) Ltd	CFL	20 Dec 01	\$1.15	Is the largest radio broadcasting company in the South Pacific and operates five radio stations in Fiji and under its subsidiary company, PNG FM, a further three stations in Papua New Guinea (PNG). CFL has developed a range of profit centres that both compliment and exploit the power of its radio networks. These profit centres includes Total Event Company, FijiVillage, CinemaAds and TV commercials.
Free Bird Institute Ltd	FBL	02 Feb 17	\$2.00	Operates the first English only language institute catering only to international students who choose Fiji as their destination to study abroad. It also provides in-house insurance schemes along with foreign exchange services exclusively for its Japanese market.
Future Forests (Fiji) Ltd	FFF	21 Nov 11	\$0.80	Focuses on the sustainable, large-scale planting and harvest of one of the world's great hardwood timbers - Teak (Tectona Grandis).
FijiCare Insurance Ltd	FIL	07 Dec 00	\$0.60	Is a general insurance company specialising in medical, term life, mortgage protection, personal accident, worker's compensation, public liability, funeral, motor vehicle insurance and micro insurance. FIL is currently diversifying in other products and services to meet the needs of the people in the Pacific Islands.
FMF Foods Ltd	FMF	25 Jul 79	\$0.06*	Deals in activities of flour milling and its subsidiaries are engaged in manufacture of biscuits, snack food products, packaging materials including corrugated cartons, assorted containers and bags, sale of rice, dunfield peas, wheat and related products.
Fiji Television Ltd	FTV	24 Apr 97	\$1.02	Provides free to air commercial television broadcasting services in Fiji. FTV also sells program rights to other pacific island countries and offers TV production, advertising, online, radio, and outside broadcasting services. FTV is also involved in the sale and service of radio, television, and communication products.
Kontiki Finance Ltd	KFL	04 Jul 18	\$1.14	Provides accessible and flexible finance solutions targeted mainly at consumers and small-to-medium enterprises. KFL's key products include debt consolidation, financing personal loans, financing of new and used motor vehicles, white goods, brown goods, furniture and technology products.
Kinetic Growth Fund Ltd	KGF	16 Dec 04	\$1.05	Invests shareholders funds in private equity projects and shares in Kontiki Fund with an objective of generating high growth returns for shareholders over the long-term.
Paradise Beverages (Fiji) Ltd	PBF	11 Feb 97	\$2.65*	The principal activities of the group are the manufacture and sale of beer, ready-to-drink alcoholic beverages and soft-drinks, as well as the distillation and sale of portable and industrial alcohol.
Pleass Global Ltd	PBP	04 Feb 09	\$0.94	A diverse and growing corporation principally engaged in production and marketing of bottled water, establishing a state of the art bottling operation at source. Pleass operates a business unit selling single use daily items and manufacture of packaging items and also operates adventure eco-tourism services and is in the establishment phase of organic farming and property development.
Pacific Green Industries (Fiji) Ltd	PGI	05 Jun 01	\$1.90	Engages in design, manufacture and sale of furniture and architectural products made from coconut palmwood.
RB Patel Group Ltd	RBG	17 Jul 01	\$1.05	Retailing and wholesaling of general merchandise and also owners and managers of property and equity investments.
The Rice Company of Fiji Ltd	RCF	20 Jan 97	\$0.50	Importing bulk rice, processing and selling in different pack size.
Toyota Tsusho (South Sea) Ltd	TTS	07 Jun 79	\$1.95	Engages exclusively in the direct importation, retail, parts and service back-up support for the Toyota, Yamaha and Massey Ferguson franchises. TTS also exclusively retails Bridgestone tyres as well as is the franchisee for the AVIS Rent-A-Car business.
V B Holdings Ltd	VBH	01 Nov 01	\$1.28	Engages in property investment, financing of vehicles sold by related entities, fleet management services and other investments.
Vision Investments Ltd	VIL	29 Feb 16	\$1.70	A diversified and successful business enterprise with a solid track record of growth and sustained earnings and a long history of trading in Fiji. VIL recently established a fully owned trading subsidiary in PNG. The Company comprises of a mix of established and mature businesses with solid track record of profitability and other relatively new businesses in early stages of growth and profitability. Currently VIL Group consists of Courts, Vision Motors, Mahogany Industries (Fiji), Vision Finance and Home & More in PNG.
Fijian Holdings Ltd	FHL	20 Jan 97	\$1.83	Investment company with a number of subsidiaries in different sectors of the economy including finance, manufacturing, retailing, fund management, broking, investment advisory, property, tourism and media industry.
BSP Convertible Notes Ltd	BCN	11 May 10	\$5.25	Is a wholly owned subsidiary of Bank of South Pacific (BSP) and has been incorporated in Fiji as a special purpose vehicle with limited powers under its Memorandum and Articles of Association.

*Adjusted for Share Splits

Chairperson's Report



Dear Shareholders

On behalf of the Board of Directors and Management of the South Pacific Stock Exchange Pte Limited (SPSE or Exchange), it gives me great pleasure to present to you the Annual Report of the Exchange for the 2018 financial year. As usual, my report will cover an overall operational overview for your company and its subsidiary, Central Share Registry Pte Limited (CSRL).

Globally, the international market in 2018 witnessed huge strikes in both directions with investor sentiments moving seemingly from jubilation to unhappiness. With major global stock market indices residing predominantly in the negative territory in the second half of 2018 coupled with the continued swell of the leveraged loan market in the United States (US) and a weak European banking sector, all threatening to push markets sharply lower, the dissatisfaction with the global markets continued towards the end of 2018 with the pace of growth not as strong and balanced as earlier projected. Overall, market volatility spiked in 2018 as investors were seen to grapple with a number of different factors combining to make 2018 quite unique. These factors included a massive corporate tax cut in the US boosting corporate earnings, rising US inflation rate sparking fears that the Federal Reserve will have to tighten monetary policy faster than expected and the trade war between US and China and its potential impact on corporate earnings and the broader global economy.

Domestically, according to the economic data published by the Reserve Bank of Fiji (RBF), the Fijian economy is on track to register its ninth consecutive year of economic expansion in 2018 backed by generally positive sectorial performances and has a forecast growth rate of 3.2% of Fiji's Gross Domestic Product (GDP).

On the local equities front, Fiji's Stock Market once again recorded a stellar performance yielding impressive gains in its key market indicators in 2018. The overall capitalisation of the market, which is the total dollar value of all the SPSE listed companies, recorded a strong growth on the back of greater investor demand gaining a significant 70.86% concluding the year at an all-time high value of \$3.07 billion. The strong financial performance recorded by several listed companies coupled with increases in dividend payments combined with increased demand for listed company shares resulted in strong capital gains for the year which ultimately posted strong gains in the SPSE market indices as well.

The year 2018 saw the implementation of a new three year Strategic Plan which laid the foundation for SPSE's future direction and other quantifiable benchmarks from 2018 until 2020, all with an emphasis to promote the stock market as the preferred capital raising platform and as the ideal investment option for investors. To attain better progress of the Exchange in the coming years, significance has also been placed on upgrading of the existing trading and settlement infrastructure as part of SPSE's ongoing business process re-engineering mechanism to bring about efficiency in the day to day operations of the Exchange. Provision for the introduction of multiplicity of investible products apart from just equities via the SPSE platform over the next few years has also been factored in. In essence, emphasis continued to be placed on the core operations of the Exchange to ensure SPSE remains efficient, competitive and focused on building increased scale, scope and reach for the benefit of our stakeholders. These are explained below.

Key Highlights

Central Share Registry Pte Ltd (CSRL)

2018 was a transformational year for CSRL following the inclusion of Energy Fiji Limited (EFL) as the largest client in terms of shareholder base into its database. Following the announcement of the free offer of shares by the Government of Fiji in EFL to all domestic electricity account holders, CSRL was selected to provide share registry services for EFL. Over the course of the year, CSRL was also presented with a new business proposition to undertake the role of a Trustee for the EFL beneficiaries. These beneficiaries include all those domestic EFL electricity account holders who are Fiji citizens residing in Fiji and were entitled to subscribe for the free offer of shares earlier but had not applied to accept the offer of EFL shares at that time. Additionally, these beneficiaries also include future eligible EFL electricity account holders who satisfy the eligibility criteria as per the terms of the EFL share offer. Being the subsidiary company of the frontline regulator of Fiji's stock market, the services that CSRL provides to shareholders of its clients are founded on investor protection, engagement and accountability and as such CSRL performing the dual role of registry services as well as trustee services

provider is indicative of its ever evolving business landscape and the continuance of maintaining scalability in CSRL's operations. CSRL is the only fully dedicated share registry services provider in Fiji with years of experience which sets CSRL apart as the market leader.

New Listing

In July 2018, Kontiki Finance Limited (KFL) successfully listed on the SPSE marking the extension of the capital markets sectorial representation by including a company from the Finance sector. The listing of KFL resulted in the injection of much needed liquidity into the market and investors that have been looking for investible shares were given an opportunity to enter the stock market through investment in KFL shares.

Investor Awareness

Over the past years, SPSE has undertaken an array of investor education and market development initiatives aiming to educate the general public about share investments. The year 2018 was no different and substantial amount of resources were allocated to this agenda as the focus remained on enhancing participation of retail investors in the stock market, translating savers into investors, instilling market discipline and promoting shareholder activism. SPSE has always been receptive to the needs of our potential investors and as such in addition to the existing investor awareness programs, two new initiatives were introduced during the year. These initiatives were; live radio broadcasts and the national essay competition aimed at high school students. Both initiatives were well received by the intended audience and SPSE will continue to refine and present these initiatives in a better way in 2019.

International Partnerships

The year 2018 also witnessed SPSE stepping up its efforts to establish collaborative relationships with its international counterparts. As at the end of 2018, SPSE had managed to advance discussions with Colombo Stock Exchange (CSE) in Sri Lanka and New Zealand Stock Exchange (NZX) in New Zealand to enter into a Memorandum of Understanding (MoU) between SPSE and the two respective Exchanges. A MoU will enable the Exchanges to work together and learn from each other's experiences. Given that most Stock Exchanges are unique in their countries, such cross-border collaboration and exchange of information and knowledge is certainly expected to enhance market development. These benefits can particularly be important for activities related to investor awareness initiatives, advancing trading and settlement and integrating market data with website development.

World Exchange Congress 2020

In December 2018, SPSE together with Terrapinn Holdings Limited, a global events organising company executed an agreement to officially announce SPSE as the host sponsor for the 15th Annual World Exchange Congress to be held in Fiji in June 2020. This high profiled event is expected to bring

together 450 attendees representing the entire Exchange ecosystem; from stock, commodity and energy exchanges to clearing and settlement venues, regulators, capital market authorities and technology solution providers. SPSE being offered the opportunity to host this highly publicised event reiterates the fact that SPSE is well placed in the pathway to gain greater international acceptance and this would further elevate our position and visibility and also enhance our prominence amongst other market players in the capital market and the greater financial market. Content that will be discussed during the two day in-depth conference will focus on new technology, new customers, new revenue streams, exchange evolution, regional collaboration and cyber security. SPSE will focus on carrying out the relevant logistical arrangements required during 2019 to ensure a successful event in 2020.

Future Outlook

The SPSE is determined to continue its momentum with respect to marketing its core business of an access to finance and investment/trading platform and simultaneously strive to position itself as a service-driven and operationally excellent organisation. This includes the adoption of better technological platforms to enhance ease and reduce the cost of doing business in the Fijian Stock Market. The Exchange will endeavour to actively pursue growth avenues and establish collaborative relationships and/or strategic partnerships where applicable to inaugurate a pathway towards further success of SPSE.

Our primary agenda will therefore be to continue our focus on increasing the number of listed companies with an aim to position SPSE as a better barometer of Fiji's progressive economy. This includes promoting the existing tax incentives as an attraction to companies representing different sectors of Fiji's economy to go Public. Additionally, the focus on increasing the availability of a dynamic range of investible products apart from just equities will continue with an aim to accommodate different investor preferences and offer investors a wide array of choice of different stock market products.

In conjunction with the pursuance of the above initiatives, SPSE endeavours to further the interests of the investing community and encourage them to consider the stock market with an intention to grow their wealth overtime. The deliverables through these initiatives will once again focus on overcoming the liquidity stranglehold, boosting trading volumes and ultimately generating revenue for the SPSE with a long term focus to become self-sustainable.

In 2018, CSRL has gained admiration for its scalability and capacity to extend its business landscape by providing various shareholder relation services, including the provision of share registry as well as the trustee services. Banking on this success, CSRL will continue to promote its core business aiming to further extend its client base.

Acknowledgement

On behalf of both the Board and Management of SPSE, I wish to reaffirm our appreciation and gratitude to the Government of Fiji for their continued assistance in the form of the operational and market development grant as well as the continuation of various tax incentives which makes listing on our market attractive and a definite option to consider for capital raising and business growth. Our gratitude is extended also to the Government of Fiji for supporting SPSE's intention to host the 2020 World Exchange Congress and providing the financial support required to do so.

This year's accomplishments would not have been possible without the commitment and unfailing support of my fellow Board members in delivering the key elements of our strategy and I would like to convey my sincere appreciation for their involvement and contribution. I would like to take this opportunity to also thank the senior management and staff of the SPSE for their continued efforts, insights, diligent contribution and dedication shown towards both profitability

and various development initiatives accomplished during the year.

Finally, I also acknowledge the support and partnership from the industry regulator, Reserve Bank of Fiji (RBF), listed companies, stockbrokers, investment advisers as well as the investment community. The SPSE Board looks forward to working with our Management to better serve all SPSE and CSRL clients and to further improve the performance of the SPSE Group all with the ultimate aim to enhance shareholder value.

We wish you all success in 2019 and look forward to your continued support in the years ahead.



Dr Nur Bano Ali
Chairperson

Chief Executive Officer's Report



Dear Shareholders

During 2018, the South Pacific Stock Exchange Pte Limited (SPSE or Exchange) and its subsidiary company, Central Share Registry Pte Limited (CSRL) had many successful developments setting the stage for more exciting opportunities. This Chief Executive Officer's Report for the financial year ended 31st December, 2018 reviews significant achievements for the SPSE and CSRL and reflects on our continued work to promote the Exchange as the preferred investment and capital raising option in the South Pacific.

SPSE launched its new three year Strategic Plan for the Group during 2018. This accounts for the Reserve Bank of Fiji's (RBF) Financial Sector Development Plan; Government's continued support to develop the stock market and overall capital market in Fiji through consistent policies, incentives and grant allocations to SPSE; and the regulatory environment in which SPSE operates, giving particular emphasis to the Companies Act 2015 and international best practices.

To help the SPSE meet its development goals, the Strategic Plan seeks to address the perceptions and attitudes among companies and investors that might otherwise limit market growth. Unless these 'mind-sets' are deliberately addressed, desired outcomes like new listings, the entry of new investors and increased trading activity will continue to struggle to gain traction in our setting. This plan also places emphasis on promoting the stock market as the preferred capital raising platform and preferred investment option in Fiji rather than focusing on the region as a whole. While SPSE recognises the potential of expanding regionally, it also views the necessity to fully utilise the potential of developing the market in Fiji as a priority. This focus also recognises the fact that many SPSE listed companies are engaged in regional expansion. Serving as an effective and efficient venue for these companies can attract more attention from other Pacific Island nations.

Stock Market Performance

Globally, stock markets recorded one of their worst years since the global financial crisis underpinned by mounting geopolitical tensions from the escalating trade war between US and China and the uncertainty surrounding Brexit leading to a retreat in equity market stoked by concerns of a slowing global economy and tightening monetary policy. On the domestic front and as per Reserve Bank of Fiji (RBF) report, the Fijian economy is estimated to have grown by 3.2% in 2018, the ninth consecutive year of growth. Similar to recent years, economic growth in 2018 is expected to have been driven by strong consumption and investment spending boosted by supportive macroeconomic policies.

Following the stable domestic economic growth, the stock market produced a stellar performance across all sectors: the total market return of listed companies averaged at 41.65% (tax free) during 2018 in comparison to 27.62% (tax free) in 2017. Volume and value traded as well as number of trades also increased markedly as shown in the following table:

Summary of Security Trading (Excludes One-Off Transactions)	2018	2017	% Change
Number of Trades	1,755	1,434	+22.38%
Volume Traded	5,973,863	2,958,671	+101.91%
Value Traded (\$)	13,766,094	7,535,669	+82.68%

Financial Performance

The financial performance for SPSE and CSRL for the year ended 31st December, 2018 saw strong growth across our key financial indicators.

Group	2018	2017	% Change
Operating Revenue*	\$908,855	\$554,410	+63.93%
Operating Expenses**	\$875,761	\$724,896	-20.81%
Net Profit After Tax	\$240,972	\$81,205	+196.75%
Total Assets	\$2,705,562	\$1,738,607	+55.62%
Net Assets	\$1,106,504	\$865,532	+27.84%

*Excludes Government Grant

** Excludes Depreciation and Amortisation

The key components of 2018 financial performance were the following:

- ✧ Strong performance in trading activity thus boosting the revenue from trading facility fee;
- ✧ Increase in annual listing fees due to increases noted in market capitalisation of listed companies;

- ✕ Increase in CSRL entry, maintenance and distribution fees as a result of Energy Fiji Limited signing up for CSRL services;
- ✕ Increase in corporate actions being undertaken by listed companies leading to additional quotation of shares on the market; and
- ✕ Increase in income received from SPSE Annual Awards and training fees for industry participants.

Strategic Goals

1. Increase Company and Investor Confidence

- ✕ One of the major outputs that SPSE worked on in 2018 was the review of the SPSE regulatory framework. In particular, amendments were made to the SPSE Listing Rules so as to align the current rules to the Companies Act 2015 and to modernise and align the current Listing Rules to international best practices. The amendments to the SPSE Listing Rules followed a thorough consultation process with market participants and Reserve Bank of Fiji. The amended SPSE Listing Rules came into effect in April 2019.
- ✕ Review of internal policies and procedures remains an ongoing process. During 2018, SPSE amended its Board Charter, Finance Policy and Employee Handbook.
- ✕ SPSE continued its ongoing supervision of listed companies and brokers, in line with its Listing and Business Rules. SPSE continues to attend listed company meetings and compile reports on compliance and disclosure.
- ✕ One of the other areas that SPSE has been focusing upon in 2018 is enhancing the efficiency of the settlement and registration process so as to boost investor confidence with the ultimate aim to significantly reduce the time lag between when the investor trades on the market to when the investor is registered for those shares. In this regard, SPSE embraced the Companies Act 2015 provision which now allows for dematerialisation and introduced trading of listed company shares without the need to produce share certificates. This has been well adopted by market participants with no objections or subsequent issues received by the Exchange for this change.

2. Increase the Number of Listings and Product Diversity

- ✕ In a bid to encourage more companies to list on SPSE, the Fijian Government announced that the Income Tax Act would be amended to grant exemption for any gain made by a resident person from the sale of any capital asset including shares where the company undergoes listing in the 2018/2019 Budget Announcement in July 2018. Hence, the Income Tax (Exempt Income) Regulations has been amended to extend the current exemption which is applicable to the 'income made from the gain of the sale of shares for the purpose of listing on the South Pacific

Stock Exchange' to include 'any income' in addition to gain made from the sale of shares. This exemption has also been extended to public companies.

- ✕ Kontiki Finance Limited (KFL) successfully listed on SPSE's Main Board on 4th July 2018. The market capitalisation of KFL on the day of listing stood at more than \$106m. KFL has been enthusiastically welcomed by the SPSE as this new listing not only added a unique company to our official list but it also marked the extension of the SPSE's and the capital markets sectorial representation by including a company from the Finance sector. The listing also witnessed the injection of much needed supply of shares into the market.
- ✕ 2018 has been a breakthrough year in terms of subsequent listings on the market. With the introduction of various forms of capital raising in the Companies Act 2015, listed companies fully embraced the opportunity to raise further capital from new and existing shareholders through private placement and dividend reinvestment schemes. Additionally, two major corporate actions were witnessed by SPSE wherein FijiCare Insurance Limited (FIL) experienced its first takeover transaction under a Registered Bidder's Statement as provisioned under the Companies Act 2015 by Mount Sophia Ventures (Fiji) Pte Limited and Fijian Holdings Limited (FHL) removed the share classification of 'A class' and 'B class' leading to the listing of an additional 20 million shares on the market. The company also undertook a share split process at a ratio of 1:10 thus amending the number of FHL shares listed to 304,646,500 ordinary shares.
- ✕ Additionally, research work and feasibility study was initiated in 2018 to develop an 'Over the Counter' trading facility targeting small to medium sized companies and technical assistance was sought from International Finance Corporation (IFC) through RBF to develop a framework for issuance of bonds through the stock market. These projects are expected to be completed in 2019.

3. Increase Trading and Number of Investors

- ✕ A total of 209 new investors entered the Fijian stock market in 2018, an increase of 42.18% in comparison to 2017. The new investors' overall trading for 2018 accounted for 26.43% of total number of trades, 63.84% of total volume traded and 46.27% of total value traded. The majority of the new investors (79.90%) were individuals employed in the private sector between the age ranges of 26-55.
- ✕ As earlier highlighted in this report, the key market statistics in terms of number of trades, volume and value traded witnessed significant increases on the market in comparison to 2017. The highlight for 2018 has been the significant capital growth witnessed in majority of the listed company shares leading to the overall market capitalisation of the stock market to reach an all-time high value of \$3.07b.

