

ANNUAL REPORT

2019



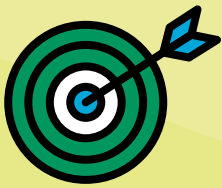
Celebrating
1979-2019

40
years



OUR VISION

TO MAINTAIN INTERNATIONAL REPUTATION AS THE PREFERRED SECURITIES EXCHANGE IN THE SOUTH PACIFIC



OUR MISSION

WE WILL:

- × Promote the Exchange as the preferred investment and capital raising option
- × Work with a secure information technology infrastructure and innovative, timely and reliable systems that support efficient delivery for security trading
- × Comply with international best practices in the securities industry



OUR CORE VALUES

- × **INTEGRITY** – Uphold integrity at all times
- × **ETHICS** – Maintain the highest level of ethical standards
- × **ACCOUNTABILITY** – Remain accountable to our stakeholders at all times
- × **INCLUSIVITY** – Commit to ensure that diversity and equity is maintained in our corporate culture

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Listed Entity Information



Atlantic & Pacific Packaging Company Ltd (APP)

Date Listed: 17 Aug 98 | Listing Day Market Price: \$0.70

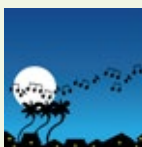
Operation Description: Manufactures a wide range of packaging materials including corrugated cartons and assorted containers and bags.



Amalgamated Telecom Holdings Ltd (ATH)

Date Listed: 18 Apr 02 | Listing Day Market Price: \$1.14

Operation Description: 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)

Date Listed: 20 Dec 01 | Listing Day Market Price: \$1.15

Operation Description: 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 our radio networks. These profit centres include Total Event Company, FijiVillage, CinemaAds and TV commercials.



Free Bird Institute Ltd (FBL)

Date Listed: 02 Feb 17 | Listing Day Market Price: \$2.00

Operation Description: Operates the first English only language institute catering only to international students who choose Fiji as their study abroad destination. It also provides in-house insurance schemes along with foreign exchange services exclusively for its Japanese market.



FijiCare Insurance Ltd (FIL)

Date Listed: 07 Dec 00 | Listing Day Market Price: \$0.60

Operation Description: 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)

Date Listed: 25 Jul 79 | Listing Day Market Price: \$0.06*

Operation Description: 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)

Date Listed: 24 Apr 97 | Listing Day Market Price: \$1.02

Operation Description: 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)

Date Listed: 04 Jul 18 | Listing Day Market Price: \$1.14

Operation Description: 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)

Date Listed: 16 Dec 04 | Listing Day Market Price: \$1.05

Operation Description: 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)

Date Listed: 11 Feb 97 | Listing Day Market Price: \$2.65*

Operation Description: 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)**

Date Listed: 04 Feb 09 | Listing Day Market Price: \$0.94

Operation Description: 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.

**Port Denarau Marina Ltd (PDM)**

Date Listed: 14 Aug 19 | Listing Day Market Price: \$1.40

Operation Description: Established in 1999, the company owns and operates a world-class multi-use marina facility on Denarau Island in Nadi. It strives to be the leading marina facility in the Pacific, providing exceptional customer service with safe and healthy facilities, ensuring the enhancement of Fiji's nautical tourism industry while protecting her distinct marine environment for future generation.

**Pacific Green Industries (Fiji) Ltd (PGI)**

Date Listed: 05 Jun 01 | Listing Day Market Price: \$1.90

Operation Description: Engages in design, manufacture and sale of furniture and architectural products made from coconut palmwood.

**RB Patel Group Ltd (RBG)**

Date Listed: 17 Jul 01 | Listing Day Market Price: \$0.21*

Operation Description: Retailing and wholesaling of general merchandise and also owners and managers of property and equity investments.

**The Rice Company of Fiji Ltd (RCF)**

Date Listed: 20 Jan 97 | Listing Day Market Price: \$0.50

Operation Description: Importing bulk rice, processing and selling in different pack size.