SPSE TEAM

**Standing L-R:**

ASHLY PRASAD – Market & Financial Analyst | RASHA ALI – Compliance Officer
JOANA RARASEA – Registry Officer | SWASTIKA RAM – Financial Accountant
ARTIKA DEVI – Registry Officer

Sitting L-R:

MELVIN KISHORE – Registry Intern | KRISHIKA NARAYAN – Chief Executive Officer
PRETESH PRASAD – Business Development Manager | SHYAMA VERMA – Administration Officer

- ✧ SPSE has undertaken substantial investor awareness activities throughout 2018, such as investment seminars and stockbroker consultations including a visit to the Northern division, corporate awareness sessions, university and high school presentations, media advertisements and publications, active participation in RBF Capital Markets week and Fiji National Provident Fund Retirement Expo, partaking in radio talkback show and innovating our means to reach investors by organising radio broadcasts.
- ✧ The year 2018 also saw the introduction of a new investor awareness initiative by SPSE in the form of a National Essay Competition. The main objective of this initiative has been to assist and inspire school students to build their confidence and knowledge about savings and investments about the stock market from an early age. The level of participation from high school students in this initiative has been impressive encouraging SPSE to continue with its financial literacy program in 2019.

4. Increasing Clientele for Central Share Registry

- ✧ 2018 has been transformative for Central Share Registry (CSRL). Whilst only 2 companies joined us for the provision of registry services, CSRL fully embraced and signed up for registry services with Energy Fiji Limited (EFL) after the Fijian Government announced the issue of

non-voting EFL shares to potentially more than 120,000 individual account holders in a bid to corporatise and later list the company on SPSE. The share issue to EFL account holders also opened the opportunity for CSRL to extend its services range to trustee services and in this regard, CSRL engaged with the Fijian Government to act as a trustee for those eligible EFL shareholders who did not take up their shares. EFL is now the largest client of CSRL in terms of shareholder base.

- ✧ With the growing clientele of CSRL, it is equally important to update the systems and processes that CSRL utilises to provide registry related services. As such and in line with policy changes and market needs, the ShareSoft system was enhanced in the following ways in 2018:
 - Ability to process Share Buy Back transactions;
 - Allow for transaction reversals;
 - Upgrade of cloud host resources in order to uptake EFL data entries;
 - Implementation of new sell order feature (as part of SPSE's move towards scripless trading and use of Shareholding Statements); and
 - Provision to select/print EFL share certificates through various selection options.

- ✕ In a bid to streamline processes and receive updated information from shareholders, SPSE introduced a Client Information Agreement encapsulating all information required from investors by SPSE for settlement purposes and by CSRL for registration purposes in terms of contact details, trade details, investor profile, mode of receiving dividends and shareholder notices (with option to receive in electronic form), and registration for Shareholder Online Portal.

5. Enhance Competencies of our Staff

- ✕ As the stock market develops, the sophistication of products and transactions increase making it vital to have competent and well-informed people. It is as such important to emphasise that a 'mechanical' alignment of rules to international standards is often not sufficient or relevant - it needs to be intelligently and appropriately applied in our particular market setting. This requires the proper training of staff with a view to maintaining not only professional competency but also job satisfaction and staff continuity, all are necessary if our training goals are to be achieved. The following training areas were attended in 2018:
 - Fiji Institute of Accountants Technical Workshop and Congress - Financial Accountant and Financial Analyst;
 - World Exchange Congress held in Oman - CEO;
 - Training on VAT at USP Pacific TAFE - Financial Accountant;
 - Training on Business Communication by Fiji National University - Registry Officer;
 - Australian Institute of Directors Course - CEO;
 - Masters in Law from University of Fiji - Compliance Officer;
 - Workshop on Corporate Governance Action Planning - Compliance Officer;
 - Training on Asset Allocation and Portfolio Construction - Markets and Financial Analyst and Business Development Manager; and
 - Training on Roles, Responsibilities and Duties of Company Secretaries under the Companies Act 2015 and SPSE Listing Rules - Business Development Manager and Company Secretary.

6. Enhance Competencies of our Market Participants

- ✕ While providing training for our staff members, SPSE also recognises the need to provide training to its market participants as the front line regulator of the stock market. SPSE needs to ensure recognition of SPSE broker training associated with RBF's Continuing Professional Education (CPE) program. SPSE also sees a role in educating listed company officials in areas that include their fiduciary duties and how best to maximise

shareholder value. The following trainings were provided to our market participants during the year:

- Roles, Responsibilities and Duties of Company Secretaries under the Companies Act 2015 and SPSE Listing Rules (Proposed Amendments);
- Asset Allocation & Portfolio Construction;
- Corporate Governance Action Planning;
- Basics of valuation, ratio calculation and interpretation; and
- Market return calculation and use of historical financial summaries.

7. Strive to Reduce Reliance on Government Grant

- ✕ The 2018 Annual Awards was successfully organised for the second consecutive year. The Awards is a total revamp of the traditional Annual Report Competition awards and the event as a whole has become an annual feature for the Exchange whilst also generating excess income for SPSE. All in all, holding an awards ceremony for our industry has become an effective way for SPSE to acknowledge the people and institutions that matter to us - listed companies, stockbrokers, investment advisers and the investors. Equally important, it also provides an opportunity for the unlisted companies to use this platform to improve the standard of reporting and presentation of financial and other relevant information vitally needed by stakeholders and investors.
- ✕ Apart from the Annual Awards, SPSE has introduced some stable revenue sources in 2018 including income from trainings provided and listed company insight articles. The membership fee was also revised upwards from the 2018 financial year.

8. Enhance our Position in the Financial Markets through Strategic Partnerships and Regional Expansion

- ✕ SPSE will be hosting the World Exchange Congress in the year 2020. The World Exchange Congress is an event that will attract around 450 delegates from across 60 countries with specialists from all different sized stock exchanges around the world, from tier one, mid-tier to frontier markets. The event provides an ideal backdrop for showcasing the best of Fijian hospitality, unique culture, Fiji's capital markets, investment opportunities and Fiji as a tourist destination. Hosting the event in Fiji will also help position SPSE as the preferred capital markets destination and financial markets hub of the South Pacific region.
- ✕ SPSE also entered into a Memorandum of Understanding (MOU) with Colombo Stock Exchange (CSE) for collaboration, including information sharing about electronic trading platforms. The finalized MOU was signed in January 2019.

- ✧ SPSE Chairperson and CEO visited the New Zealand Exchange in November to discuss the potential collaboration areas and growth opportunities for SPSE. SPSE also approached NZX for MOU arrangements which has been agreed to by NZX Board and signed in 2019.

The Year Ahead

In the first year of the 2018-2020 Strategic Plan, SPSE Board and Management have placed great emphasis on achieving the strategies outlined in the plan and the work would continue with more enthusiasm in 2019, particularly in terms of the following areas:

- ✧ Enhance visibility of SPSE and CSRL through relocation of office and rebranding exercise;
- ✧ Continue with the review of internal processes of SPSE and CSRL in light of the evolving operations of the Group;
- ✧ Advance work on introduction of wholesale corporate bonds and 'Over the Counter' trading facility to enhance multiplicity of products available on the market;
- ✧ Adopt more innovative forms for conducting investor awareness activities and financial literacy programs;
- ✧ Extend trustee services to other clients;
- ✧ Increase engagement with the Group shareholders to find ways in which government grant reliance could be reduced; and
- ✧ Explore opportunities from MOU arrangements with NZX Limited and Colombo Stock Exchange.

Without a doubt, SPSE has become a progressive institution and a business in transformation with an exciting range

of vicissitudes earmarked for 2019 and beyond. With this backdrop, the Exchange remains confident of delivering another good year for the Group in 2019 and ultimately enhanced shareholder value.

Acknowledgement

Finally to conclude this report, I would like to convey my humblest gratitude to all the stakeholders who have supported SPSE's progress throughout 2018. I wish to thank the Chairperson, Dr. Nur Bano Ali and the Board of Directors for their leadership and guidance in initiating the progressive transformation for the institution. The insight of our regulator, the Reserve Bank of Fiji, stockbrokers, investment advisers, listed companies and the investing public at large is also acknowledged.

The continued effort by the Government to promote the development of the stock market both in form of their on-going financial support through government grant and various incentives is praiseworthy as well.

Finally, I would like to express my sincere appreciation to the management team and employees of the SPSE for their hard work, commitment and enthusiasm in view of the transformative journey envisaged for the Group.

Thank you and we look forward to undoubtedly another exciting year for SPSE and CSRL.



Ms Krishika Narayan
Chief Executive Officer

Corporate Governance

COMPLIANCE



Requirement



transparency



Law

Board of Directors

**Dr Nur Bano Ali (Chairperson)**

Chairperson Governance Committee, Member Listings and Compliance Committee, Member Audit and Finance Committee

Dr Ali is a Business Adviser and practicing Accountant and has been a member of the Accountancy profession for 30 plus years. She is the Managing Partner of PKF Aliz Pacific, one of Fiji's most respected Chartered Accounting and Business Advisory firms, working both locally and internationally. Her PhD was obtained from the University of Waikato in Hamilton, New Zealand, in the subject of Accounting for Development which was contextualized for Fiji through the study of the Fiji Development Bank and its effectiveness as a development institution. She works with businesses for their growth and continuity through re-structure and optimizing on the principles of commercialism. Having served on various Corporate and Statutory Boards for a number of years, and as one of Fiji's most prominent business people she plays a leading role as a representative of private sector interests through her various roles such as the President of the Fiji Chamber of Commerce and Industry, and as a Council member of the Fiji Australia Business Council. Dr Ali is also an advocate for women, in particular their commercial involvement, highlighted by her role as President of Women in Business Fiji, of which she is also a founding member. Dr Ali is also a recipient of the prestigious honour of an "Officer of the Order of Fiji" (OF) for her distinguished services to Fiji. She is also the Deputy Chairperson of the Pacific Corporate Governance Institute which has been set up as an initiative of the International Finance Corporation (IFC).

Mr Saiyad Hussain (Deputy Chairperson)

Chairperson Audit and Finance Committee, Chairperson Listings and Compliance Committee, Member Governance Committee

Mr Hussain is the General Manager Finance and Administration of the Fiji Development Bank. He also serves as the Company Secretary for the Bank. Mr Hussain is a Chartered Accountant by profession and is also a member of the Australian Institute of Company Directors and a Member of the Fiji Institute of Bankers. Mr Hussain has a Postgraduate Diploma in Banking and Financial Management and also holds a Bachelor of Arts Degree in Accounting and Financial Management, Economics and Public Administration and Management from The University of the South Pacific.

**Mr Steven Pritchard**

Member Governance Committee

Mr Pritchard holds a Bachelor of Commerce from the University of Newcastle and a Graduate Diploma in Applied Finance and Investment. He is a Certified Practising Accountant and is a Fellow of the Financial Services Institute of Australasia. He is a Partner in the Accounting Firm of Rees Pritchard Pty Limited and is the Executive Chairman of Pritchard & Partners Pty Limited, which is a participant of the National Stock Exchange of Australia Limited and Hamilton Asset Management Limited which is a licensed funds manager. He is also a Director of several listed investment companies in Australia and was previously the Chairman of NSX Limited and the Stock Exchange of Newcastle Limited. He has been involved in various capacities in capital raising and listing companies on both the ASX and the NSX in Australia. He is currently also a Director of FijiStock Brokers Limited.

Ms Rowena Fong

Member Audit and Finance Committee, Member Listings and Compliance Committee

Ms Fong is currently the Chief Executive Officer of Merchant Finance Limited. She has been with the Fijian Holdings Group for over thirteen years where she has held various senior Management positions and Directorships within the subsidiaries and associate companies. She holds a Master's in Business Administration from The University of the South Pacific, a Graduate Certificate in Applied Finance & Investment from Financial Services Institute of Australasia and Bachelor of Arts from The University of the South Pacific. She has also successfully completed the AICD Fiji Directors Course and is a member of the Australian Institute of Company Directors.



Corporate Governance Disclosures

Introduction

The Board of Directors of the South Pacific Stock Exchange (SPSE) is accountable to its shareholders for the overall direction and control of the Company. Reflecting this confidence clearly, the SPSE is committed to the utmost level of governance designed to protect the interests of its shareholders and all other stakeholders while promoting the ultimate standards of integrity, transparency and accountability. This reiterates SPSE's commitment to maintain highest levels of corporate governance throughout the Company to ensure that the SPSE's governance processes and structures comply with the relevant legislation and with international best practice.

SPSE's integrated governance framework is designed to ensure that decision making processes are rigorous and robust and to support the establishment of long-term value for shareholders. At SPSE, governance is not just a matter for the Board but is also the responsibility of the Management, and is embedded throughout the organisation. The framework adopted by the Board and Management is outlined below and demonstrates the cohesive approach to governance that SPSE believes is necessary to optimise business outcomes.

Principle 1: Establish Clear Responsibilities for Board Oversight

The SPSE Board is primarily responsible for ensuring that SPSE has an appropriate corporate governance structure aimed at creating an orderly, efficient and well informed stock market. The Board is also responsible for ensuring that SPSE recognises its legal and other obligations to all its stakeholders including shareholders, listed companies, broking members, employees, suppliers, Reserve Bank of Fiji (RBF) and other regulatory authorities. SPSE's obligation to its stakeholders requires that appropriate accountability and control systems are in place.

The Board oversees and governs the business and strategic direction of the Company on behalf of the shareholders and is responsible for the Company's overall corporate governance. The powers, roles and responsibilities of SPSE Directors are outlined in the Board Charter. The SPSE Board Charter was reviewed and approved for implementation during the 2018 financial year which sets out the main principles adopted by the Companies Act 2015, SPSE's Articles of Association and Corporate Governance principles set by the RBF in order to develop, implement and maintain a culture and standard of good corporate governance.

In carrying out its responsibilities and powers as set out in the Board Charter, the Board of Directors of SPSE will at all times recognise its ultimate responsibility to:

- ✕ maintain good corporate governance standards;
- ✕ act honestly, fairly and diligently;
- ✕ exercise discipline in work;
- ✕ act in accordance with laws and regulations;
- ✕ avoid or manage conflicts of interest;
- ✕ promote SPSE as a good corporate citizen; and
- ✕ commit to the development of the securities industry.

Principle 2: Constitute an Effective Board

Board Composition

The SPSE Board recognises that the composition of the Board of Directors is subject to shareholder and RBF approval, hence, it should comprise of Directors with an appropriate range and mix of skills, experience, expertise and diversity that will enable the Board to function effectively. Additionally, to effectively carry out the Board's mandated role and responsibility, the Reserve Bank of Fiji (RBF) endorses the shareholders' nomination of Board Directors after being subjected to the RBF's rigorous Fit and Proper assessment framework.

During meetings, the Chairperson encourages constructive and effective debates and Directors are given the chance to freely express their views or share information with their peers as a participative Board. Any Director, who has a direct or deemed interest in the subject matter to be deliberated, declares their interest and abstains from deliberation and voting on the same during the meeting.

Attendance at Board and Committee Meetings

As a policy of the Board, any Director missing three or more meetings consecutively will be dismissed from the Board. Any exception to this rule will be at the discretion of the Board. Discretion will be applied where the Director's absence from the meetings is within reasonable grounds.

The Directors' attendance at the Board meetings of the SPSE and its wholly owned subsidiary, Central Share Registry Pte Limited (CSRL) as well as the various Committees during the past financial year is detailed in the table on the following page:

Attendance at Meetings	Board (SPSE & CSRL)		Special (CSRL)		Audit & Finance Committee		Governance Committee	
	Entitled	Attended	Entitled	Attended	Entitled	Attended	Entitled	Attended
Dr. Nur Bano Ali (Chairperson)	5	5	1	1	4	3	2	1
Mr. Saiyad Hussain (Deputy Chairperson)	5	5	1	1	4	4	2	1
Dr. Roland Schultz*	1	1	1	0			2	1
Mr. Bhupendra Solanki**	1	1	1	1			2	0
Mr. Griffon Emose***	2	1	1	1	1	1		
Mr. Steven Pritchard	5	5	1	1				
Mr. Nouzab Fareed****	2	2	1	0	1	1	2	2
Ms. Rowena Fong*****	3	3			3	2		
Mr. Jignesh Pala*****								
Ms. Krishika Narayan (attends all meetings as Chief Executive)	5	5	1	1	4	4	2	2

* Dr. Roland Schultz resigned as a Director on 21st May 2018

** Mr. Bhupendra Solanki resigned as a Director on 21st May 2018

*** Mr. Griffon Emose resigned as a Director on 11th June 2018

**** Mr. Nouzab Fareed resigned as a Director on 11th June 2018

***** Ms. Rowena Fong was appointed as a Director on 11th June 2018

***** Mr. Jignesh Pala was appointed as a Director on 11th June 2018 and then resigned on 18th July 2018

There were no Listings & Compliance Committee meetings held in 2018.

Directors' Continuous Development

The SPSE Directors should understand the structure and operations and key developments affecting the Company and may receive periodic presentations as well as be required to attend relevant trainings, seminars and workshops to assist in achieving such an understanding.

Delegation to Committees

The Board delegates the implementation of its strategy to its Management within a formal delegation framework. As such, the Board has established committees to streamline the discharge of its responsibilities and has entrusted these committees with specific responsibilities to make recommendations to the Board as appropriate. For each committee, the Board adopts a formal charter setting out the matters relevant to the composition, role, function, responsibilities and administration of such committees. The Board has, at the date of this report, had the following committees:

- ✕ Governance Committee;
- ✕ Listings and Compliance Committee; and
- ✕ Audit and Finance Committee.

Review of Board Performance

The Board through its existing collective expertise or with the assistance of external experts if necessary formally reviews the Board's performance, policies and practices at least annually to ascertain whether Directors collectively and individually remain effective in discharging their assigned

roles and responsibilities, and identify opportunities to improve the performance of the Board as a whole. The review includes:

- ✕ examination of the effectiveness and composition of the Board, including the required mix of skills, experience, expertise and diversity which the independent directors should bring to the Board for it to function competently and efficiently;
- ✕ examination of the effectiveness and composition of the sub-committees, including the required mix of skills, experience and expertise;
- ✕ review of SPSE's strategic direction and objectives;
- ✕ assessment of whether corporate governance practices are appropriate; and
- ✕ assessment of whether the expectations of differing stakeholders have been met.

Principle 3: Remunerate Fairly and Responsibly

The purpose of this principle is to advise and monitor SPSE's remuneration policy and practice to ensure employees are fairly and equitably rewarded while having due regard to shareholder interests, the financial and commercial health of the Group and the competitive nature of this industry.

The shareholders of SPSE approve the total remuneration for the Directors based on the recommendation of the Board while the Governance Committee is responsible for the appointment, remuneration and renewal of term for the SPSE Chief Executive Officer (CEO). The Board delegates the Management through the CEO of SPSE to deliver the strategic direction and goals determined by the Board.

Principle 4: Timely and Balanced Disclosure

SPSE complies with its disclosure obligations under the RBF laws, rules and regulations and the Companies Act 2015 to ensure timely and balanced disclosure to its stakeholders. The SPSE website provides a wide array of information including reports on market activity, ongoing as well as upcoming developments by listed companies, market indices and statistics on a real-time basis. In addition, SPSE releases weekly trading and news flash reports, press statements regarding particular issues, monthly, quarterly and yearly reports on stock market as well as on any development activities undertaken.

Principle 5: Promote Ethical and Responsible Decision-Making

SPSE acknowledges the need for Directors, Management and its contractors to observe the highest ethical standards of behaviour, and has established a Code of Ethics and Conduct to address ethical and responsible decision making. Its purpose is to ensure that the company maintains its good reputation and that its business is conducted with integrity and in an environment of transparency.

The Code of Ethics and Conduct sets out the parameters for ethical behaviour and business practices expected of those engaging in any activity on SPSE's behalf. They detail standards and expectations relating to:

- ✘ the maintenance of high standards of service and a commitment to fair value;
- ✘ the use of personal, privileged or confidential information;
- ✘ the management of conflict resolution;
- ✘ the prevention of conflicts of interest, ensuring Directors and Management do not take advantage of property, information or position for personal gain; and
- ✘ the reporting of unethical behaviour.

In addition to the Code of Ethics and Conduct, the SPSE has also adopted a policy on Prohibition of Insider Trading. Directors and designated employees are allowed to acquire securities in companies listed on SPSE if they comply with the provisions of the policy. The policy sets out the procedures to be followed any time a Director or designated employee is considering trading in SPSE listed securities, the requirements for pre-authorisation for trading and an obligation on Directors and designated employees to disclose all holdings in SPSE listed securities.

Principle 6: Respect the Rights of Shareholders

The rights of the shareholders are entailed in SPSE Articles of Association. SPSE has only 8 shareholders currently and as

such the SPSE Board and Management is able to liaise with and attend to individual shareholder needs in an appropriate and timely manner.

SPSE holds an Annual General Meeting (AGM) once a year to discuss the performance of SPSE. Matters relating to finalisation of accounts, any dividend declaration and any changes to Board composition or remuneration are approved by the shareholders at the AGM. An Annual Report is also printed yearly for dissemination to all shareholders and is made available electronically via the SPSE website.

Principle 7: Accountability and Audit

Internal Audit and Audit Committee

The Board recognises that internal audit is a critical function within a business to effectively and appropriately manage risk and improve on the organisations business practices and internal controls. However, given the size of SPSE operations, the Board does not believe that an internal audit function is required at this time. As such, the company does not have an internal audit function.

However, the Board has established an Audit and Finance Committee which is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, monitoring the internal control process, overseeing the performance of the internal audit function and monitoring and discussing risk management policies and practices with Management.

External Auditors

SPSE engages an external auditor each year under the guidance and approval of the Audit and Finance Committee and receives an independent audit report which is embedded in the Annual Report.

Principle 8: Recognise and Manage Risk

Risk management is the identification, evaluation and prioritization of risks followed by coordinated and economical application of resources to minimise, monitor and control the probability or impact of unfortunate events or to maximise the realisation of opportunities. The key objective is to assure uncertainty does not deflect the endeavour from the business goals. For SPSE, the Board and the Chief Executive Officer are accountable for the implementation and maintenance of sound risk management measures while all staff members are responsible and will practice sound risk management practices within their particular areas of responsibility.

The SPSE Risk Management Policy clearly identifies each potential risk to SPSE with internal and external mitigating factors. In addition, the actions and plans that the Board and Management of SPSE has put in place to control the risk has also been included in the Policy.