**Toyota Tsusho (South Sea) Ltd (TTS)**

Date Listed: 07 Jun 79 | Listing Day Market Price: \$1.95

Operation Description: 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)**

Date Listed: 01 Nov 01 | Listing Day Market Price: \$1.28

Operation Description: Engages in property investment, financing of vehicles sold by related entities, fleet management services and other investments.

**Vision Investments Ltd (VIL)**

Date Listed: 29 Feb 16 | Listing Day Market Price: \$1.70

Operation Description: 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)**

Date Listed: 20 Jan 97 | Listing Day Market Price: \$0.18*

Operation Description: 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)**

Date Listed: 11 May 10 | Listing Day Market Price: \$5.25

Operation Description: 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

Board of Directors



Dr Nur Bano Ali (Chairperson)

Chairperson Governance Committee, Member Listing 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 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 "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, Member Listing 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.



Ms Janice Nand

Chairperson Listing and Compliance Committee, Member Governance Committee

Ms Nand has over 20 years' commercial experience as an international lawyer, adviser and trainer. She has a Masters Degree in Law majoring in International Trade & Alternate Dispute Resolution (ADR). Ms Nand has an undergraduate degree in Information Technology and specialises in Digital Transformation, Data Protection, Privacy and Cyber Security. She has worked for major international firms and as an in-house corporate counsel for large regional and global organisations and brings with her years of international experience solving complex problems which leverage innovative agile solutions and accelerated transformation. She supports many businesses in Fiji and is currently serving many organisations as a Board member, General Counsel and Strategic Adviser. She specialises in advising boards and senior executives how to navigate the evolving threat landscape, governance, risk and compliance issues, cyber breaches, incident response management, business resilience, data privacy and trust compliance, vendor selection, corporate due diligence and contracts management. She conducts seminars and corporate training to promote the adoption of best business practices and influence executive leaders within an organisation with solutions requiring strategic and multidisciplinary analysis and advice. Ms Nand is passionate about putting people before profits, ensuring good corporate governance, promoting the use of ADR and empowering women and youth.



Ms Rowena Fong

Member Audit and Finance Committee, Member Listing and Compliance Committee

Ms Fong is currently the Chief Executive Officer of Merchant Finance Limited. She has been with the Fijian Holdings Group since 2005 where she has held various senior management positions and directorships within the subsidiaries and associate companies in the capital markets, properties, logistics and manufacturing industry. She holds a Master's in Business Administration from The University of the South Pacific (USP), a Graduate Certificate in Applied Finance & Investment from FINSIA and a Bachelor of Arts majoring in Management & Public Administration and Information Systems from USP. She has also successfully completed the Australian Institute of Company Fiji Directors (AICD) Course and is a member of the AICD.



Mr Gyanesh Rueben

Member Audit and Finance Committee

Mr Rueben is currently the Head of Investments with BSP Life (Fiji) Limited. He has more than 17 years of professional experience in Accounting & Financial Management, Risk, Governance, Investments & Portfolio Management. Prior to joining BSP Life, Mr Rueben served with Unit Trust of Fiji (Management) Limited for 15 years as the Head of Finance & Operations and as part of Executive Management Team. Mr Rueben has a Master's in Business Administration, Post Graduate Diploma and Degree in Commerce & Financial Management from The University of the South Pacific. He also has a Post Graduate Certificate in Applied Finance from Kaplan Professional University in Sydney, Australia. Mr Rueben is a senior associate with the Financial & Securities Institute of Australasia (SA-FINSIA) and is a member of the Australian Institute of Company Directors (AICD).