Market Report



2018 Market Highlights

Trading Activity

Market Sentiments

The year 2018 noted relatively high demand for stocks which had potential for share price increases presenting capital gain opportunities, those that have been historically more liquid and stocks that had reported consistent or in some cases improved financial performance. Overall, the three licensed stockbroking firms are to be commended for assisting with the injection of supply of shares into the market by their respective clientele throughout the year. Given that there is an inverse relationship between capital growth and the dividend yield, majority of the listed stocks recorded a lower dividend yield percentage in 2018 due to the increasing share prices noted during the period under review. However, on a dividend per share basis, the same stocks either recorded an increase or in some cases, the same level of dividend payments. Generally, the fall in dividend yield was compensated by an increase in the capital gain percentage resulting in a much higher total market return for majority of the SPSE listed stocks in 2018. In terms of investor preference, a strong 'Hold' and/or 'Accumulate' desire for listed securities was also observed, in particular for those stocks with higher dividend payments and/or rising share prices. Other factors that were seen to be a cause of such investor behaviour included announcements by listed companies in regards to their expansionary plans/projects and any ongoing and/or future corporate action plans. Amongst these, it was also encouraging to note that there were certain existing shareholders who took an opportunity of the prevailing market sentiments to liquidate part of their shareholdings and realise capital gains from their investments. Overall, the investor behaviour explained above combined with the returns offered in the stock market relative to domestic alternatives added to the radiance of trading activities and gains in key market statistics during 2018.

An impressive trend was recorded in terms of new investors seeking investment opportunities in the stock market as well. The Exchange noted that new investors entering the market were focused on establishing a diversified investment portfolio, investing in multiple listed stocks rather than focusing on one particular stock only. Overall, considering the prevailing market sentiments combined with the existence of various incentives for listing on SPSE, it is obvious that a company which has attractive prospects and has been contemplating floating its shares on the market will find a ready base of investors willing to take up the share offer. With this optimistic environment, it is certainly an ideal period for all those companies to proceed with their plans to go Public.

Overall Trading Pattern

Including all the ordinary trades as well as the one-off transactions, the number of trades via the SPSE e-trading platform for the year ended 31st December 2018 stood at 1,771, an increase of 23.50% in comparison to the same

period last year. In terms of the total volume and value of trades for the year under review, a substantial increase in comparison to 2017 can be noted. In aggregate, the total volume of trades for 2018 stood at 13,963,159 shares garnering a total consideration of \$24,884,808. Excluding the one-off transactions for 2018, the number of trades stood at 1,755 while the volume and value of shares totalled 5,973,863 and \$13,766,094 respectively. These statistics also stand considerably higher in comparison to the 2017 market statistics, where there were no one-off transactions recorded.

The key market indicators discussed above in comparison to last year is illustrated in the table below:

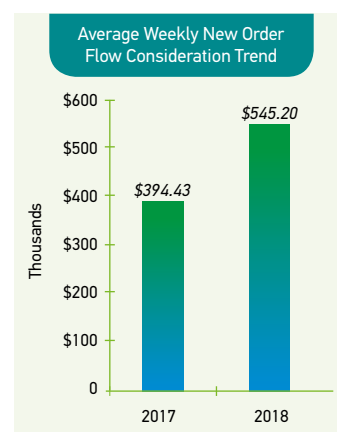
Summary of Security Trading (Includes One-Off Transactions)	2018	2017	% Change
Number of Trades	1,771	1,434	+23.50%
Volume Traded	13,963,159	2,958,671	+371.94%
Value Traded (\$)	24,884,808	7,535,669	+230.23%

Summary of Security Trading (Excludes One-Off Transactions)	2018	2017	% Change
Number of Trades	1,755	1,434	+22.38%
Volume Traded	5,973,863	2,958,671	+101.91%
Value Traded (\$)	13,766,094	7,535,669	+82.68%

New Order Flows

New order flow into the market had been buoyant with a weekly average consideration of \$545,196 in comparison to a weekly average consideration of \$394,431 in the 2017 period, showing an increase of 38.22%. Predominately in 2018, new orders mostly swayed towards buying interest, however, injection of certain high volume sell orders following the listing of Kontiki Finance Limited (KFL) in the third quarter of 2018 resulted in the 12 month average bid to offer ratio to conclude at 1:5. These KFL shareholders are viewed as being speculative seeking capital gain opportunities and as such once these high volume sell orders for KFL are excluded,

the 12 month average bid to offer ratio stands at 1:0.9, indicating a higher presence of buyers as opposed to sellers in the market. Generally, together with institutional investors, participation from various retail investors was also recorded resulting in lively order flows through out the 2018 period.



Financial Performance vs Stock Market Performance

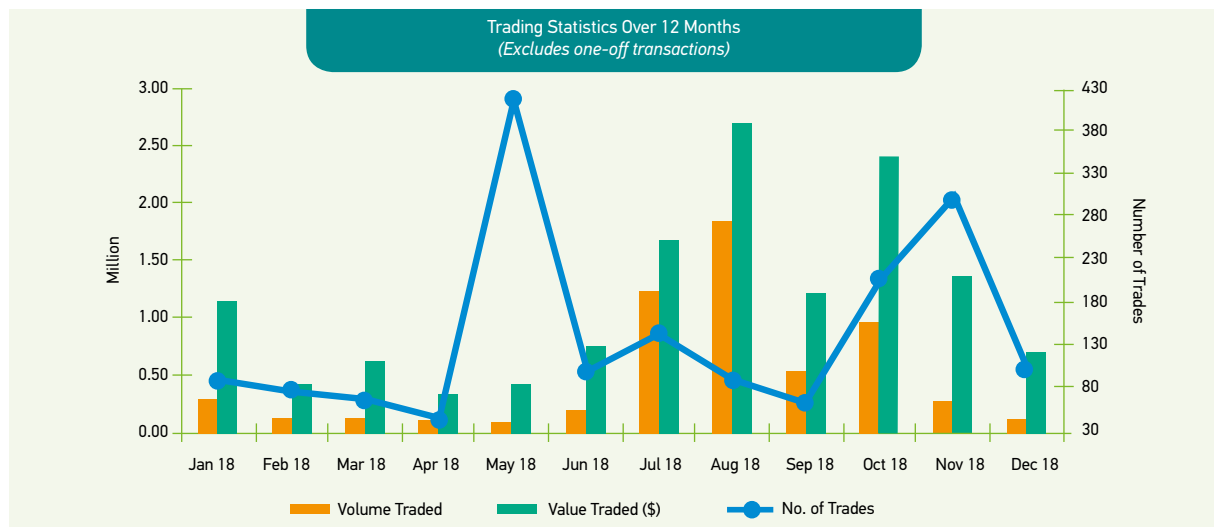
Considering the key financial performance figures in conjunction with the various profitability and return ratios of the current listed companies between the two most recent financial periods, it can be noted that for majority of the listed companies there is a strong positive relationship between a company's financial performance and stock market performance, particularly in terms of share prices. It is also evident that for certain listed stocks and given the nature of investors in our market, external factors causing distress sales may result in a spike in sell orders and in the absence of suitable buyers at the agreed sale price, this can ultimately cause a downward pressure on the share price of a company. However, over the past years and assessing through historical trends, the Exchange has been witnessing a growth in the presence of well-informed investors who make appropriate investment decisions which are closely linked to developments announced by listed companies such as improved financial performance, product launch, expansionary plans and any ongoing or upcoming corporate action plans rather than making investment decisions which may not have any correlation to the company's performance. Overall, to some extent this awareness on the investor-end and with a general understanding that stock market investments are suited for long-term financial goals, this has resulted in price corrections for certain listed stocks and is certainly a welcome change towards developing a more vibrant stock market in Fiji in due course.

Monthly Market Activity Highlights

- ✧ The year 2018 started on an optimistic note with 12 listed companies recording positive share price movements. An active pattern of trading activity was also recorded with certain high volume transactions noted for Amalgamated Telecom Holdings Limited (ATH), Paradise Beverages (Fiji) Limited (PBF) and Free Bird Institute Limited (FBL) shares. Supplementing these trades was the execution of a Special Crossing transaction in VB Holdings Limited (VBH) between two related parties.
- ✧ In the month of February, the overall trading slowed slightly, however, an upward trend in the share price of majority of the listed stocks continued. Fijian Holdings Limited (FHL) stood as the most active stock during this month. Trading during the month of March picked pace in terms of value traded and on the back of rising share prices, for the first time ever the overall market capitalisation surpassed the \$2 billion mark during March.
- ✧ April stood as the most active and distinctive month for the entire 2018 period as SPSE witnessed the first takeover transaction under a Registered Bidder's Statement as provisioned under the 2015 Companies Act of Fiji. The takeover transaction was recorded in FijiCare

Insurance Limited (FIL) whereby Mount Sophia Ventures (Fiji) PTE Limited (MSVPL) bought majority shares in FIL through special crossing transactions resulting in changes to the substantial shareholders of the company and a change of control in FIL. In summary, 75% of the issued shares of FIL exchanged hands.

- ✧ The highlight for the month of May was the execution of the first batch of FHL's bi-annual market based dividend reinvestment trades making FHL the most active stock for the month. An active trading pattern continued in June on the back of multiple special crossing transactions recorded by Kinetic Growth Fund Limited (KGF), PBF and RB Patel Group Limited (RBG). All of the special crossing transactions were executed between related parties.
- ✧ The month of July began on a favourable note with the official listing of Kontiki Finance Limited (KFL). KFL became the 20th company listed on SPSE marking the extension of the stock market's sectorial representation by including a company from the Finance sector. Listing of KFL resulted in the registration of multiple new investors in the stock market as well.
- ✧ In August, market activity focused on a mix between stocks with high dividend yields and/or those showing capital gain opportunities. Active trading in KFL continued as well, however, with existing KFL shareholders seeking to liquidate part of their investments aiming to take advantage of capital gains available, an increase in KFL sell orders was noted which ultimately resulted in a downward pressure on KFL's share price.
- ✧ The month of September recorded certain high volume transactions in ATH and KGF. These orders were transacted between institutional investors. Various share price movements were also recorded in September, amongst which KFL share price recorded a further decrease, now standing \$0.05 lower than the listing day share price of \$1.14.
- ✧ Trading picked pace in October and FHL shares were dominant in trading due to the partial execution of the company's second batch of bi-annual dividend reinvestment trades. Fiji Television Limited (FTV), FMF Foods Limited (FMF) and KFL shares were also in demand resulting in notable trading. Majority of these high volume transactions were recorded between institutional and/or high net worth investors.
- ✧ FHL and PBF were the two most active stocks during the month of November. FHL saw the full execution of its orders from the second batch of the company's bi-annual dividend reinvestment while participation of certain institutional investors in trading gave rise to the market statistics for PBF shares.



Overall trading slowed during the month of December in comparison to the previous months as the festive season set-in, however, many retail investors, who usually trade in smaller parcels were seen to be balancing their consumption and saving/investment priorities. If the new investors originating from KFL listing in July is excluded, the month of December can be seen to have recorded the registration of majority of the new investors during 2018. Generally, the positive trend in share price increase for majority of the stocks continued including the additional listing of FHL's B Class shares in December which resulted in the overall market capitalisation to end the year at an all-time high of \$3.07 billion.

The trading pattern excluding the one-off transactions over the past 12 months is portrayed above for information.

Trade by Security

Analysing the overall market statistics for 2018 by each security shows FIL shares dominating both volume and

value traded. FIL shares represented 44.68% of the overall volume traded and 27.66% of the overall value traded during the year under review. Trading statistics for FIL shares remain higher due to the takeover transactions recorded during 2018. However, once all one-off transactions recorded during 2018 are excluded, then KFL stands as the most active stock in terms of volume and value traded.

In terms of number of trades, the restricted security, FHL stood as the most active stock. FHL accounted for 54.49% of the total number of trades in 2018. These number of trades for FHL is close to six times higher than the second most active security and were underpinned by FHL's market based dividend re-investment option for shareholders.

Future Forests (Fiji) Limited (FFF) was the only listed stock that did not record any market activity in 2018 as the company's shares remain suspended.

The trade analysis by each security for 2018 is tabulated below:

Security	Security Price as at 31/12/18 (\$)	Number of Trades	Volume Traded	Value Traded (\$)	Issued Securities	Volume Traded to Issued Securities Ratio	Market Capitalisation (\$)
APP	1.50	8	32,150	40,553	8,000,000	0.40%	12,000,000
ATH	3.20	162	504,673	1,460,896	422,104,868	0.12%	1,350,735,578
CFL	5.40	28	42,080	210,947	3,558,000	1.18%	19,213,200
FBL	3.05	25	130,837	364,424	2,000,000	6.54%	6,100,000
FFF	0.79	NO TRADES			30,307,483	0.00%	23,942,912
FIL	1.55	26	6,239,126	6,881,987	8,484,194	73.54%	13,150,501
FMF	2.10	33	482,949	784,055	150,000,000	0.32%	315,000,000
FTV	2.39	58	520,668	1,224,014	10,300,000	5.06%	24,617,000
KFL	0.97	139	3,110,004	3,687,311	89,415,529	3.48%	86,733,063
KGF	1.02	19	1,287,637	875,749	3,594,965	35.82%	3,666,864
PBF	13.00	52	127,588	1,642,165	10,408,125	1.23%	135,305,625
PBP	2.45	9	12,900	28,613	6,600,000	0.20%	16,170,000
PGI	1.08	1	1,500	1,620	7,619,234	0.02%	8,228,773
RBG	5.70	42	454,528	2,201,075	30,000,000	1.52%	171,000,000
RCF	6.50	14	28,186	138,925	6,000,000	0.47%	39,000,000
TTS	7.25	13	15,916	104,310	14,032,202	0.11%	101,733,465
VBH	7.75	29	427,267	2,049,218	2,137,403	19.99%	16,564,873
VIL	4.14	115	100,564	336,180	103,769,425	0.10%	429,605,420
FHL	8.50	965	427,921	2,701,013	30,464,650	1.40%	258,949,525
BCN	12.50	33	16,665	151,753	3,064,968	0.54%	38,312,100
TOTAL		1,771	13,963,159	24,884,808	941,861,046	1.48%	3,070,028,897

Liquidity

The total volume traded for the year 2018 encompassing all trades accounted for 1.48% of the issued securities quoted on the trading platform. Amongst these securities, 10 listed stocks witnessed an exchange of up to 1% of their issued securities while 7 listed stocks recorded an exchange of greater than 1% but less than 10% of their issued securities. Three listed companies saw an exchange of an access of 10% of their quoted issued securities.

Including all ordinary as well as the one-off transactions, the average volume and value of trades per transaction for the market in 2018 was 7,884 shares and \$14,051 respectively. However, once the one-off transactions are excluded, the average volume and value of trades per transaction for the market in 2018 stood at 3,404 shares and \$7,844 respectively.

Changes in Issued Securities

The total number of securities on issue as at 31st December 2018 stood at 941.86 million which showed a notable increase of 13.18% in comparison to 2017 where the total number of securities on issue tallied at 832.15 million. The change in issued securities is due to the following occurrences during the year:

- ✕ 5,665 shares were cancelled for Kinetic Growth Fund Limited (KGF) following execution of two share buy-back transactions by the company during the year. KGF also quoted additional 16,289 shares on the SPSE trading platform as part of its Dividend Reinvestment Plan.
- ✕ 283,023 additional shares were quoted for FijiCare Insurance Limited (FIL) as part of the company's Dividend Reinvestment Plan.
- ✕ 88,851,623 shares were quoted on the SPSE trading platform consequent to the listing of Kontiki Finance Limited (KFL). KFL also quoted additional 563,906 shares as part of its Dividend Reinvestment Plan over two dividend declarations subsequent to the company's listing on SPSE.
- ✕ Fijian Holdings Limited (FHL) listed its B Class shares on SPSE quoting an additional 20,000,000 shares. The listing of 20,000,000 B class shares has been merged with FHL's existing issued shares of 10,464,650 A class shares and all classification of shares for FHL has been removed and now referred to as FHL ordinary shares.

Private Transfers

This year, the Exchange refined the process through which private transfer related transactions get processed. Over the past years all private transfer transactions were done through an off-market process which was overtime labelled as being costly as well as inefficient. In May 2018, the SPSE in consultation with the stockbrokers sought approval from the Reserve Bank of Fiji to execute all private transfer related transactions on the e-trading platform via a special crossing trade mechanism. The execution of these transfers are done

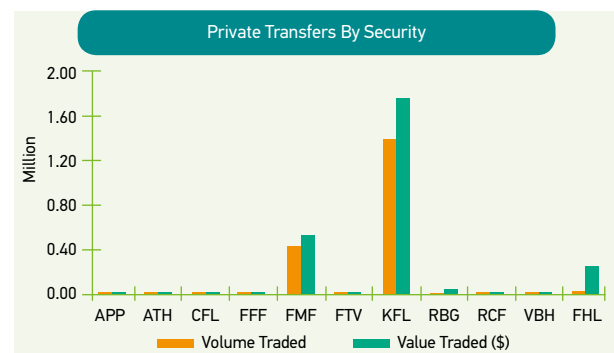
via special crossing transaction mechanism to ensure that the last traded price of the security remains unchanged in light of the fact that the parties to the private transfer are pre-determined and in certain cases, consideration is not exchanged between the parties.

Overall, there were a total of 16 private transfer transactions in 11 listed securities in 2018. These transactions totalled 2.01 million securities in volume garnering a total value of \$2.75 million. A breakdown of private transfer cases is tabulated below:

Private Transfer Type	Number of cases
Estate case	9
Gift to close relation case	4
Exceptional nature	3

KFL shares made up for majority private transfers in terms of volume and value while both FMF and FHL had the highest number of private transfers with both listed stocks seeing three transfers during 2018.

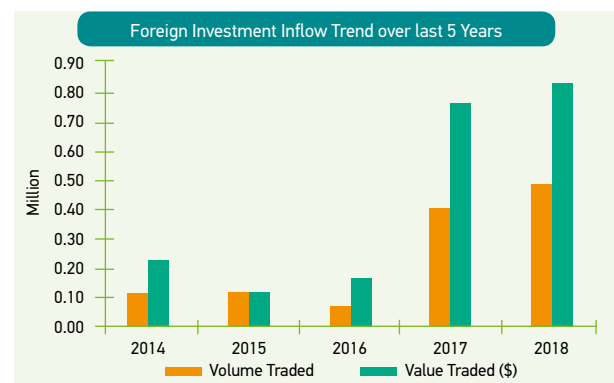
The bar graph below portrays the volume and value of transfers by the individual listed securities in 2018.



Foreign Investment Flows

In 2018, the amount of new foreign investment inflows into the stock market by way of volume and value traded stood at 0.48 million and \$0.82 million respectively. In comparison to 2017, the volume traded through foreign investors saw an upswing of 20.17% while the total value traded through foreign investors recorded an increase of 9.12%.

A five year trend showing the volume and value of new foreign investment inflows is portrayed below:



Market Returns

Capital Growth

The SPSE e-trading platform concluded the year with 18 out of the 20 listed securities recording increased share prices, 16 of which had double digit percentage growth. There was only one negative price movement while one of the listed stocks saw its share price remain invariable during the period under review.

The price movers and shakers for 2018 were as follows:

- ✧ Kinetic Growth Fund Limited (KGF) was the largest price gainer seeing a price increase of 92.45% while queuing second was FMF Foods Limited (FMF) taking an upswing of 82.61%;
- ✧ VB Holdings Limited (VBH) stood as the third largest price gainer recording a noteworthy increase of 72.22% with the market heavyweight, Amalgamated Telecom Holdings Limited (ATH) shares closely behind also seeing a notable increase of 72.04%;
- ✧ The restricted stock, Fijian Holdings Limited (FHL) recorded an impressive gain of 63.46% while sixth in queue was The Rice Company of Fiji Limited (RCF) shares surging 58.54%;
- ✧ Toyota Tsusho (South Sea) Limited (TTS) shares swelled 49.18% while Vision Investments Limited (VIL) shares recorded an increase of 47.86%. BSP Convertible Notes Limited (BCN) shares bragged an increase of 46.54% while Atlantic & Pacific Packaging Company Limited (APP) shares noted a rise of 42.86%;
- ✧ Standing 11th in the queue, FijiCare Insurance Limited (FIL) shares gained 33.62% and was closely followed by the supermarket chain, RB Patel Group Limited (RBG) shares which rose 33.18%;
- ✧ Pleass Global Limited (PBP) shares garnered an increase of 28.95% while the television broadcaster; Fiji Television Limited (FTV) shares witnessed a growth of 20.10%. Free Bird Institute Limited (FBL) shares and Communications Fiji Limited (CFL) shares gained 19.61% and 15.38% respectively;
- ✧ Further capital gains were recorded by Pacific Green Industries Limited (PGI): 8.00% and Paradise Beverages Fiji Limited (PBF): 3.17%; while
- ✧ The newly listed stock, Kontiki Finance Limited (KFL)¹ was the only listed security to record a negative share price movement and lost 14.91%.

Future Forests (Fiji) Limited (FFF) was the only listed security that did not record any market activity and as such no price variations were noted.

¹KFL share price return of -14.91% is computed based on the listing day closing share price of \$1.14.

Overall, 13 out of the 20 listed stocks (65% of listed companies as at 31st December 2018) concluded the year at their all-time high share prices yielding strong capital gains for their shareholders.

Given the various share price movements as explained above, the overall capital growth of Fiji's stock market averaged at 38.74% (tax-free) during 2018. The huge increase noted in the average capital growth for the period under review in comparison to 2017 (2017 average tax-free capital growth stood at 23.82%) is very well reflective of the existence of a demand driven populous favouring share investments.

Dividend Yield

The average tax-free income yield for the market stood at 2.91% in 2018. Given that the capital growth and the income yield are inversely related and with a high increase noted in the average capital growth for the year, the average income yield, while still remaining competitive with other alternative financial market investments, settled lower than 2017 (2017 average income yield stood at 3.80%).

Considering each of the listed stocks on an individual basis, 13 out of the 20 listed stocks paid increased dividends to their shareholders in comparison to the prior year while two companies maintained the same level of dividend payments from 2017. Four companies paid lower dividends in 2018 while one listed company did not declare or pay any dividends during the period under review.

Overall, a total of \$57.61 million was paid out in dividends from the listed equity securities in 2018.

Total Market Return

The total market return to investors in listed companies encompasses the capital growth and the dividend yield from listed stocks. As such, aggregating the average capital growth of 38.74% and the average dividend yield of 2.91% resulted in a **41.65% (tax-free) average total market return for 2018.**

A further analysis on Compounded Annual Growth Rate (CAGR) basis, which dampens the effect of volatility in returns over multiple time periods, shows a 5 year average total market return of 22.99%. This average total market return on CAGR basis certainly demonstrates the competitiveness of returns generated by the local stock market in comparison to other investment products in Fiji's financial market.

The impressive average total market return has been driven by a huge demand for listed company shares which subsequently resulted in increased share prices for majority of the listed companies. This trend is also supportive of the Exchange's various ongoing investor education programmes and indicates that investors now realise the potential of investing in the stock market which offers competitive returns. This trend also offers a prospect to current shareholders allowing them an opportunity to liquidate their shareholdings partially and make capital gains from their investments.

Details of price and capital growth returns as well as the dividend yields per security are tabulated below.

Security	Security Prices		Capital Growth (%)	Dividend Yield (%)	Total Market Return (%)
	2017	2018			
APP	1.05	1.50	42.86%	2.67%	45.52%
ATH	1.86	3.20	72.04%	1.41%	73.45%
CFL	4.68	5.40	15.38%	5.56%	20.94%
FBL	2.55	3.05	19.61%	2.95%	22.56%
FFF	0.79	0.79	0.00%	0.00%	0.00%
FIL	1.16	1.55	33.62%	2.58%	36.20%
FMF	1.15	2.10	82.61%	0.83%	83.43%
FTV	1.99	2.39	20.10%	2.97%	23.07%
KFL	1.14	0.97	-14.91%	3.09%	-11.82%
KGF	0.53	1.02	92.45%	1.96%	94.41%
PBF	12.60	13.00	3.17%	3.08%	6.25%
PBP	1.90	2.45	28.95%	1.63%	30.58%
PGI	1.00	1.08	8.00%	3.70%	11.70%
RBG	4.28	5.70	33.18%	2.98%	36.16%
RCF	4.10	6.50	58.54%	5.38%	63.92%
TTS	4.86	7.25	49.18%	2.76%	51.94%
VBH	4.50	7.75	72.22%	2.84%	75.06%
VIL	2.80	4.14	47.86%	2.42%	50.27%
FHL	5.20	8.50	63.46%	2.87%	66.33%
BCN	8.53	12.50	46.54%	6.56%	53.10%
Average			38.74%	2.91%	41.65%

Earnings per Share (EPS) & Price Earnings (PE) Ratio

The average Earnings per Share (EPS) and Price Earnings (PE) ratio from the market in 2017 stood at 44.50 cents and 76.20 times (or a 1.31% earnings yield) respectively.

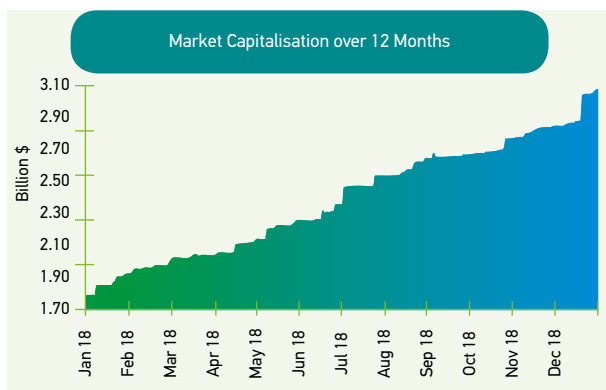
The EPS and the PE ratio comparisons per security between 2017 and 2018 is illustrated in the table below.

Security	Earnings Per Share (Cents)		Price Earnings Ratio (Times)	
	2017	2018	2017	2018
APP	12.99	12.31	8.08	12.18
ATH	20.20	22.90	9.21	13.98
CFL	-37.53	82.15	-12.47	6.57
FBL	41.22	52.89	6.19	5.77
FFF	0.06	0.06	1,244.11	1,244.11
FIL	8.81	18.06	13.16	8.58
FMF	11.26	5.66	10.21	37.10
FTV	5.58	7.95	35.64	30.05
KFL	n/a	6.00	n/a	16.17
KGF	11.89	35.93	4.46	2.84
PBF	129.63	141.60	9.72	9.18
PBP	14.27	11.14	13.31	21.99
PGI	4.22	5.09	23.68	21.21
RBG	28.27	30.71	15.14	18.56
RCF	53.10	42.40	7.72	15.33
TTS	108.89	116.97	4.46	6.20
VBH	97.99	87.06	4.59	8.90
VIL	17.73	19.44	15.79	21.30
FHL	250.85	117.21	2.07	7.25
BCN	77.12	74.55	11.06	16.77
Average	45.08	44.50	75.06	76.20

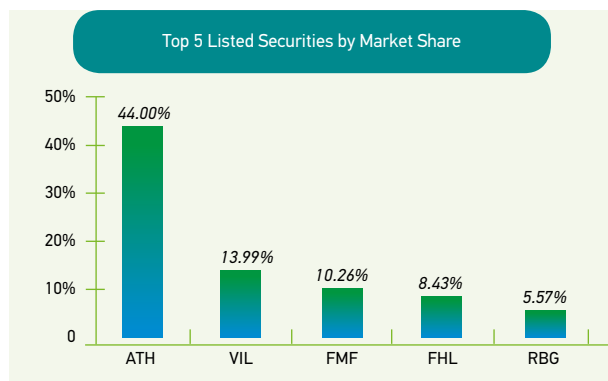
Market Capitalisation – All time high at \$3.07 billion

The overall capitalisation of the market recorded a glittering performance in 2018 gaining a significant 70.86% to conclude at an all-time high value of \$3,070,028,897. The healthy performance in the market capitalisation is justified given the share price increases recorded in majority of the listed stocks as well the listing of Kontiki Finance Limited (KFL) and subsequent quotation of additional shares by some listed stocks as part of their dividend reinvestment plans. The listing of 20,000,000 B Class shares by Fijian Holdings Limited (FHL) also added to this substantial increase.

The market capitalisation trend over the past 12 months is illustrated below.



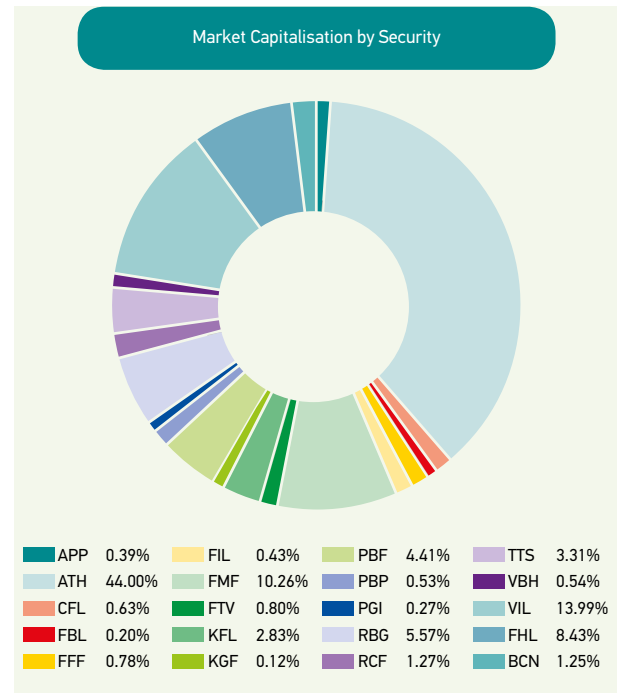
The top five securities in terms of market capitalisation (representing 82.26% of market capitalisation) at the end of 2018 were as follows:



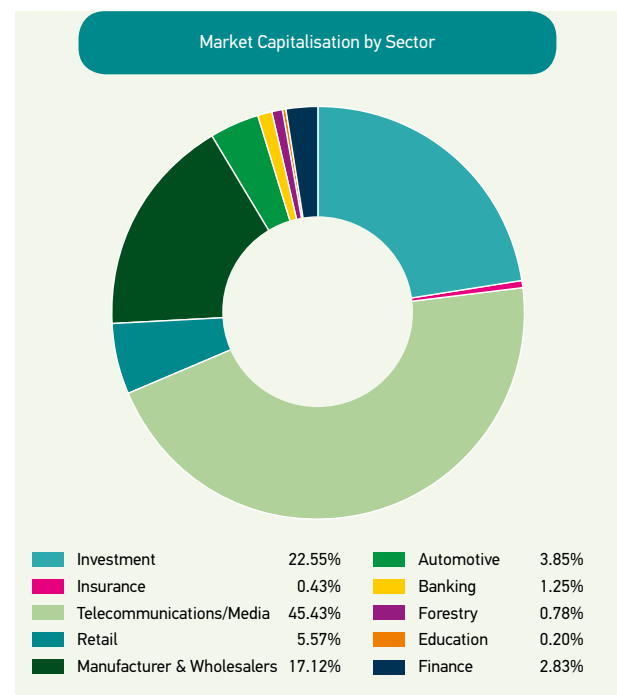
Details of the contribution of each listed security towards the overall market capitalisation as at the end of 2018 are illustrated in the next column.

By sectorial representation, the Telecommunications and the Media sector holds the largest portion of the overall market value at 45.43%. The Investment sector stands second in queue occupying 22.55% with the Manufacturers & Wholesalers sector posing third with 17.12% occupancy. The Retail sector demonstrates an ownership of 5.57% with the Automotive sector standing at 3.85%. The Finance sector encompassing KFL shares positions at 2.83% while

the Banking sector tallies at 1.25%. The Forestry sector occupies 0.78% and the Insurance sector represented by FIL shares accounted for 0.43% of the overall market value. The Education sector represented by FBL shares, saw its contribution standing at 0.20% at the end of 2018.



The pie-chart below portrays the contribution of each sector towards the overall market capitalisation.

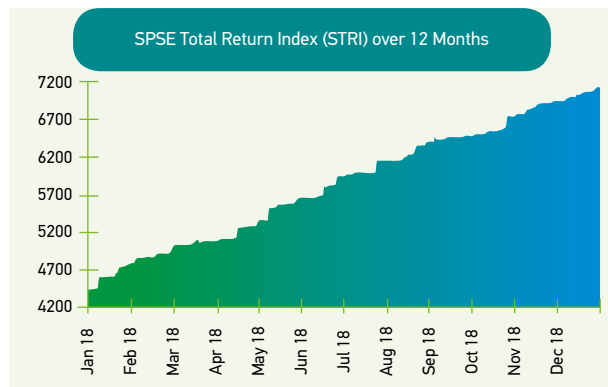


Market Indices

SPSE Total Return Index (STRI)

STRI is a market capitalisation weighted total return index, which means it accounts for both price as well as dividend returns and is dependent on the market capitalisation weighting of each company towards the aggregate market value. As such, with an impressive capital growth in listed stocks noted for the 2018 period supplemented by a competitive dividend return, these increases augured well for the STRI resulting in a notable gain of 59.36% (2662.33 points). STRI ended the year with an all-time maximum value of 7147.01.

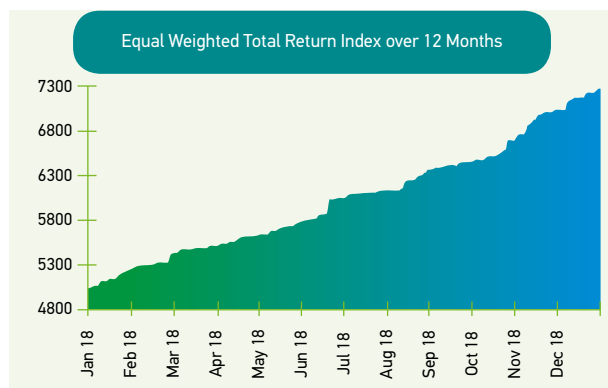
The 12 month performance for SPSE Total Return Index (STRI) is illustrated below.



Equal Weighted Total Return Index

The Equal Weighted Total Return Index weighs all the listed stocks equally without being skewed by the heavyweights. This indicates that as at the conclusion of 2018, all the 20 listed stocks had 1/20th or 5% composition towards the index. The Equal Weighted Total Return Index concluded the year 2018 at an all-time high value of 7267.13, a gain of 43.86% (2215.73 points). The increase in the equal weighted index is in line with the average total market return for 2018.

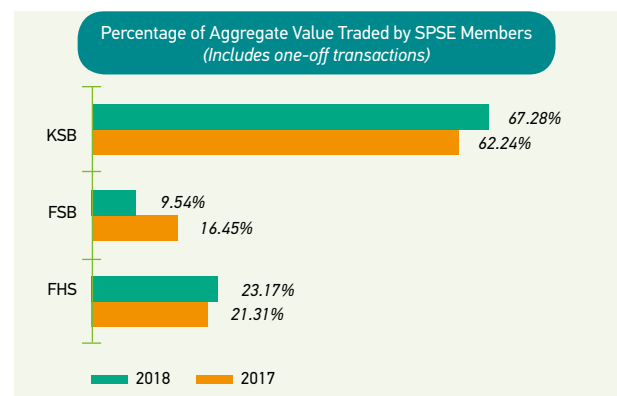
The 12 month performance for Equal Weighted Total Return Index is illustrated below.



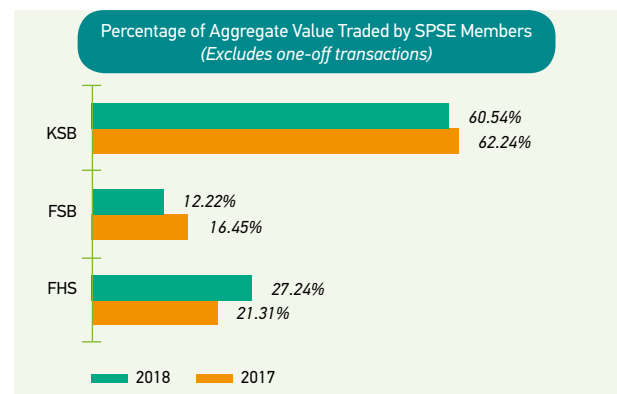
Trading Activity by SPSE Members

The bar graphs below portray the value traded by each of the three stockbroking houses, FHL Stockbrokers Limited (FHS), Kontiki Stockbroking Limited (KSB) and FijiStock Brokers Limited (FSB), as a percentage of the overall consideration accumulated during the period under review in comparison to 2017.

The graph below includes the one-off transactions executed on the SPSE for the 2018 and 2017 comparative years.

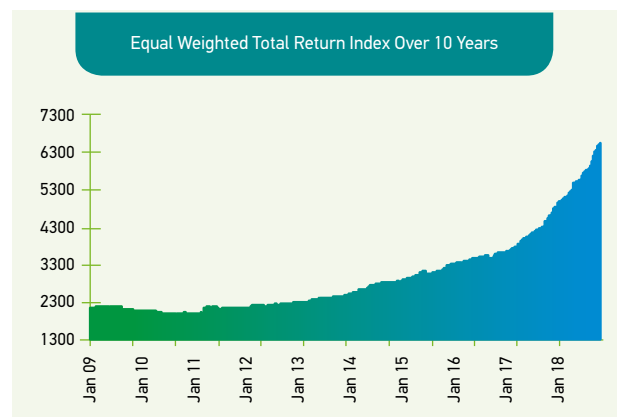
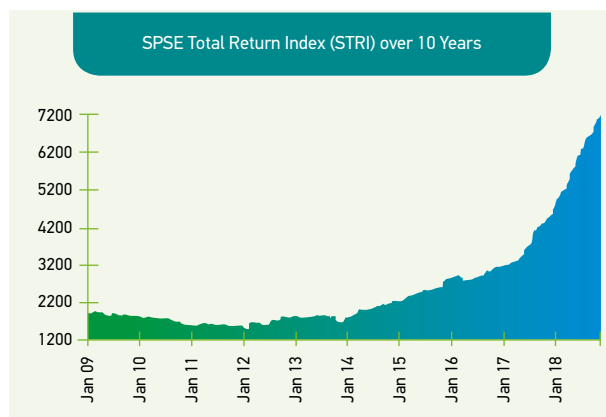
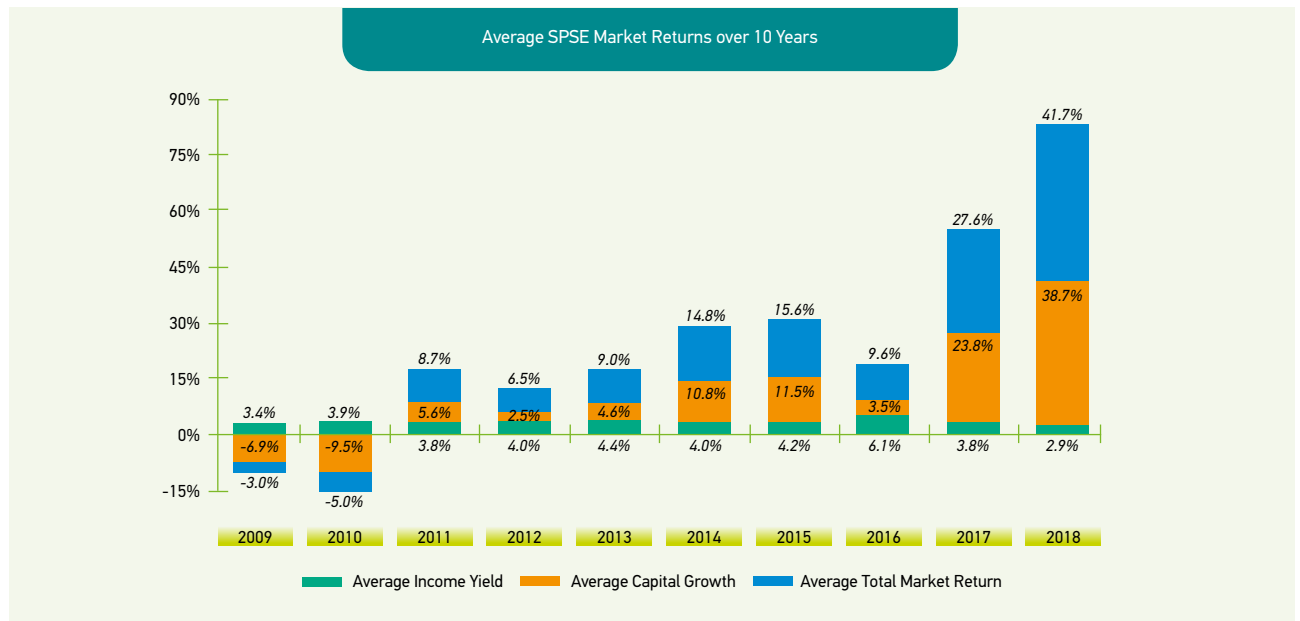
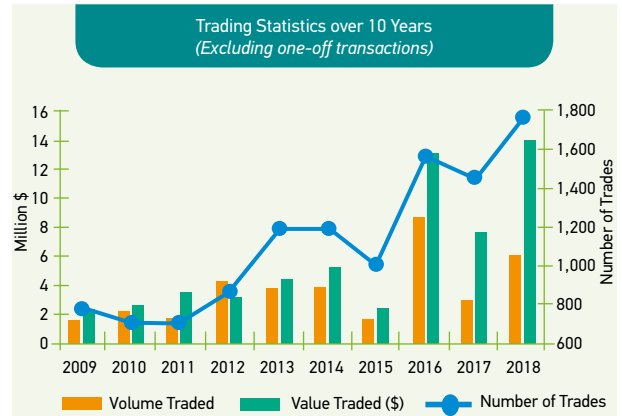
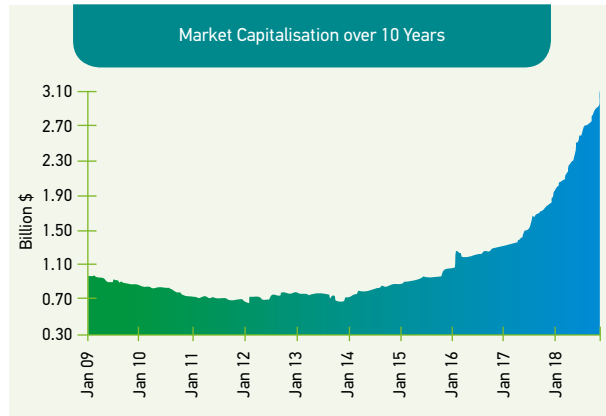


The illustration below excludes the one-off transactions executed on the SPSE for both the 2018 and 2017 comparative years.