SPX Team



Front row (From Left-Right):

JOANA RARASEA - Registry Officer | KRISHIKA NARAYAN - Chief Executive Officer
SHALVINA DEO - Trustee Officer | PRETESH PRASAD - Business Development Manager
LOSALINI RABUKA - Administration Officer & Registry Intern | ASHLY PRASAD - Markets & Financial Analyst

Back row (From Left-Right):

SHIVANI CHAND - Clearance & Settlement Officer | RASHA ALI - Legal Officer & Company Secretary
BERETITA OFATI - Accounts Officer | SHYAMA VERMA - Compliance Officer | SWASTIKA RAM - Financial Accountant

Chairperson's Report



Dear Shareholders

On behalf of the Board of Directors and Management of the South Pacific Stock Exchange Pte Limited (SPX), it gives me great pleasure to present to you the Annual Report of the SPX for the 2019 financial year. My report will cover an overview of the operational and development initiatives undertaken for SPX and its subsidiary, Central Share Registry Pte Limited (CSRL).

Introduction

While gathering an impression of the international economy during 2019, it was apparent that in concluding the year, the global economy faced a combination of several highly unpredictable risks, including; the ongoing economic conflict associated with the United States (US)-China trade war, strain in the Middle East causing spike in oil prices and impending outcome anticipated surrounding the withdrawal from the European Union (EU) by the United Kingdom (UK) – the Brexit saga. It was noticeable that trade wars and decline in global manufacturing activity weighed on major international economies in 2019 with the world economy anticipated to grow at its slowest rate since the 2008 global financial crisis. In addressing this downturn, many central banks instituted rate cuts suited to ease monetary policy aiming to stimulate economic growth. On the flip side, 2019 marked a winning year for stock market investors around the world as majority of the major global stock market indices grew during the year under review, with some even extending to conclude at their all-time highs as interest rate cuts and positive earnings drove stocks higher providing a positive counterbalance for the stock market. This opposing trend between the economic performance and the stock market performance, essentially striking in two different directions, got many economists and analysts to grapple with this dilemma and raise concerns that the market's recent all-time highs are detached from economic reality, signalling that markets could be overvalued.

Amongst these already difficult economic realities in 2019, as the year 2020 began; emerged a global health emergency, the Coronavirus (COVID-19) surfacing out of China and spreading to multiple countries rapidly and has now become a Pandemic, threatening lives and livelihoods and causing a massive global economic crisis. Given the influence of China's economy, and its crucial role in the global value chain as a hub for both demand and supply, the economic consequences are anticipated as being nothing short of massive. As a matter of fact, any long-term disruption in economic activity due to this Pandemic which is currently causing unprecedented anxiety and fear is bound to ring alarm bells across global capital markets. As I am writing this report, the global stock markets have already been gripped with multiple waves of worry causing financial carnage for investors. Generally, the scale of the impact is virtually unpredictable and the ultimate determination is hanging upon the behaviour of this virus and its containment in some form which again is precariously uncertain.

What is certain at this stage is that the world as we know it, and the economic eco-system is set to change in a profound way which will include shifts in the way the global business landscape will operate.

On the domestic front, trends similar to the global markets in terms of the strikes between economic performance and stock market performance was to some extent visible as well. Statistics published by the Reserve Bank of Fiji (RBF) indicated that the Fijian economy is anticipated to grow by a lower 1.0% in 2019, from the 3.5% growth the preceding year. However, on the local equities front, Fiji's stock market recorded a stellar performance yielding impressive gains in its key market indicators in 2019. The overall capitalisation of the market, recorded a strong growth on the back of greater investor demand gaining a significant 34.17% concluding the year at a value of \$4.12 billion. The strong financial performance recorded by several listed entities coupled with increases in dividend payments combined with increased demand for listed entity shares resulted in strong capital gains for the year which ultimately posted strong gains in the SPX market indices as well.

Key Highlights

Our aim during the 2019 financial year was to enhance our capabilities in all areas, including; improving our visibility, accepting evolution and standardising our brand in-line with international counterparts, refining processes and aligning the same with evolving business needs, upscaling capacity and resources to cater for organisation demands and initiating roadmaps to further explore the scalability and capacity for SPX to extend its business landscape and further enhance shareholder value. Overall the aim of the SPX board of directors in 2019 has been to position the SPX Group as a service-driven and operationally excellent organisation.