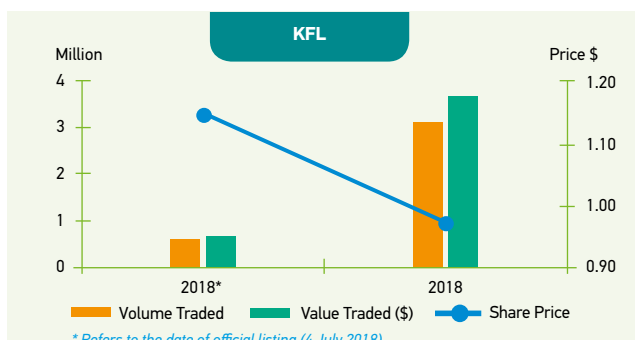
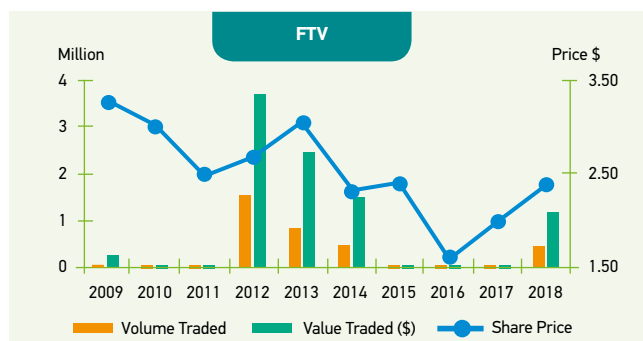
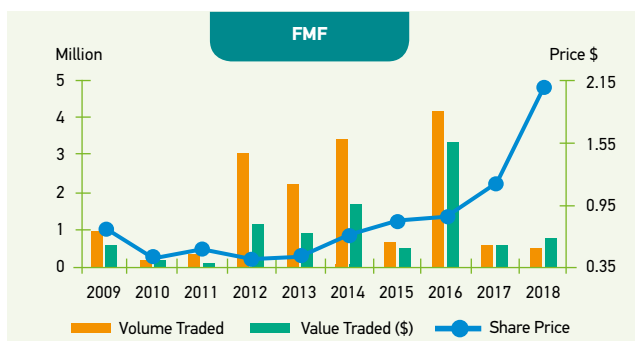
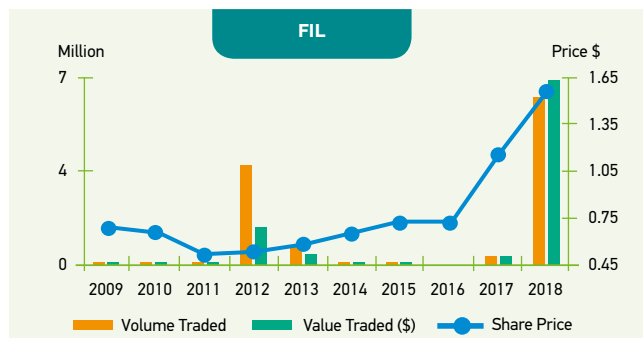
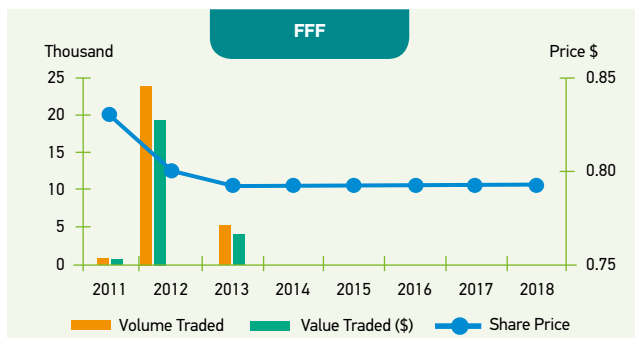
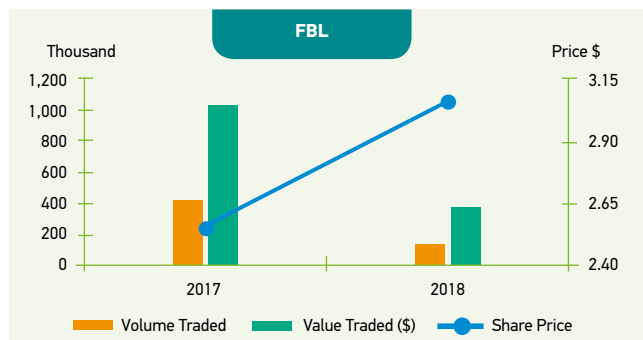
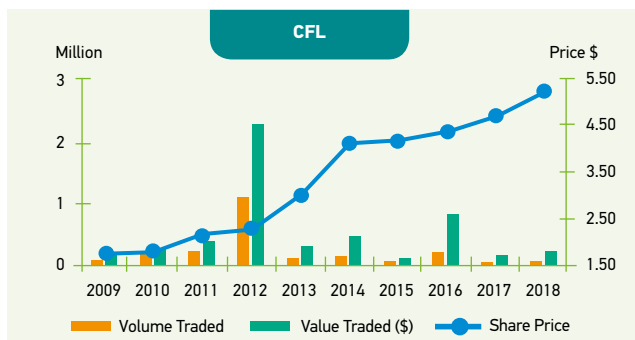
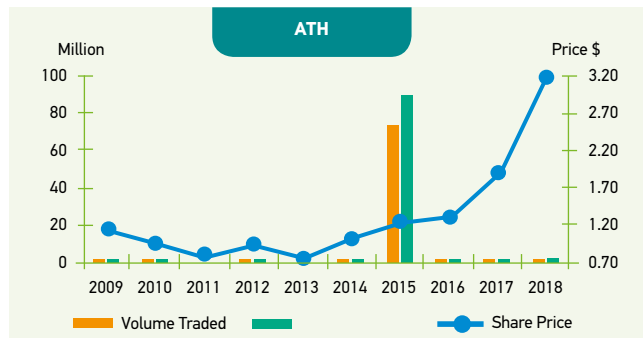
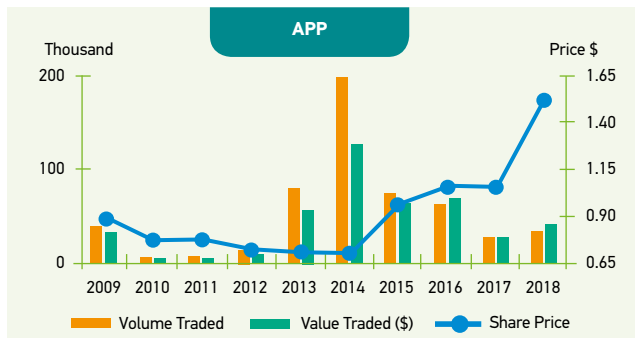


Market Statistics

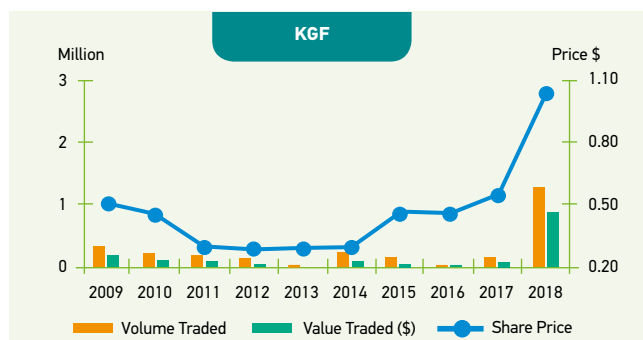
Ten Year Key Market Indicators

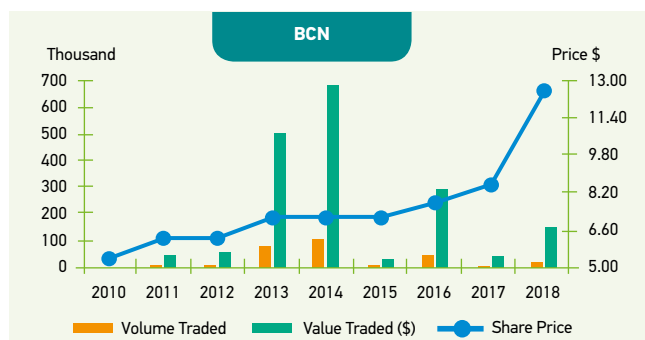
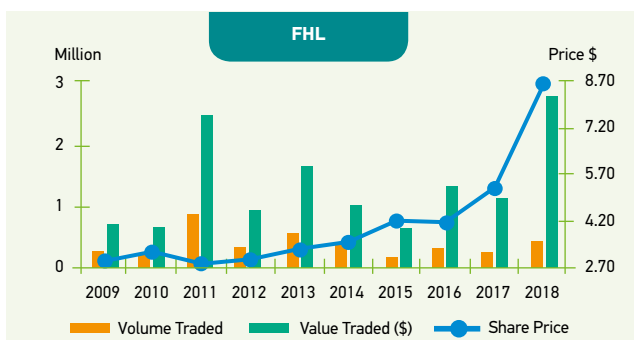
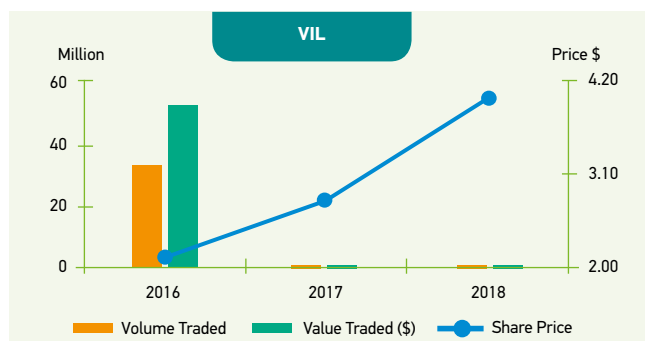
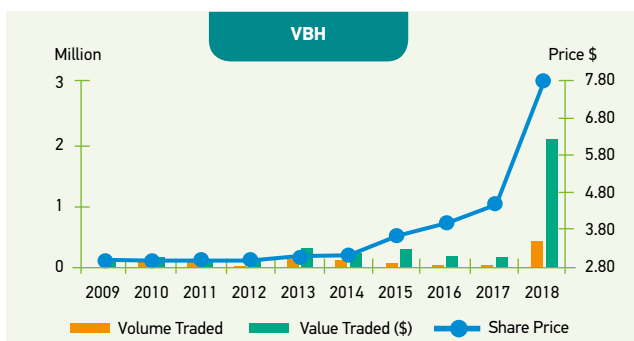
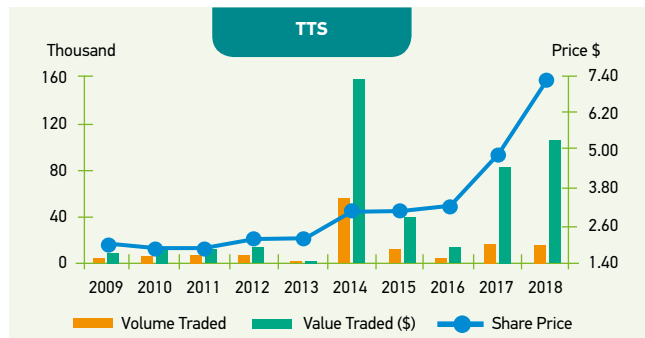
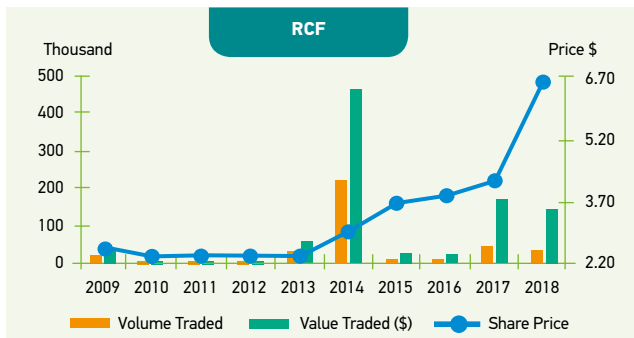
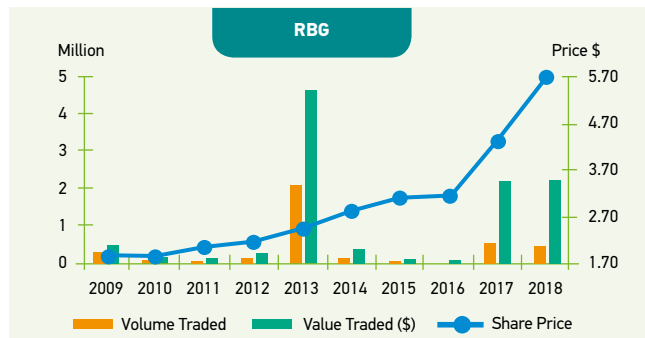
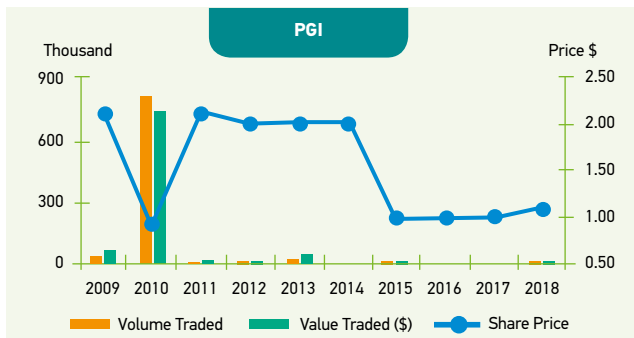
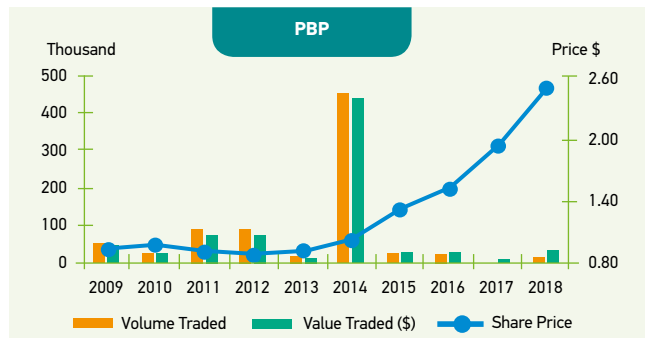
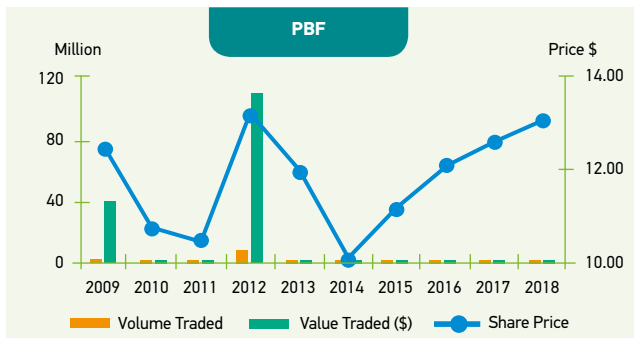


Volume traded, value traded and share price performances for listed securities over the last 10 years.



* Refers to the date of official listing (4 July 2018).





Investor Profile



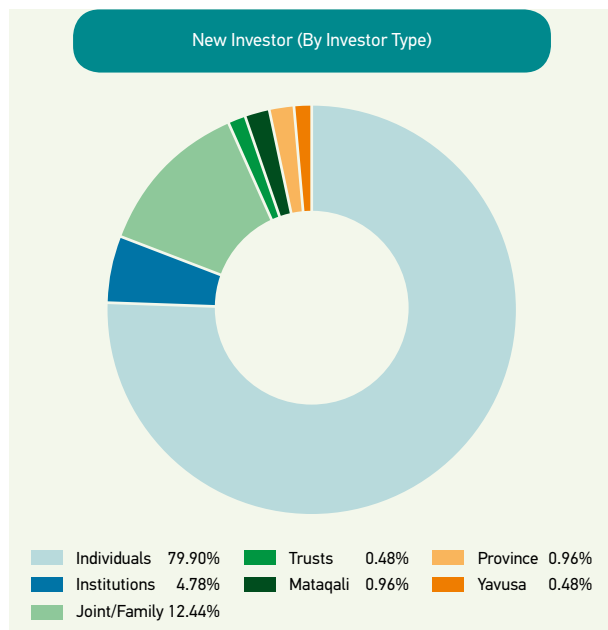
2018 Security Holders

New Investors

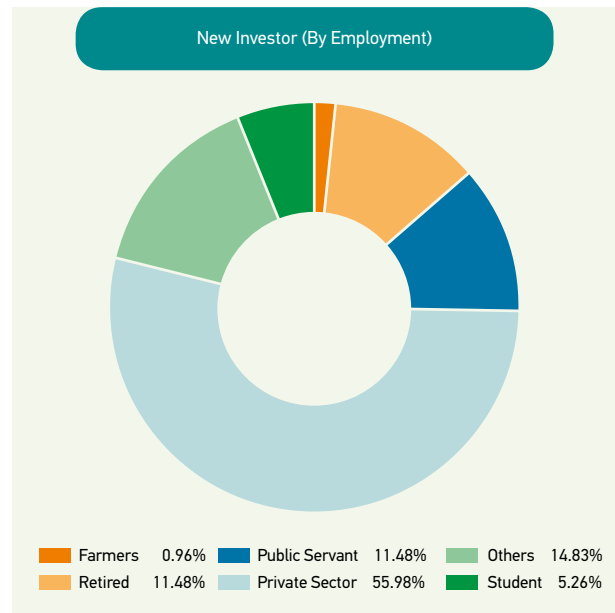
A total of 209 new investors entered the Fijian stock market in 2018, an increase of 42.18% in comparison to 2017. These new investors yielded 468 trades and contributed 8,913,765 shares in volume traded and garnered \$11,514,616 in value traded. Overall, the new investors demonstrated an impressive contribution towards the overall trading statistics for 2018 accounting for 26.43% of the overall number of trades, 63.84% of the overall volume traded and 46.27% of the overall value traded. This is demonstrated below:

Particulars	2018 New Investor Statistics	% of 2018 Aggregate
No. of New Investors	209	
No. of Trades	468	26.43%
Volume Traded	8,913,765	63.84%
Value Traded	11,514,616	46.27%

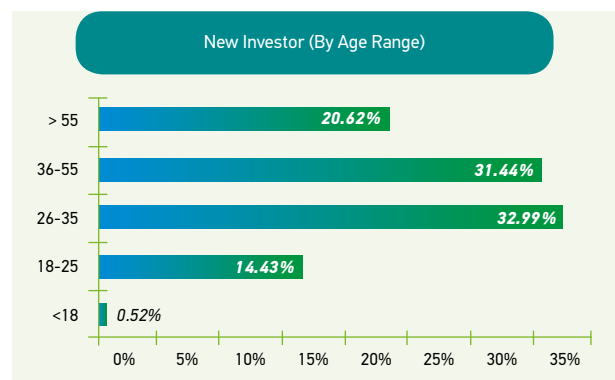
Majority of the new shareholders that invested in the listed companies during 2018 were individuals and represented 79.90% of the overall new investment by investor type. These individuals are public servants, private sector employees, domestic workers, retirees, students and farmers. A detailed illustration of new investors by type is presented below for information:



A review of the new investors by type of employment indicated that majority of the new investors recorded during 2018 were those employed in the private sector. Investors labelled as Others (which includes minor investors, institutions, those in self-employment and investments through trust arrangements) ranked second which is closely followed by public sector employees and retirees. This is illustrated in the next column:



An analysis of new investors entering the market in 2018 by age classification showed that majority of the new investors fall between the age range of 26 years to 35 years with the age range of 36 years to 55 years queuing behind. Also an interesting trend noted is that close to 48% of the new investors recorded were below the age of 35 years. Investments by the young working population is encouraging to note as it illustrates that these individuals are now becoming financially savvy and are using the stock market as an investment mode to invest their savings and/or their hard earned earnings. A detailed illustration of the new investors by age range is portrayed below:



Distribution of Security Holding & Number of Security Holders

Security	Less than or equal to 500	501 to 5,000	5,001 to 10,000	10,001 to 20,000	20,001 to 30,000	30,001 to 40,000	40,001 to 50,000	50,001 to 100,000	100,001 to 1,000,000	Over 1,000,001	Total
APP	7	72	17	12	3	0	0	2	4	1	118
ATH	258	987	126	41	9	5	11	13	4	8	1,462
CFL	37	89	8	2	5	3	0	1	4	1	150
FBL	67	20	5	3	1	1	2	2	1	1	103
FFF	40	89	15	16	3	5	4	4	27	4	207
FIL*	13,268	41	9	6	5	0	0	1	5	1	13,336
FMF	15	108	68	73	40	16	23	33	46	9	431
FTV	215	217	8	3	1	1	2	0	3	2	452
KFL	14	55	24	16	7	5	5	21	50	19	216
KGF	3	73	16	14	5	3	1	4	6	1	126
PBF	338	280	15	5	2	1	0	2	1	1	645
PBP	17	39	12	5	1	0	1	2	3	2	82
PGI	16	29	0	2	1	1	0	1	3	3	56
RBG	59	165	32	13	7	0	2	4	8	5	295
RCF	17	68	7	9	1	2	0	3	2	1	110
TTS	93	40	4	2	1	1	0	1	1	2	145
VBH	40	52	6	3	3	0	2	2	5	0	113
VIL	49	161	67	21	5	0	5	1	9	9	327
FHL	346	658	71	52	21	15	12	29	15	2	1,221
BCN	47	62	1	1	0	2	3	4	4	1	125
TOTAL	14,946	3,305	511	299	121	61	73	130	201	73	19,720

*FIL has approximately 13,255 shareholders with only 20 shares or less each

Number of Resident & Non-Resident Security Holders

Security	No. of Resident Security Holders	No. of Non-Resident Security Holders
APP	109	9
ATH	1,380	82
CFL	133	17
FBL	75	28
FFF	169	38
FIL	13,325	11
FMF	341	90
FTV	408	44
KFL	169	47
KGF	113	13
PBF	493	152
PBP	79	3
PGI	47	9
RBG	274	21
RCF	95	15
TTS	74	71
VBH	94	19
VIL	319	8
FHL	1,204	17
BCN	123	2
TOTAL	19,024	696

Percentage of Free Float & Non-Free Float Security Holding

Security	Free Float	Non-Free Float
APP	13%	87%
ATH	10%	90%
CFL	21%	79%
FBL	19%	81%
FFF	28%	72%
FIL	19%	81%
FMF	29%	71%
FTV	10%	90%
KFL	53%	47%
KGF	33%	67%
PBF	10%	90%
PBP	10%	90%
PGI	6%	94%
RBG	19%	81%
RCF	11%	89%
TTS	6%	94%
VBH	27%	73%
VIL	10%	90%
FHL	32%	68%
BCN	25%	75%
AVERAGE	20%	80%

Resident Retail Security Holding by Geographical Location, Resident Institutional Security Holding & Non-Resident Security Holding

Security	Total Issued Securities (millions)	Resident retail security holding by geographical location			Resident institutional shareholding	Aggregate resident security holding	Aggregate non-resident security holding
		Central/Eastern	Western	Northern			
APP	8.00	19.92%	0.88%	0.03%	78.39%	99.22%	0.79%
ATH	422.10	2.40%	0.34%	0.04%	97.12%	99.90%	0.10%
CFL	3.56	24.00%	0.44%	0.00%	73.25%	97.68%	2.32%
FBL	2.00	1.17%	2.29%	0.04%	15.55%	19.05%	80.95%
FFF	30.31	36.46%	0.16%	0.01%	51.86%	88.50%	11.50%
FIL	8.48	6.21%	0.18%	0.01%	92.34%	98.74%	1.26%
FMF	150.00	6.57%	2.96%	0.28%	87.37%	97.17%	2.83%
FTV	10.30	2.44%	1.58%	0.06%	95.42%	99.50%	0.50%
KFL	89.42	14.95%	0.89%	0.01%	43.93%	59.78%	40.22%
KGF	3.59	19.18%	1.40%	0.45%	60.62%	81.65%	18.35%
PBF	10.41	2.62%	1.65%	0.15%	93.52%	97.95%	2.05%
PBP	6.60	55.97%	0.28%	0.00%	42.86%	99.10%	0.90%
PGI	7.62	0.82%	0.58%	0.00%	87.98%	89.37%	10.63%
RBG	30.00	6.73%	4.63%	0.12%	88.28%	99.76%	0.24%
RCF	6.00	4.28%	0.56%	0.18%	94.19%	99.21%	0.79%
TTS	14.03	0.56%	0.03%	0.00%	19.45%	20.04%	79.96%
VBH	2.14	65.01%	0.39%	0.09%	21.36%	86.85%	13.15%
VIL	103.77	3.51%	0.60%	0.00%	89.70%	93.82%	6.18%
FHL	30.46	6.49%	0.95%	0.23%	92.24%	99.91%	0.09%
BCN	3.06	4.42%	0.27%	0.01%	94.99%	99.70%	0.30%

Security Holding by Investor Type

Security	TYPE OF INVESTOR									
	Individual	Institution/ Company	Trust	Joint/ Family	Group/ Club	Co-operative	Mataqali	Province	Tikina	Yavusa
APP	4.41%	88.68%	5.61%	0.76%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%
ATH	0.84%	97.09%	1.75%	0.13%	0.03%	0.02%	0.00%	0.11%	0.01%	0.00%
CFL	9.67%	74.28%	12.73%	2.84%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%
FBL	9.54%	76.62%	12.86%	0.51%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%
FFF	28.85%	28.80%	25.06%	17.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FIL	5.73%	93.34%	0.00%	0.37%	0.29%	0.00%	0.00%	0.27%	0.00%	0.00%
FMF	11.49%	87.49%	0.55%	0.45%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
FTV	3.85%	90.30%	5.06%	0.61%	0.03%	0.13%	0.02%	0.00%	0.00%	0.00%
KFL	35.63%	51.95%	6.14%	4.95%	0.00%	1.33%	0.00%	0.00%	0.00%	0.00%
KGF	18.95%	77.48%	0.18%	3.30%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%
PBF	6.02%	93.58%	0.15%	0.19%	0.02%	0.00%	0.02%	0.02%	0.00%	0.00%
PBP	56.01%	27.61%	16.01%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PGI	11.56%	70.44%	17.54%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RBG	7.12%	88.37%	3.72%	0.35%	0.01%	0.00%	0.04%	0.03%	0.37%	0.00%
RCF	3.90%	94.19%	0.94%	0.77%	0.03%	0.17%	0.00%	0.00%	0.00%	0.00%
TTS	0.72%	99.15%	0.03%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VBH	61.60%	23.87%	14.31%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VIL	1.73%	89.70%	1.78%	0.44%	0.00%	6.16%	0.01%	0.07%	0.12%	0.00%
FHL	5.19%	79.62%	2.13%	2.51%	0.64%	2.58%	1.01%	4.97%	1.01%	0.33%
BCN	4.38%	91.81%	2.18%	0.32%	0.00%	1.31%	0.00%	0.00%	0.00%	0.00%

Development Report



Overview

The year 2018 commenced on the back of a new three year Strategic Plan covering 2018 until 2020. The Strategic Plan places emphasis on promoting the stock market as the preferred capital raising platform and as the favoured investment option for savers/investors. Additionally, importance has also been given to concentrate on the enhancement of trading and settlement infrastructure to instill efficiency in business processes as well as ease the cost of doing business in the stock market. Provision for the introduction of a range of investible products apart from just equities via the SPSE platform over the next few years has also been factored in. Inevitably, the Exchange placed prominence on all strategic objectives and the supplementary key performance indicators aiming to deliver key outputs that would assist the SPSE to achieve the overall goals as outlined in the Strategic Plan.

In essence, the SPSE as well as its wholly owned subsidiary, Central Share Registry Pte Limited (CSRL) delivered various outputs in the areas of investor education, rule amendments, update of internal policies and procedures, market supervision, training of market players, upgrade of technological infrastructure and the overall profiling of the SPSE as key institution in Fiji's financial sector. These development activities for 2018 are narrated below.

Investor Awareness/Education

SPSE has a desire to develop an investment culture in Fiji and ultimately bring to the attention of the investors the potential for wealth creation available through the stock market platform over the long term. As such, the Exchange continuously places great emphasis in the area of investor education aiming to demystify the operations of SPSE and encourage people to invest in listed company shares. In 2018, the Exchange refined some of its existing investor awareness efforts as well as introduced some new initiatives such as live radio broadcast around the country, all with an intention to make share market investment accessible to the general populous and also to raise the level of investor maturity for individuals exploring to invest in the stock market. Similar to previous years, various presentations suiting the audience was conducted for corporate organisations, landowning groups and provincial councils, secondary school students, universities and other select groups such as the Fiji Institute of Bankers. Additionally, through partnership arrangements with the media, daily coverage of the share price and index movements continued as well, while SPSE also published numerous articles to update its followers and investors about listed company performances as well as general investment related subjects. Articles were also published by CSRL to disseminate important information related to the free offer of shares by the Government of Fiji in Energy Fiji Limited (EFL).

As such, the Exchange in partnership with the relevant stakeholders carried out the following investor related activities in 2018:

PRESENTATIONS AND INFORMATION SESSIONS				
Investor Awareness Mediums	Investment Seminar & Stockbroker Consultation	Corporate Awareness Sessions & Other Stakeholder Presentations	High School Visitations	University Visitations
Target Groups	General public willing to start in share investments	Interested staff at specific business houses.	Senior Commerce and Business students	Accounting/ Finance/Banking/ Economics students
Topics Covered	<ul style="list-style-type: none"> Understanding the difference between savings and investing; Using share investments to achieve future financial goals/carry-out financial planning; Available investment options in Fiji's capital markets and level of returns being offered; Tax incentives and other advantages of investing in shares; Historical returns from SPSE listed companies and process and costs of buying shares; Advantages of consistent investing and choosing the right shares based on investment objectives; Shareholder rights and how to manage share investment portfolio. 	<ul style="list-style-type: none"> New India Insurance (Suva) – 15th February 2018 Fiji Institute of Bankers (Suva conference) – 22nd February 2018 Fiji Independent Commission Against Corruption (FICAC), Suva – 16th March 2018 Namoli Provincial Council (Namoli) – 24th May 2018 Rewa Provincial Council (Rewa) – 31st May 2018 Exams & Assessment Unit of Ministry of Education (Suva) – 5th July 2018 Fiji Broadcasting Corporation (Suva) – 16th July 2018 Roko Tui's and Deputy Roko Tui's Annual Meeting (Suva) – 26th July 2018 	<ul style="list-style-type: none"> Capital markets structure and role of the stock market; Investment options and types of returns offered; Difference between saving and investing; Importance of investing and how to use share investments to achieve future financial goals; What are shares and advantages of starting early and young. 	<ul style="list-style-type: none"> Capital markets structure and role of the stock market; Investment options and types of returns offered; Significance of investment ratios to analyse share market; Measuring trends and growth through indices and share prices; Future plans and opportunities; Corporate governance principles.
Location and Date	<ul style="list-style-type: none"> Suva – 24th April 2018 Nabouwalu – 11th June 2018 Savusavu – 12th June 2018 Labasa – 13th June 2018 		<ul style="list-style-type: none"> 3 Schools over the months of February to July 	<ul style="list-style-type: none"> USP 3rd year Finance course – 19th February 2018 USP 2nd year Finance course – 23rd February 2018 USP 2nd year Accounting course – 23rd July 2018 FNU 2nd and 3rd year combined Accounting and Finance course – 25th July 2018
Number of Attendees	<ul style="list-style-type: none"> Suva – 65 attendees Nabouwalu – 35 attendees Savusavu – 25 attendees Labasa – 25 attendees 	<ul style="list-style-type: none"> Number of attendees in each of the sessions ranged from 15-60 individuals 	<ul style="list-style-type: none"> Number of students from each school ranged from 15-25 students 	<ul style="list-style-type: none"> Number of students in each class ranged from 30-80 students

MEDIA ADVERTISEMENTS

Medium	<ul style="list-style-type: none"> Radio Television
Topics covered	<ul style="list-style-type: none"> Using share investments for future financial goals; Tax-free returns from SPSE listed companies; How to avoid impulse buying
Date	<ul style="list-style-type: none"> June 2018 November 2018

OTHER INVESTOR AWARENESS INITIATIVES

Event	Date	Description
Fiji National Provident Fund (FNPf) Retirement Expo	23 rd - 27 th April 2018	A one week event hosted by FNPf allowed SPSE and stockbrokers to setup information booths to provide information about share investments at the FNPf Boulevard Foyer.
Radio Talkback Show	26 th June 2018	Business Development Manager, Pretesh Prasad with licensed stockbroker and investment adviser, Esrom Immanuel from FijiStock Brokers appeared on FBC's Gold FM Speak Your Mind Show to talk about share investments.
RBF Capital Markets Week	2 nd July to 6 th July 2018	A one week event hosted by RBF allowed SPSE and stockbrokers to setup information booths to provide information about share investments at the FNPf Boulevard Foyer.
Radio Broadcast	July 2018	During the month of July, SPSE in partnership with licensed stockbrokers used radio broadcasts as a tool to promote and create awareness about the stock market and its activities. The radio broadcasts were done in Suva and Lautoka using Courts stores as the broadcast platform and venue. The event captured a huge interest amongst the general public as an increased interest was noted by stockbrokers amongst people wanting to invest in listed company shares.

National Essay Competition

In 2018, SPSE introduced the National Essay Competition as an inaugural investor awareness initiative with assistance from the Ministry of Education, Heritage & Arts targeting all secondary school students in Fiji. The main objective of this initiative has been to assist and inspire school students to rise to the financial skills challenge and build their confidence and

knowledge about savings and investments about the stock market from an early age. The National Essay Competition was divided into two categories; category 1 focused on students from Year 9 and Year 10 while category 2 focused on students from Year 11, Year 12 and Year 13. Optional essay topics given to students related to stock market concepts and activities with an aim to get students to research about SPSE, its listed companies, licensed stockbrokers, industry regulator and its core functions.

Overall, a total of 239 submissions were received by the SPSE from 44 schools around Fiji. To maintain transparency and independence of SPSE in identifying the various category winners, the Exchange appointed an independent panel of Judges who were represented by a mixture of personnel from stockbroking industry, listed companies, academia, financial institutions and those having broader capital market knowledge. All the submissions underwent a rigorous assessment process over various rounds of consideration with the Judges focusing on content and relevance of essays submitted, evidence of research work, creativity in use of illustrations, referencing and display of original thinking.

The names of various award recipients together with the schools they attended are summarised below:

2018 SPSE NATIONAL ESSAY COMPETITION		
CATEGORY 1		
Winner	1 st Runner Up	2 nd Runner Up
Helava Muliaina (Suva Muslim College)	Dhaweeta Kumar (Mahatma Gandhi Memorial High School)	Neha Sharma (Bhawani Dayal Arya College)
CATEGORY 2		
Winner	1 st Runner Up	2 nd Runner Up
Ca Kie Zhong (Yat Sen Secondary School)	Aftareen Khan (Rishikul Sanatan College)	Grace Fong (Yat Sen Secondary School)



NEWSPAPER PUBLICATIONS*		
Topics Covered	Publication Medium	Month Published
• 2017 Stock Market Review	Fiji Sun Business Supplement	January
• Benefits and Incentives of Listing on SPSE	Fiji Sun Business Supplement	February
• 2018 National Essay Competition (details of the Competition for ease of referencing by students)	Fiji Sun Business Supplement	March
• Services provided by CSRL • Listed Company Insight- Question & Answers with Free Bird Institute Limited (FBL) • Listed Company Insight- Question & Answers with Paradise Beverages (Fiji) Limited (PBF)	Fiji Sun Business Supplement	April
• Listed Company Insight- Question & Answers with FijiCare Insurance Limited (FIL)	Fiji Sun Business Supplement	May
• Services provided by CSRL (including use of Online Shareholder Portal) • Listed Company Insight- Question & Answers with Vision Investments Limited (VIL)	Fiji Sun Business Supplement	July
• SPSE Annual Awards: Categories & Assessment Criteria • SPSE Annual Awards: Getting to know Fiji's Stockbroking companies • SPSE Annual Awards: National Essay Competition update and runners-up details	Fiji Sun Business Supplement	September
• Share registry services and important information for Energy Fiji Limited (EFL) customers/shareholders	Fiji Sun Business Supplement	November

* In addition to the above publications, the Exchange also publishes Weekly Stock Market Summaries, Weekly News Flash Reports and Monthly Stock Market Trading Reports for the benefit of existing and potential investors. Various other advertisements were also published in newspapers and business magazines to promote share investments as well as the role of CSRL. With support from HFC Bank, weekly stock market update is also broadcast during FBC TV's business segment on first business day of each week. SPSE also has an arrangement with Dow Jones through which SPSE publishes its daily share price movements as well as market announcements for distribution through the Dow Jones network.

Rule Amendments

The SPSE strives to promote an efficient and a fair securities exchange by ensuring compliance with international best practices in the securities industry and also to ensure that the relevant stakeholders and market players are in compliance with the applicable laws of Fiji. With the above background, the Exchange's developments on the legal front during 2018 are described below:

Regulatory Document	Changes Implemented
Board Charter	The SPSE Board Charter has been revised in line to suit the RBF's Prudential Supervision Policy; Corporate Governance for Licensed Entities which delineates the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and Management in setting the direction and the control of the SPSE in delivering good corporate governance.
SPSE Listing Rules	In light of the Fiji's Companies Act 2015, the SPSE has revised the SPSE Listing Rules in a bid to make compliance more efficient and effective and to entice potential entities to list on the SPSE through enhanced compliance with the Companies Act 2015. The Listing Rules has integrated certain "mandatory" provisions to protect the stakeholder interests and to redefine rights, powers and duties of SPSE as a front line regulator of the stock market. The revised Listing Rules will be implemented in Quarter 2, 2019.
Finance Policy and Procedures	The SPSE Finance policy and procedures has been revised in light of the structural and organisational change of the SPSE and its operations. Some of these changes are reflected in financial reporting, investment procedures, petty cash policy, internal control, accountability of signatories, compensation and payroll policy. These policies relate to the regulation, supervision, and oversight of the financial and payment systems of SPSE and CSRL with a view to promote financial stability.
Employee Handbook	In line with Employment Relation Act 2018 and 2018-2019 National Budget, SPSE has introduced new leave entitlements and made amendments to the existing provisions of the Employee Handbook to establish important policies that are expected in the workplace to protect the rights of employers and employees.
Social Media Policy	The SPSE has incorporated a policy on social media, a corporate code of conduct that provides guidelines for SPSE and CSRL employees who post content on the internet either as part of their job or as a private person. This policy gives clear guidance on what employees are permitted to say regarding their colleagues, the organisation and its clients.
Share Split Guidance Note	A practical guideline has been implemented and needs to be followed by all the listed companies and the stockbrokers in order to complete the share split process.
Dividend Re- Investment Guidance Note	Another practical guideline has been implemented to allow investors and shareholders the opportunity to efficiently reinvest proceeds in additional shares. Issuers of an investment can structure their investment offerings to include dividend reinvestment programs.

Education & Training for Market Players

The competence of industry stakeholders is critical in gaining and maintaining a competitive advantage for the overall success of the industry. Relevant trainings also present a prime opportunity for stakeholders to actively respond to any changes in the industry they operate in and as such, given the evolution of the capital market operations over the years, it is necessary for SPSE as the front-line regulator to facilitate appropriate trainings for the listed company representatives as well as the licensed stockbrokers.

During 2018, the following trainings were provided for the benefit of the stakeholders.

Topics Covered	Attendees	Date	Facilitator
Roles, Responsibilities and Duties of Company Secretaries under the Companies Act 2015 and SPSE Listing Rules (Proposed Amendments)	<ul style="list-style-type: none"> Listed company personnel (Company Secretaries and Compliance Officers) Representatives from other corporate organisations, financial institutions, pension fund, accounting/audit firms, and government organisations 	19 th April 2018	Ms Sujatha Nair – Consultant & Qualified Company Secretary from The Institute of Company Secretaries of India
Asset Allocation & Portfolio Construction	<ul style="list-style-type: none"> Stockbrokers Listed company personnel Representatives from banks, financial institutions, investment funds, state owned enterprises and provincial companies 	22 nd June 2018	Professor Erik Larson – Macalaster College in Minnesota, United States of America
Corporate Governance Action Planning	<ul style="list-style-type: none"> Listed company personnel (Board of Directors and Company Secretaries) Representatives from other corporate organisations, financial institutions, government departments and state owned enterprises 	26 th November 2018	Ms Anne Molyneux – Chartered Accountant and Director of CS International, a global consulting firm
<ul style="list-style-type: none"> Basics of valuation, ratio calculation and interpretation Market return calculation and use of historical financial summaries 	<ul style="list-style-type: none"> Licensed Stockbrokers 	14 th December 2018	Mr Pretesh Prasad – SPSE Business Development Manager

In addition to the above, SPSE also undertakes a yearly stockbroker examination in which topics covered include the daily conduct of stockbrokers, managing clients, understanding stock market operations including the understanding of trading and settlement process as well as SPSE Business Rules. In 2018, a total of eight licensed and trainee stockbrokers undertook this examination and acquired Continuing Professional Education (CPE) hours based on their individual performances.

Market Supervision

A market supervision framework is necessary as it can complement various regulations in dealing with an institutions continuous innovation and adaptation agenda while at the same time promoting regulatory stability. For SPSE, the initiatives undertaken in terms of its supervisory role during the year were linked to the continued efforts in terms of focusing on facilitating the orderly, efficient, transparent and timely trading of securities as well as maintaining an organised marketplace, safeguarding the integrity of the stock market and ensuring adequate protection for the investors.

ShareSoft

ShareSoft is the cloud based registry software that is used by CSRL to process transactions and carry-out other registry related tasks through a fully automated mechanism. As an add-on feature, ShareSoft also provides investors with access to an online shareholder portal, which gives listed company investors a digital platform to keep track of their investments online by removing geographical and time difference barriers. With an aim to instill efficiency in registry processes and the need to improve on the functionality and capacity of the existing system, CSRL undertook various enhancements to upgrade the ShareSoft system in 2018. These enhancements are summarised below:

2018 ShareSoft Enhancements

- Ability to process Share Buy Back transactions
- Allow for transaction reversals
- Upgrade of cloud host resources in order to uptake EFL data entries
- Implementation of new sell order feature (as part of SPSE's move towards scripless trading and use of Shareholding Statements)
- Provision to select/print EFL share certificates through various selection options

The following table provides the market supervision highlights for 2018.

Particulars	Description
Number of Market Surveillance enquiries lodged with licensed stockbroking firms	Nine market surveillance enquiries were lodged by the SPSE with licensed stockbroking firms in 2018. All issues surfaced consequent to share price movements of greater than 5% and post surveillance it was concluded that there was sufficient quantifiable justification for the share price movement and that trades were executed appropriately.
Number of trading halts/suspensions	Three trading suspensions were placed in listed company shares in 2018. All of these trading suspensions were placed on a voluntary basis. FijiCare Insurance Limited (FIL) had requested for two voluntary suspensions between the months of January and March as relevant regulatory approvals in regards to the proposed acquisition of a majority shareholding in FIL by Mount Sophia Ventures (Fiji) PTE Limited was still being sort in accordance with the Takeover provisions of the Companies Act 2015. FHL also requested for a voluntary suspension which related to the share split of the company's shares as approved by the shareholders at the 2018 Annual General Meeting.
Listed companies fined for non-compliance with SPSE Listing Rules	Future Forests (Fiji) Limited (FFF) was the only listed entity fined for non-compliance with SPSE Listing Rules for delays in submission of audited financial statements and the annual report.
Number of brokers fined for non-compliance with SPSE Business Rules	One broking firm was fined during 2018 arising from the non-delivery of securities on settlement date.

Annual Awards

The 2018 Annual Awards was successfully organised for the second consecutive year. The Annual Awards was organised with greater enthusiasm, optimism and passion by the SPSE to further substantiate and corroborate its everyday business operations as a key player in the overall financial markets structure and a significant participant in the capital markets industry in Fiji, all with a broader objective to encourage organisations and individuals to take pride in their respective fields of work. The highly profiled and the signature event for the entire capital market industry was held at the Grand Pacific Hotel in Suva on 28th September 2018 and the Chief Guest for the event was the Attorney General and Minister for Economy, Public Enterprises, Civil Service & Communications, Honourable Aiyaz Sayed-Khaiyum.