These highlights are further explained below:

World Exchange Congress 2020

The SPX was officially announced as the host sponsor for the World Exchange Congress 2020 at the 14th edition of the event held in February, 2019 in Beirut, Lebanon. SPX was proudly represented at the event in Lebanon with an accompanying delegation from Fiji including: SPX board of directors and senior management, Reserve Bank of Fiji (RBF) Governor and senior managers, senior listed entity executives, representative from Ministry of Industry, Trade and Tourism and senior officials from International Finance Corporation (IFC).

As at the date of this report, SPX in consultation with Terrapinn Holdings Limited (Terrapinn) being the international event manager for World Exchange Congress (Congress) have made a decision to postpone the 2020 Congress to a date to be announced later. The event was initially announced to be held from 2nd to 4th of June 2020 at the Sofitel Resort & Spa. The decision to postpone the event stemmed from the unfavourable impact of COVID-19 as the Congress in Fiji would have seen the involvement of international delegates from multiple countries intending to be part of the event. SPX and Terrapinn have held significant discussions to assess various planning and logistical matters surrounding the Congress, including the health and safety concerns of all attendees as well as the impact of international travel restrictions on potential attendees.

Office Relocation

In March 2019, the SPX Group relocated to Sabrina Building in Victoria Parade with a view to strengthen its visibility amongst ordinary Fijians and promote its mission to increase the attractiveness of the SPX as the preferred investment and capital raising venue. Additionally, the purpose of relocating to the new business premises was to make our services more accessible to the listed entity shareholders as well as the shareholders of CSRL's other client companies such as Energy Fiji Limited amongst others. The relocation also gave SPX an option to install a stock ticker display screen which is a common sight at buildings which house stock exchanges globally. The easy access to our premises is expected to enhance the understanding of the operations of the stock market.

Revision of SPX Strategic Plan

SPX is a business in transformation and operating in an evolving era where development of growth opportunities in order to enhance our significance and competitiveness while improving our service delivery remains pivotal for further progress. As such, in May 2019, the SPX board of directors revised the existing 2018-2020 Strategic Plan to align the goals of the SPX Group to reflect the current business environment and evolving operations of SPX and CSRL. The board views the Strategic Plan as an important

envisioning document that defines the strategies and direction of the SPX Group and subsequent to the revision being undertaken, it has now better positioned the organisation to undertake action items in pursuing its objectives towards achieving the targets set for each of the strategic goals.

Rebranding from SPSE to SPX

The rebranding exercise including the launch of a new logo has been part of the progressive development being undertaken at SPX and has been a proud moment for the institution itself with 2019 being the 40th year of operations for the SPX. The rebranded acronym "SPX" promotes itself as a fresh, innovative and progressive identification for the SPX operations and is aligned to international standards used by exchanges globally to depict their name. The colour combinations depicted in the rebranded SPX logo reflect the deep blue Pacific Ocean with blends of green to symbolise growth and richness.

New Listing

In August 2019, Port Denarau Marina Limited (PDM) successfully listed on the SPX marking the extension of the capital markets sectorial representation by including the first company from the tourism sector. With tourism being the major contributor of Fiji's economy and undoubtedly the largest foreign exchange earner, the official listing of PDM was enthusiastically welcomed by the SPX as it helped establish a more divergent sectorial representation of key sectors through the SPX platform. PDM also injected liquidity into the market as it attracted multiple retail as well as institutional investors that have been in search of investment opportunities in the stock market.