The main objective of the Annual Report Awards was to assess, evaluate and reward Annual Reports for both listed companies and unlisted organisations by focusing on design, presentation and content of the report and how best relevant information has been portrayed for ease of stakeholder understanding and referencing. During the assessment period, the judging panel also identified that certain Annual Reports were outstanding in other key aspects of reporting and as such two special awards were given in recognition for these Annual Reports. The winners under this category are summarised below:

ANNUAL REPORT AWARDS		
AWARD NAME	AWARD RECIPIENTS	
	Listed Companies Category	Unlisted Organisations Category
Best Design & Presentation	Free Bird Institute Limited	Fiji National Provident Fund
Quality Content	Fijian Holdings Limited	Reserve Bank of Fiji
Special Award	Bank of South Pacific Limited	Frank Hilton Organization

Winners of the Annual Report Awards posing with their credentials



The main objective of the Grand Awards was to recognise and reward our industry participants. The Grand Awards added more radiance towards the event as through this category the SPSE was able to genuinely recognise and reward the efforts of those who matter to the stock market industry. To add more flavour to the list of prizes under the Grand Awards, the SPSE, for the first time ever also rewarded two high school students on a national platform who had participated in SPSE's 2018 National Essay Competition (*Winner names with their respective schools are mentioned under National Essay Competition description in the earlier part of Development Report*). A special award was also given in recognition of the contribution made by one listed company personnel for self-motivation and dedication in ensuring compliance by the listed company with the continuing listing requirements. The winners under this category are summarised as follows:

GRAND AWARDS	
AWARD NAME	AWARD RECIPIENTS
Stockbroker Personality of the Year	Ms Neezarat Ali
Listed Company Achiever of the Year	Mr Niraj Bhartu
Stockbroking Company of the Year	FijiStock Brokers Limited
Listed Company of the Year	Vision Investments Limited
Spotlight Award: Enterprising Achiever of the Year	Mr Waisale Iowane

Winners of the Grand Awards posing with their credentials



World Exchange Congress 2020

In December 2018, SPSE together with Terrapinn Holdings Limited, a global events organising company executed an agreement to officially announce SPSE as the host sponsor for the 15th Annual World Exchange Congress to be held in Fiji in June 2020. The World Exchange Congress 2020 is anticipated to bring together 450 attendees representing the entire Exchange ecosystem – from stock, commodity and energy exchanges to clearing and settlement venues, regulators, capital market authorities and technology solution providers.

For SPSE and the capital market in Fiji as a whole, this is a unique development opportunity to open up and be recognised amongst other stock exchanges around the world. This is directly in line with SPSE's vision of gaining international reputation as the preferred securities exchange in the South Pacific. This event will also provide a platform for good networking opportunity with other stock exchange representatives especially in terms of various collaboration areas and learning from their own experiences. The event would further elevate SPSE's position and visibility and also enhance the institutions prominence amongst other market players in the capital market and the greater financial market.

The event will be held over two days in Fiji with speakers ranging from various developed as well as smaller developing Exchanges around the world.



**South Pacific Stock Exchange Pte Limited
And Subsidiary Company
Financial Statements
For The Year Ended 31 December 2018**



DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statements of financial position of South Pacific Stock Exchange Pte Limited (the holding company) and of the group as at 31 December 2018, the related statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended and report as follows:

Directors

The names of directors in office at the date of this report are:

Dr Nur Bano Ali – Chairperson
Ms Rowena Fong

Mr Saiyad Hussain
Mr Steven Pritchard

Principal Activities

The principal activities of the company and the subsidiary during the year were that of provision of stock exchange and share registry services to listed companies and to non-listed companies, respectively.

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

Results

The profit after income tax of the company for the year was \$160,539 (2017: \$52,533).

The consolidated profit after income tax attributable to the members of the company for the financial year was \$240,972 (2017: \$81,205).

Dividends

The directors recommend that no amounts be paid by way of dividend during the year.

Basis of Accounting - Going Concern

The financial statements of the company and the group have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of these financial statements as they believe that the company and the group has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

Bad and Doubtful Debts

Prior to the completion of the financial statements of the company and the group, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of allowance for impairment loss. In the opinion of the directors, adequate allowance has been made for impairment loss.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for impairment loss in the company and group, inadequate to any substantial extent.

Current and Non-Current Assets

Prior to the completion of the financial statements of the company and the group, the directors took reasonable steps to ascertain whether any current and non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company and the group. Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current and non-current assets in the company's and the group's financial statements misleading.

Unusual Transactions

In the opinion of the directors, the results of the operations of the company and the group during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the directors, to affect substantially the results of the operations of the company and the group in the current financial year.

DIRECTORS' REPORT [CONT'D]

Significant Events During the Year

During the financial year the Central Share Registry Pte Limited (CSRL) (subsidiary company) engaged with Energy Fiji Limited (EFL) for its registry services with a shareholder base of 35,736 and with Fijian Government for the provision of trustee services for EFL shares.

CSRL has also entered into a service level agreement and established a trust arrangement to act as the trustee for all eligible Energy Fiji Limited shareholders who have not applied for the free offer of non-voting EFL shares by the Fijian government as part of the corporatization process of EFL. The trust deed was signed on 20th December 2018.

Events Subsequent to Balance Date

No matters or circumstance have arisen since the end of the financial year which would require adjustment to, or disclosure in, the financial statements.

Other Circumstances

As at the date of this report:

- (i) no charge on the assets of the company and the group has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the company and the group could become liable; and
- (iii) no contingent liabilities or other liabilities of the company and the group have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company and the group to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the company's and the group's financial statements which would make adherence to the existing method of valuation of assets or liabilities of the company and the group misleading or inappropriate.

Directors' Benefits

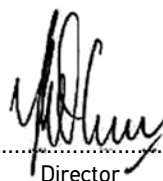
Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed in the financial statements and / or those included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements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

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 10th day of May 2019.



Director



Director

DIRECTORS' DECLARATION

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

The directors of the company have made a resolution that declares:

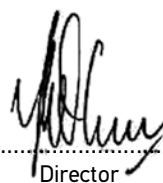
- a) In the opinion of the directors, the financial statements of the company and the group for the financial year ended 31 December 2018:
 - i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the company and the group as at 31 December 2018 and of the performance and cash flows of the company and the group for the year ended 31 December 2018; and
 - ii. have been prepared in accordance with the Companies Act, 2015;
- b) The directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and
- c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the company and the group will be able to pay its debts as and when they become due and payable.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 10th day of May 2019.



Director



Director



Tel: +679 331 4300
Fax: +679 330 1841
Email: info@bdo.com.fj
Offices in Suva and Lautoka

BDO
Chartered Accountants
Level 10, FNPF Place
343 Victoria Parade
GPO Box 855
Suva, Fiji

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED

As group auditor for the audit of South Pacific Stock Exchange Pte Limited and Subsidiary Company for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Companies Act, 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Wathsala Suraweera
Partner
Suva, Fiji

BDO
CHARTERED ACCOUNTANTS

10 May 2019

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of South Pacific Stock Exchange Pte Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of South Pacific Stock Exchange Pte Limited (the company) and South Pacific Stock Exchange Pte Limited and subsidiary company (the group), which comprise the statements of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company and of the group as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company and of the group in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Directors for the Financial Statements

The management and directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Companies Act, 2015, and for such internal control as the management and directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The management and directors are responsible for overseeing the company's and group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of South Pacific Stock Exchange Pte Limited (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's and group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

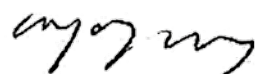
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act, 2015 in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the company and the group has kept financial records sufficient to enable the financial statements to be prepared and audited.



BDO
CHARTERED ACCOUNTANTS



Wathsala Suraweera
Partner
Suva, Fiji
10 May 2019

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Group		Company	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue	5.1	585,241	338,770	398,160	268,501
Other income	5.2	633,592	528,541	580,081	484,963
Total revenue		1,218,833	867,311	978,241	753,464
Depreciation and amortisation		(43,809)	(38,897)	(15,981)	(13,969)
Staff and employee benefits	5.3	(309,561)	(294,904)	(309,561)	(294,904)
Operating expenses	5.4	(566,200)	(429,992)	(452,025)	(373,195)
Profit before income tax		299,263	103,518	200,674	71,396
Income tax expense	6.1	(58,291)	(22,313)	(40,135)	(18,863)
Net profit after income tax		240,972	81,205	160,539	52,533
Other comprehensive income		-	-	-	-
Total comprehensive income for the year, net of tax		240,972	81,205	160,539	52,533

The accompanying notes form an integral part of this Statements of Profit or Loss and other Comprehensive Income.

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Group		Company	
		2018	2017	2018	2017
		\$	\$	\$	\$
Accumulated Profits					
Balance at the beginning of the year		745,532	664,327	716,686	664,153
Net profit after tax		240,972	81,205	160,539	52,533
Balance at the end of the year		986,504	745,532	877,225	716,686
Share capital					
Balance at the beginning of the year		120,000	120,000	120,000	120,000
Balance at the end of the year	18	120,000	120,000	120,000	120,000
Total shareholders' equity		1,106,504	865,532	997,225	836,686

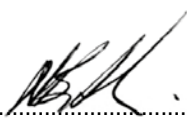
The accompanying notes form an integral part of this Statements of Changes in Equity.

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

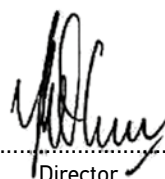
	Notes	Group 2018 \$	2017 \$	Company 2018 \$	2017 \$
CURRENT ASSETS					
Cash at bank	7	620,061	236,011	428,543	171,745
Cash in dividend trust account	8.1	600,759	308,697	-	-
Trade and other receivables	9.1	83,296	35,624	194,849	34,436
Held to maturity investments	10.1	-	135,391	-	135,391
Other investments	10.3	235,488	-	235,488	-
Units in Unit Trust of Fiji	11.1	400,000	400,000	-	-
Advance tax	6.3	-	24,764	-	25,429
Prepayments		62,571	60,779	62,242	58,367
Total current assets		2,002,175	1,201,266	921,122	425,368
NON-CURRENT ASSETS					
Units in Unit Trust of Fiji	11.2	175,751	170,547	175,751	170,547
Held to maturity investments	10.2	-	200,000	-	200,000
Other investments	10.4	200,000	-	200,000	-
Investment in subsidiary	12	-	-	50,000	50,000
Plant and equipment	13	202,925	26,921	191,815	24,073
Intangibles (ShareSoft)	14	122,810	137,972	-	-
Trade and other receivables	9.2	-	-	-	121,724
Deferred tax asset	6.2	1,901	1,901	1,901	1,901
Total non-current assets		703,387	537,341	619,467	568,245
TOTAL ASSETS		2,705,562	1,738,607	1,540,589	993,613
CURRENT LIABILITIES					
Trade and other payables	15	110,779	44,351	79,464	41,864
Deferred income	17	452,558	111,709	447,536	107,386
Trust funds for dividend payable	8.2	1,000,759	709,338	-	-
Current tax liability	6.3	28,704	-	10,106	-
Employee benefit liability	16	6,258	7,677	6,258	7,677
Total current liabilities		1,599,058	873,075	543,364	156,927
TOTAL LIABILITIES		1,599,058	873,075	543,364	156,927
NET ASSETS		1,106,504	865,532	997,225	836,686
SHAREHOLDERS' FUNDS					
Share capital	18	120,000	120,000	120,000	120,000
Accumulated Profits		986,504	745,532	877,225	716,686
TOTAL SHAREHOLDERS' EQUITY		1,106,504	865,532	997,225	836,686

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

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the board of directors.



Director



Director

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Group		Company	
		2018	2017	2018	2017
		\$	\$	\$	\$
Operating activities					
Receipts from customers		790,896	545,313	640,399	491,701
Government grant		650,827	391,892	583,410	334,474
		1,441,723	937,205	1,223,809	826,175
Payments to suppliers and employees		(790,101)	(749,241)	(729,590)	(665,386)
1% Transitional tax on Undistributed Profits		-	(4,616)	-	(4,584)
Income tax paid		(4,823)	(60,542)	(4,600)	(60,542)
Net cash flows provided by Operating Activities		646,799	122,806	489,619	95,663
Investing activities					
Payment for plant and equipment		(193,371)	(7,364)	(183,723)	(6,585)
Acquisition of Intangible asset		(11,280)	(12,500)	-	-
Proceeds from withdrawal of term deposits		-	170,000	-	170,000
Proceeds from sale of plant and equipment		25,000	20	25,000	20
Payments for investment		(105,204)	(202,973)	(105,204)	(202,973)
Interest received		16,902	11,977	16,902	11,977
Dividends received		5,204	3,718	5,204	2,973
Net cash flows used in Investing Activities		(262,749)	(37,122)	(241,821)	(24,588)
Financing Activities					
Proceeds from related party advances		-	-	9,000	-
Net cash flows provided by Financing Activities		-	-	9,000	-
Net increase in cash and cash equivalent		384,050	85,684	256,798	71,075
Cash and cash equivalents at 1 January		236,011	150,327	171,745	100,670
Cash and cash equivalents at 31 December	7	620,061	236,011	428,543	171,745

The accompanying notes form an integral part of this Statements of Cash Flows

1. CORPORATE INFORMATION

The South Pacific Stock Exchange Pte Limited is a limited liability company incorporated and domiciled in Fiji. The group owners have the power to amend the financial statements, if applicable. The financial statements of South Pacific Stock Exchange Pte Limited and subsidiary company for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 10 May 2019.

The principal activities of the group are described in Note 25 of the financial statements.

2. BASIS OF PREPARATION

a) Basis of preparation

The company and the group's financial statements have been prepared on a historical cost basis and do not take into account changing money values or current valuations of non-current assets unless otherwise stated. The company and the group financial statements are presented in Fiji dollars.

b) Statement of compliance

The financial statements of the company and the group have been prepared in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act, 2015.

c) Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of all the companies that comprise the group, being South Pacific Stock Exchange Pte Limited (holding company) and its 100% subsidiary company, Central Share Registry Pte Limited.

The holding company reassess whether or not it controls an investee on the basis of the three elements of control listed below.

Control is achieved when the holding company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the holding company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The holding company considers all relevant facts and circumstances in assessing whether or not the holding company's voting rights in an investee are sufficient to give it power, including:

- the size of the holding company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the holding company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the holding company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company occurs when the holding company is determined to exert control over the subsidiary company and ceases when the holding company is determined not to be able to exert control over the subsidiary company.

The acquisition method of accounting is used to account for the acquisition of subsidiary companies by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of the acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the group's statement of profit or loss as fair value gain on acquisition.

2. BASIS OF PREPARATION (CONT'D)

c) Basis of consolidation (cont'd)

Changes in the holding company's ownership interest in a subsidiary company that does not result in the holding company losing control of the subsidiary company are equity transactions (i.e. transactions with owners in their capacity as owners) and accordingly reflected directly in the statement of changes in equity of the group.

d) Presentation and functional currency

The companies in the group operate in Fiji and hence the financial statements are presented in Fiji dollars, which is the companies functional and presentation currency.

e) Changes in accounting policies

Except for the changes below, the company and the group has consistently applied the accounting policies to all periods presented in these financial statements.

New standards, interpretations and amendments effective from 1 January 2018

New standards impacting the company and the group that will be adopted in the annual financial statements for the year ended 31 December 2018, and which have given rise to changes in the company and the group's accounting policies are:

- IFRS 9 Financial Instruments (IFRS 9); and
- IFRS 15 Revenue from Contracts with Customers (IFRS 15)

Details of the impact of these two standards have been presented below.

Other new and amended standards and interpretations issued by the IASB that will apply for the first time in the annual financial statements are not expected to impact the company and the group as they are either not relevant to the company and the group's activities or require accounting which is consistent with the company and the group's current accounting policies.

New Standards Applied by the Entity – IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers

A. IFRS 9 – Financial Instruments

The company and the group has adopted IFRS 9 Financial Instruments issued in July 2014 from the effective date of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 *Financial Instruments: Recognition and Measurement*.

The nature and effects of the key changes to the company and the group's accounting policies resulting from its adoption of IFRS 9 are summarised below:

As a result of the adoption of IFRS 9, the company and the group adopted consequential amendments to IAS 1 Presentation of Financial Statements which requires impairment of financial assets to be presented in a separate line item in the statements of profit or loss and other comprehensive income. Previously, the company's and group's approach was to include the impairment of trade receivables in operating expenses. Additionally, the company and group adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures for the year 2018 but generally have not been applied to comparative information.

i. Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The impact of transition of instruments in these categories is detailed in note 4(a) and note 2(e)A(iv).

For an explanation of how the company and the group classifies and measures financial assets and accounts for related gains and losses under IFRS 9, refer note 4(a).

The adoption of IFRS 9 has not had a significant effect on the company and the group's accounting policies for financial liabilities.

2. BASIS OF PREPARATION (CONT'D)

e) Changes in accounting policies (cont'd)

New Standards Applied by the Entity – IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers (Cont'd)

A. IFRS 9 – Financial Instruments (cont'd)

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, debt investments at FVOCI and loan commitments issued, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – refer note 4(a).

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 (2014) have been applied retrospectively, except as described below:

- Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
 - The determination of the business model within which a financial asset is held.
 - If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the company assumed that the credit risk on the asset had not increased significantly since its initial recognition.

There has been no impact of transition to IFRS 9 on reserves and retained earnings at 1 January 2018.

iv. Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the group's financial assets and financial liabilities as at 1 January 2018:

Group	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (\$)	New carrying amount under IFRS 9 (\$)
Financial assets					
Cash at bank		Loans and receivables	Amortised cost	236,011	236,011
Cash in dividend trust account		Loans and receivables	Amortised cost	308,697	308,697
Trade and other receivables	9	Loans and receivables	Amortised cost	35,624	35,624
Units in Unit Trust of Fiji	11	Held for trading	Amortised cost	570,547	570,547
Other investments	10	Held to maturity	Amortised cost	335,391	335,391
Total financial assets				1,486,270	1,486,270
Financial liabilities					
Payables and accruals	15	Other financial liabilities	Other financial liabilities	44,351	44,351
Trust funds for dividend payable		Other financial liabilities	Other financial liabilities	709,338	709,338

Total financial liabilities **753,689** **753,689**

2. BASIS OF PREPARATION (CONT'D)

e) Changes in accounting policies (Cont'd)

New Standards Applied by the Entity – IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers (Cont'd)

A. IFRS 9 – Financial Instruments (Cont'd)

iv. Classification of financial assets and financial liabilities on the date of initial application of IFRS 9 (Cont'd)

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and financial liabilities as at 1 January 2018:

Company	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (\$)	New carrying amount under IFRS 9 (\$)
Financial assets					
Cash at bank		Loans and receivables	Amortised cost	171,745	171,745
Trade and other receivables	9	Loans and receivables	Amortised cost	156,160	156,160
Units in Unit Trust of Fiji	11	Held for trading	Amortised cost	170,547	170,547
Other investments	10	Held to maturity	Amortised cost	335,391	335,391
Total financial assets				833,843	833,843
Financial liabilities					
Payables and accruals	15	Other financial liabilities	Other financial liabilities	41,864	41,864
Total financial liabilities				41,864	41,864

The company and the group's accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 4(a). The application of these policies resulted in the reclassifications set out in the table above and explained below:

- Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.
- Debt securities that were previously classified as held-to-maturity and investments in Unit Trust of Fiji are now classified at amortised cost. The company and the group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

B. IFRS 15 – Revenue from Contracts with Customers

The company and group adopted IFRS 15 *Revenue from Contracts with Customers* issued in May 2014 with a date of initial application of 1 January 2018. As a result, the company and group has changed its accounting policy for revenue recognition as detailed below.

The company and group applied IFRS 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 – Revenue. There was no quantitative impact of the changes in accounting policies from the adoption of IFRS 15.

New standards, interpretations and amendments not yet effective

The company and group has progressed its projects dealing with the implementation of the key new accounting standard and

is able to provide the following information regarding their likely impact:

2. BASIS OF PREPARATION (CONT'D)

e) Changes in accounting policies (Cont'd)

B. IFRS 15 – Revenue from Contracts with Customers (Cont'd)

IFRS 16 Leases

Adoption of IFRS 16 will result in the company and group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the company and group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The directors have decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, will only recognise leases on balance sheet as at 1 January 2019. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date.

Instead of recognising an operating expense for its operating lease payments, the company and group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its current operating lease cost.

IFRIC 23 Uncertainty over Income Tax Positions

IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In application of the company's and group's accounting policies, which are described in Note 4, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Note 4 (e)- Plant and equipment

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies adopted by the company and the group is set out in this note.

a) Financial Instruments

(i) Recognition and initial measurement

Receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company and the group becomes a party to the contractual provisions of the instrument.

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

A trade receivable without a significant financing component is initially measured at the transaction price.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Financial Instruments (cont'd)

(ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

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

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

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

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

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

Financial assets: Business model assessment – Policy applicable from 1 January 2018

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company and the group's continuing recognition of the assets.

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

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as

well as a profit margin.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the company and the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company and the group considers:

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Reclassifications– Policy applicable from 1 January 2018

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the company and the group changes its business model for managing financial assets.

Financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at amortised cost

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

Financial assets – Policy applicable before 1 January 2018

Financial assets of the company and the group within the scope of IAS 39 are classified as receivables, held-to-maturity investments and investment in Unit Trust of Fiji, as appropriate. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. The company's and group's receivables comprise 'trade and other receivables' as disclosed in the statements of financial position (note 9).

Trade receivables are recognised at original invoice amount less any provision for uncollectible debts. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statements of profit or loss. Bad debts are written off during the year in which they become known.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's and group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are carried at amortised cost using the effective interest method less any impairment.

Held-to-maturity investments in financial institutions by the company and group are recorded at their amortised cost and not re-measured to market values as they are considered likely to be held to maturity in line with investment objectives and fixed

price nature of the investments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Investment in Unit Trust of Fiji

Purchase of units in Unit Trust of Fiji in income fund is classified as financial assets. Dividend are recognised in the statement of profit or loss when the company's and group's right to receive payment is established.

(iii) Derecognition

Financial assets

The company and the group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company and the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company and the group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

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

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

(iv) Modifications of financial assets

If the terms of a financial asset are modified, the company and the group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (refer 4(a)(iii)) and a new financial asset is recognised at fair value.

Policy applicable from 1 January 2018

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower (see 4(b)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Policy applicable before 1 January 2018

If the terms of a financial asset were modified because of financial difficulties of the borrower and the asset was not derecognised, then impairment of the asset was measured using the pre-modification interest rate (see 4(b)).

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company and the group currently has a legally enforceable right to set off the amounts and it intends either

to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Impairment for financial instruments

The company's and the group's receivable balance mainly relates to maintenance fee, which are generally settled within 30 days and there is no significant risk of default occurring. Historically, the receivable balance has not been subject to any impairment loss and write offs.

The company and the group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for impairment is established when there is objective evidence that the company and the group will not be able to collect all amounts due according to the original terms of receivables. Subsequent recoveries of amounts previously written off are credited to other income in the statement of profit or loss.

c) Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise of cash on hand and cash in bank and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

d) Trust Funds

Liabilities in respect of trust funds are recorded in the statements of financial position and related funds are maintained in a separate bank account which is recorded as an asset "Cash in dividend trust account" and invested in Unit Trust of Fiji by way of units.

e) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company and the group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in statements of profit or loss as incurred. Plant and equipment are stated at deemed cost less accumulated depreciation and any impairment in value. The principal depreciation rates in use are:

Furniture and fittings	10% - 24%
Equipment	10% - 24%
Motor vehicles	20% - 33%
Computers	33.33%

Profit and loss on disposal of plant and equipment are taken into account in determining profit or loss for the year.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the statements of profit or loss.

f) Trade and other payables

Trade accounts payables and other payables are recognized when the company and group becomes obliged to make future payments resulting from the purchase of goods and services.

g) Provisions

Provisions are recognised when the company and the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. Where the company and the group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to

the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Foreign currency transactions

Transactions and balances

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year – end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of profit or loss.

i) Employee benefits

This provision for annual leave is made in respect of all employees and is calculated on the basis of pro-rata entitlements based on current salary and wage levels.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statements of profit or loss in the year in which expenditure is incurred.

k) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the companies operate and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statements of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences

will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Taxes (cont'd)

Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)

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

- a) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- b) for receivables and payables which are recognised inclusive of VAT.

The amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables. The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as part of operating cash flows.

l) Revenue recognition

The company and the group applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18. There was no quantitative impact of the changes in accounting policies from the adoption of IFRS 15.

Policy Applicable from 1 January 2018

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

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

Revenue recognition with respect to the company and the group's specific business activities are as follows:

(i) Rendering of services

Fee income is recognised when due and receivable except that listing fees are deferred to future periods and are not recognised as income until the listing takes place. Facility fee income is received from broking members for the facilitation of trading.

(ii) Government grant

Government grant income relating to operating costs and specific projects is recognised in the year in which these expenses

have been incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Revenue recognition (cont'd)

(iii) Interest income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Policy Applicable before 1 January 2018

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts. For export sales risks and rewards are evaluated based on the shipping terms and conditions.

m) Comparatives

Where necessary, amounts relating to prior year have been reclassified and restated to conform with presentation in the current year.

n) Leased assets

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as Lessee

Operating lease payments are recognised as an expense on a straight – line basis over the lease term except when another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

p) Investment in Subsidiaries

A subsidiary is an entity in which the company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company has such power over another entity. An investment in subsidiary is stated at cost less impairment losses. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in the statement of profit or loss.

q) Finance income and finance costs

The company's and the group's finance income and finance costs include:

- interest income on term deposits and advances;
- interest expense on borrowings; and
- impairment losses (and reversals) on investments in debt securities carried at amortised cost.

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

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

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

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
5. OPERATING PROFIT				
5.1 Revenue				
Annual listing fees	180,416	162,340	180,416	162,340
Distribution fees	34,870	24,382	-	-
Registry maintenance fees	114,269	42,528	-	-
Listing application fees	846	10,936	846	10,936
Membership fees	20,000	15,000	20,000	15,000
Private transfer fees	300	950	300	950
Subsequent listing	12,000	2,000	12,000	2,000
SPSE facility fee	174,188	72,167	174,188	72,167
Fines and penalties	10,410	5,108	10,410	5,108
Entry fees	37,942	3,359	-	-
	<u>585,241</u>	<u>338,770</u>	<u>398,160</u>	<u>268,501</u>
5.2 Other income				
Annual government grant	309,978	312,901	243,260	257,015
Management fees	-	-	27,055	23,133
Interest earned	16,999	12,073	16,999	12,073
Dividend earned	5,204	13,752	5,204	5,547
Annual awards (a)	200,118	130,895	200,118	130,895
Training income (a)	54,918	46,375	54,918	46,375
Miscellaneous income	46,375	12,545	32,527	9,925
	<u>633,592</u>	<u>528,541</u>	<u>580,081</u>	<u>484,963</u>
5.3 Staff and employee benefits				
Directors fees	5,324	19,905	5,324	19,905
Salary and wages	242,842	206,016	242,842	206,016
FNPF contribution	24,377	21,136	24,377	21,136
FNU contribution	2,334	2,366	2,334	2,366
Insurance	9,932	10,252	9,932	10,252
Training and development	18,906	28,657	18,906	28,657
Travelling expenses	5,846	6,572	5,846	6,572
	<u>309,561</u>	<u>294,904</u>	<u>309,561</u>	<u>294,904</u>

a) Annual awards and training income includes registration fees, sponsorship cash and in kind and ticket sales, etc.

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
5. OPERATING PROFIT (CONT'D)				
5.4 Operating expenses				
Auditor's remuneration - audit services	12,000	11,200	8,000	7,400
Auditor's remuneration - other services	8,061	4,883	4,750	3,769
Annual awards	162,647	121,664	162,647	121,664
IT Expense	14,104	8,274	10,710	5,770
Electricity	3,186	4,230	2,184	2,900
Insurance	2,727	2,924	2,420	2,360
Investor education program	25,226	37,030	25,226	37,030
Marketing and branding	7,411	1,707	7,411	1,707
RBF licence	6,159	6,159	6,159	6,159
Regional expansion	4,649	606	4,649	606
Rent	50,774	48,658	34,807	33,357
Repair and maintenance	2,086	7,176	2,086	7,176
Sub-licensing fee	98,801	92,401	98,801	92,401
Enhancement – registry services	3,978	11,814	-	-
Other operating expenses	164,391	71,266	82,175	50,896
	<u>566,200</u>	<u>429,992</u>	<u>452,025</u>	<u>373,195</u>

6. INCOME TAX

6.1 Income tax expense

A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2018 and 2017 is as follows:

Accounting profit before income tax	299,263	103,518	200,674	71,396
Prima facie tax expense thereon at 20%	59,853	20,703	40,135	14,279
Overprovision of income tax in prior year	(1,562)	-	-	-
Recoupment of prior year unrecognised tax losses	-	(3,006)	-	-
1% transitional tax on undistributed profit	-	4,616	-	4,584
Income tax expense	<u>58,291</u>	<u>22,313</u>	<u>40,135</u>	<u>18,863</u>

6.2 Deferred tax asset

Provision for employees entitlement	1,698	1,698	1,698	1,698
Difference in the cost base of plant and equipment for tax and accounting purpose	203	203	203	203
Balance at the end of the year	<u>1,901</u>	<u>1,901</u>	<u>1,901</u>	<u>1,901</u>

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$

6. INCOME TAX (CONT'D)

6.3 Advance tax/ (Current tax liability)

Movements during the year were as follows:

Balance at the beginning of the year	24,764	(18,080)	25,429	(20,834)
Income tax paid	4,823	60,542	4,600	60,542
Withholding tax paid	-	-	-	-
Tax liability for the current year	(58,291)	(17,698)	(40,135)	(14,279)
Balance at the end of the year	(28,704)	24,764	(10,106)	25,429

7. CASH AND CASH EQUIVALENTS

Cash at bank	619,761	235,761	428,243	171,495
Cash on hand	300	250	300	250
	620,061	236,011	428,543	171,745

8. CASH IN DIVIDEND TRUST ACCOUNT

Cash in trust account	600,759	308,697	-	-
	600,759	308,697	-	-

The subsidiary company holds and pays dividends to shareholders of listed companies which are its customers. This amount is held in a separate bank account and has been disclosed separately in the statement of financial position as "Trust funds for dividend payable". During the year ended 31 December 2017, \$400,000 unclaimed dividends by shareholders has been invested in Unit Trust of Fiji by the subsidiary company.

9. TRADE AND OTHER RECEIVABLES

9.1 Current

Owing by Central Share Registry Pte Limited	-	-	145,118	9,000
Accrued Revenue	49,217	22,842	16,346	22,107
VAT Receivable	-	949	-	-
Other Receivables	34,079	11,833	33,385	3,329
	83,296	35,624	194,849	34,436

9.2 Non- Current

Owing by Central Share Registry Pte Limited	-	-	-	121,724
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Amounts owing by Central Share Registry Pte Limited is unsecured and interest free. Repayment of current balance is due within the next 12 months.

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
10. FINANCIAL ASSETS				
a) Held-to-maturity Investments				
10.1 Current				
Term deposits (a)	-	135,391	-	135,391
10.2 Non - Current				
Investment in government Viti bonds (b)	-	200,000	-	200,000
b) Other Investments				
10.3 Current				
Term deposits (a)	235,488	-	235,488	-
10.4 10.4 Non - Current				
Investment in government Viti bonds (b)	200,000	-	200,000	-
(a) Term deposits are placed at Merchant Finance Limited, Kontiki Finance Limited and Westpac Banking Corporation and earn interest at 2% to 5%. The deposits are typically held for 12-month term.				
(b) Government Viti bonds are held for 5 years term maturing on 30 June 2021 and earns interest at a rate of 4%.				
11. UNITS IN UNIT TRUST OF FIJI				
11.1 Current				
400,000 units @ \$1 each (Income Fund) (a)	400,000	400,000	-	-
a) The subsidiary company has invested unclaimed dividends in Unit Trust of Fiji in income fund in accordance with the terms of agreement between the company and the listed and unlisted companies for which share registry services are provided. Schedule A (3) of the agreement states that the subsidiary company "shall withdraw any moneys unclaimed by security holders from the dividend account for the purpose of making an investment of such moneys". On the basis of the agreement and internal guidelines, the board approved investment of dividends held in Dividend Trust Account amounting to \$400,000 in Unit Trust of Fiji.				
11.2 Non-Current				
Units in Trust of Fiji (Income Fund)	175,751	170,547	175,751	170,547

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
12. INVESTMENT IN SUBSIDIARY				
Investment in Central Share Registry Pte Limited	-	-	50,000	50,000

The company holds 100% shares in Central Share Registry Pte Limited.

13. PLANT AND EQUIPMENT	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
Group						
Cost:						
At 1 January 2018	57,000	46,080	46,721	187,057	-	336,858
Additions	57,000	2,001	3,437	37,074	93,859	193,371
Disposals	(57,000)	-	(5,184)	-	-	(62,184)
At 31 December 2018	57,000	48,081	44,974	224,131	93,859	468,045
Accumulated Depreciation:						
At 1 January 2018	57,000	30,765	45,495	176,677	-	309,937
Depreciation for the year	-	2,479	1,122	13,766	-	17,367
Disposals	(57,000)	-	(5,184)	-	-	(62,184)
At 31 December 2018	-	33,244	41,433	190,443	-	265,120
Net written down value:						
At 31 December 2018	57,000	14,837	3,541	33,688	93,859	202,925
At 1 January 2017	-	15,315	1,226	10,380	-	26,921
Company						
Cost:						
At 1 January 2018	57,000	42,730	46,721	140,037	-	286,488
Additions	57,000	-	2,299	30,565	93,859	183,723
Disposals	(57,000)	-	(5,184)	-	-	(62,184)
At 31 December 2018	57,000	42,730	43,836	170,602	93,859	408,027
Accumulated Depreciation:						
At 1 Jan 2018	57,000	29,656	45,495	130,264	-	262,415
Depreciation for the year	-	2,063	1,027	12,891	-	15,981
Disposals	(57,000)	-	(5,184)	-	-	(62,184)
At 31 December 2018	-	31,719	41,338	143,155	-	216,212
Net written down value:						
At 31 December 2018	57,000	11,011	2,498	27,447	93,859	191,815
At 1 January 2018	-	13,074	1,226	9,773	-	24,073

	Group	Company
	\$	\$
14. INTANGIBLE ASSETS		
Cost:		
At 1 January 2018	422,440	248,510
Additions	11,280	-
	<hr/>	<hr/>
At 31 December 2018	433,720	248,510
	<hr/>	<hr/>
Accumulated amortisation		
At 1 January 2018	284,468	248,510
Amortisation charge for the year	26,442	-
	<hr/>	<hr/>
At 31 December 2018	310,910	248,510
	<hr/>	<hr/>
Net written down value:		
At 31 December 2018	<hr/> <hr/> 122,810	<hr/> <hr/> -
At 1 January 2018	<hr/> <hr/> 137,972	<hr/> <hr/> -

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
15. TRADE AND OTHER PAYABLES				
15.1 Current				
Owings to Central Share Registry Pte Limited	-	-	5,022	4,712
Accrued expenditure	81,460	40,929	72,172	33,730
Dividend payable	12,939	-	-	-
Vat payable	14,110			
Sundry creditor	2,270	3,422	2,270	3,422
	<hr/>	<hr/>	<hr/>	<hr/>
	110,779	44,351	79,464	41,864
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. EMPLOYEE BENEFIT LIABILITY

Annual leave entitlements

Balance at 1 January	7,677	10,377	7,677	10,377
Arising during the year	11,200	10,068	11,200	10,068
Utilised	(12,619)	(12,768)	(12,619)	(12,768)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December	6,258	7,677	6,258	7,677
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
17. DEFERRED INCOME				
<u>Grant income</u>				
Balance at 1 January	111,709	32,718	107,386	29,927
Grant received during the year	650,827	391,892	583,410	334,474
Release to statement of profit or loss	(309,978)	(312,901)	(243,260)	(257,015)
Balance at 31 December	452,558	111,709	447,536	107,386

Deferred income comprised of Government grants yet to be utilised. Deferred grant will be released to statement of profit or loss as the grant is utilised.

18. SHARE CAPITAL

Issued and Paid up Capital

8 ordinary shares	120,000	120,000	120,000	120,000
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19. CAPITAL COMMITMENTS

Approved and committed	350,000	-	350,000	-
Approved but not committed	254,720	69,155	254,720	69,155

Capital expenditure commitment mainly relates to furniture and fittings for the new office and purchase of motor vehicles.

20. OPERATING LEASE COMMITMENTS

Operating lease rentals in respect of rental of office premises and data backup are as follows:

Not later than one year	117,235	52,777	117,235	52,777
Later than one year but not later than five years	523,492	21,755	523,492	21,755
Balance at 31 December	640,727	74,532	640,727	74,532

20.1 Management fee commitment

Management fees are charged on a monthly basis to the subsidiary company, Central Share Registry Pte Limited for management services provided by the company.

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
21. RELATED PARTY TRANSACTIONS				
21.1 Net owing by related companies				
Owing by Central Share Registry Pte Limited			145,118	130,724
Owing to Central Share Registry Pte Limited			(5,022)	(4,712)

21.2 Transactions with related parties

The transactions between the company and its subsidiary during the year were:

Income

Management fees	27,055	23,133
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During the financial year, the company had various transactions with its shareholders. The transactions involved lease of office and brokerage services. All transactions with related parties were conducted under commercial terms and conditions.

21.3 Shareholders

The company has eight shareholders who hold one share each.

21.4 Directors

Common directors of South Pacific Stock Exchange Pte Limited and Central Share Registry Pte Limited during the year were:

Dr Nur Bano Ali – Chairperson	Mr Bhupendra Solanki – Resigned: 21st May 2018
Mr Steven Pritchard	Mr Griffon Emose – Resigned: 11th June 2018
Mr Saiyad Hussain	Dr Roland Schultz – Resigned: 21st May 2018
Ms Rowena Fong	Mr Nouzab Fareed – Resigned: 11th June 2018
Mr Jignesh Pala – Appointed: 11 th June 2018	
– Resigned: 18 th July 2018	

Directors' fees and allowance	5,324	19,905	5,324	19,905
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21.5 Key Management Personnel Remuneration

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company and its subsidiary directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year, Chief Executive Officer and Business Development Manager (2017: Chief Executive Officer and Manager Operations) were identified as key management personnel.

Compensation paid to key management personnel during the year ended 31 December 2018 and 2017 was:

Salaries and other short-term employee's benefits	157,298	171,242
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22 FINANCIAL RISK MANAGEMENT - GROUP

22.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of the financial markets and seeks to recognize potential adverse effects on the group's financial performance.

(a) Market risk

Market risk is the exposure to adverse changes in the value of the group's trading portfolios as a result of changes in market prices or volatility or the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i) Interest rate risk

The group does not have any interest-bearing borrowings and hence there is no interest rate risk.

The group has significant interest-bearing assets in the form of short-term cash deposits and government bonds. These are at fixed interest rates and hence there are no interest rate risks during the period of investment. For reinvestment of deposits and bonds, the group negotiates an appropriate interest rate with financial institutions and invests with the financial institution which offers the highest interest fixed rate of return.

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

(b) Credit risk

Credit risk is the risk of financial loss as a result of failure by a customer or counterparty to meet its contractual obligations.

The group's credit risk arises from:

- Cash at bank
- Cash in dividend trust account
- Short term deposits with banks.
- Credit exposures to customers, including receivables.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the group's maximum exposure to credit risk.

Cash on hand and at bank

The group held cash of \$620,061 (2017: 236,011) and cash in dividend trust account of \$600,759 (2017: 308,697), respectively. Cash are held with bank and short term deposits are made only with reputable financial institutions which are regulated by Reserve Bank of Fiji with known sound financial standing. The group considers that its cash have low credit risk based on the external credit ratings of the counterparties.

On initial application of IFRS 9, the recognised \$Nil impairment allowance as at 1 January 2018.

22 FINANCIAL RISK MANAGEMENT - GROUP (CONT'D)

22.1 Financial risk factors (cont'd)

Debt securities

The group limits its exposure to credit risk by investing only in liquid debt securities. The group monitors changes in credit risk by reviewing available press and regulatory information about issuers.

Impairment on debt securities has been measured on the 12-month expected loss basis. The group considers that its debt securities have low credit risk based on the available press and regulatory information about issuers.

The group did not have any debt securities that were past due but not impaired at 31 December 2018. An impairment allowance of \$Nil (2017: \$Nil) in respect of debt securities at amortised cost (2017: held to maturity) was recognised. The group has no collateral in respect of these investments.

(c) Liquidity risk

Liquidity risk is the risk that the group is unable to meet its obligations as they fall due, which could arise due to mismatches in cash flows or risk that group will encounter difficulty in meeting obligations associated with financial liabilities.

The group manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

All of the group's financial liabilities at balance date are expected to be settled within the next 12 months.

(d) Operational risk

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

(e) Regulatory risk

The group's profitability can be significantly impacted by regulatory agencies established. Specifically, the commercial activities of the group are closely monitored by Reserve Bank of Fiji.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation.

22.2 Capital risk management

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

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets to reduce debt.

23. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which would require adjustment to or disclosure in the financial statements.

24. COMPANY DETAILS

Company Incorporation

The company is a private company, incorporated and domiciled in Fiji.

Number of employees at the end of the year: 9 (2017: 5).

Registered office

The company's registered office is located at Shop 1 and 11, Sabrina Building, Victoria Parade, Suva.

25. PRINCIPAL ACTIVITY

The principal activities of the company and the subsidiary during the financial year were the provision of stock exchange and share registry services to listed companies and non-listed companies, respectively.

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

26. BROKER GUARANTEES

The company holds certificates of term deposits amounting to \$60,000 on behalf of brokers pursuant to certain business rules in order to protect the interests of the broker's clients. The company has no beneficial interest in these funds and, accordingly, such funds are not recorded in the statements of financial position

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Name	Address/Contact	Licensed Stockbroker Representatives	Services Provided
FHL STOCKBROKERS LTD 	Shop 1A & 1B Level 1, Vanua House 77 Victoria Parade Suva PO Box 2110 Government Buildings Suva, Fiji Phone: (679) 3307 025 Fax: (679) 3317 153 Email: fhls@fjianholdings.com.fj Web: www.fhlstockbrokers.com.fj	1) Ms Joana Saqalagilagi 2) Mr Epeli Vakatawa	<ul style="list-style-type: none"> • Stockbroking for companies listed on SPSE • Overseas Trading Facility • Over the Counter trading for unlisted stocks • Dealing in Bonds issued in Fiji for individuals & institutions • Comprehensive financial planning • Investment advisory services for investors
FIJISTOCK BROKERS LTD 	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji PO Box 16355 Suva, Fiji Phone: (679) 3304 675 Fax: (679) 3304 679 Email: mail@fijistockbrokers.com.fj Web: www.fijistockbrokers.com.fj	1) Mr Esrom Immanuel 2) Ms Elenoa Qalotaki 3) Ms Shireen Devi 4) Mr Pranesh Kumar 5) Mr Steven Pritchard 6) Mr Brett Hall 7) Mr Enzo Pirillo	<ul style="list-style-type: none"> • Stockbroking for companies listed on SPSE • Bond broking for individual and institutions on bonds issued in Fiji • Overseas Trading Facility – on any shares listed on any recognized overseas Stock Exchange • Corporate finance and advisory services • Expatriate investment advisory services
KONTIKI STOCKBROKING LTD 	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji PO Box 17904 Suva, Fiji Phone: (679) 3307 284 Fax: (679) 3307 241 Email: broking@kontiki.com.fj Web: www.kontikicapital.com	1) Ms Neezarat Ali 2) Ms Raghni Khatri 3) Mr David Oliver	<ul style="list-style-type: none"> • Stockbroking services – on listed and unlisted equity securities in Fiji • Debt securities trading for individual and institutions in Fiji • Overseas Trading Facility • Over the counter trades • Customised dealing execution and selected market making • Research Reports • Kontiki Weekly • First to market • Underwriting

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