International Partnerships

As part of its efforts to establish collaborative relationships with international counterparts and following from discussions initiated in 2018, SPX executed Memorandums of Understanding (MoU) with Colombo Stock Exchange (CSE), New Zealand Stock Exchange (NZX) and PNGX Markets Limited (PNGX) during 2019. The MoU's have enabled the SPX to develop relationship with these institutions and proceed with opportunities as available. This included SPX to carry-out an onsite visit to NZX in November 2019 to give effect to the MoU and explore various cross-border opportunities available between the two markets. It also enabled an understanding and learning of the technological infrastructure and the operational dynamics around trading, surveillance, clearing and settlement, centralised depository and registry functions, areas for business growth such as introduction of new investible products and consideration of new revenue segments, recent successes as well as a study about the legal and regulatory framework. All of this has enhanced an understanding on how SPX can benchmark itself against a much bigger Exchange to instil efficiencies in its business processes. SPX intends to build on this established relationship during 2020.

Future Outlook

Given the significant development initiatives undertaken in 2019 and with plans by the SPX board of directors to further explore the operational capacity of the SPX Group's business landscape, the organisation is well placed on the impending growth trajectory to achieve greater milestones and further unlock its business value.

SPX being offered the opportunity to host the World Exchange Congress genuinely reiterates the fact that SPX is well placed in the pathway to gain greater international connectivity and this event is surely expected to further elevate our position and visibility and also enhance our prominence amongst other market players in the capital market and the greater financial market. SPX also envisages initiation of various opportunities for us to establish collaborative relationships with other developed stock exchanges around the world to help SPX refine its business landscape which would in turn assist SPX to gain access to many business development opportunities from international counterparts.

In line with our strategic goal to increase company and investor confidence combined with streamlining of business processes, SPX would be exploring prospects that are feasible through executed MoU's in a bid to employ efficiencies in the current clearing and settlement processes in a move towards full automation and integration of our electronic trading system and share registry system.

In a move towards improving the experience of our stakeholders and investors, SPX will be launching a newly optimised website that is also compatible with smart devices and will incorporate a number of new features such as share price charting facilities, ease of access to pertinent stock market information with dedicated pages for listed entities, portal for listed entities and stockbrokers to submit announcements and their filings to SPX, portal for data vendors to access reports through dedicated credentials and options for interested parties to advertise through the website and reach their intended audience via the SPX online network.

On the listing and business evolution front, SPX aims to continue promoting the various tax incentives in existence which consistently indicates a firm commitment from the Government of Fiji in aiming to create a more vibrant stock market in Fiji. Through this agenda, we will focus on increasing the number of listed entities and further expansion of our sectorial representation with an aim to position SPX as an improved barometer of Fiji's economy. Increasing the multiplicity of listed investible products will also remain a key focus for the SPX such as introduction of wholesale corporate bonds.

Overall, the transformational journey being undertaken at SPX in recent times should serve as an inspiration for different capital market stakeholders including the SPX shareholders to support the growth of the SPX.

Acknowledgement

On behalf of the SPX board of directors, I wish to extend my earnest appreciation to the Government of Fiji in providing us with the financial support to secure the hosting rights for the World Exchange Congress. I would also like to reaffirm my gratitude to the Government of Fiji for continuing to provide the assistance in the form of the operational and market development grant while also continuing to offer various tax incentives which makes listing and investing on SPX attractive and a definite option to consider for capital raising and wealth creation.

At SPX, I would like to acknowledge the support, valuable inputs and unwavering support of my fellow board members during the year. I would also like to thank the senior management and staff of the SPX for rising to the challenges during the year and delivering outputs defined in our 2019 action plan. The dedicated efforts and diligent contribution shown towards the evolution of the SPX in 2019 from both the SPX board members and employees is greatly appreciated.

Now before I conclude, 2019 has been our 40th year of existence and if you are looking at our journey over those years, I note many significant events promoting the development of our business, in particular over the recent past. I as the current Chairperson of SPX would like to thank all the individuals and institutions, such as; the industry regulator, Reserve Bank of Fiji (RBF), listed entities, stockbroking houses and investment advisers who have been involved in this journey and have contributed to the shaping of SPX into the modern, progressive and dynamic institution that it has become today.

The SPX board of directors looks forward to working with our management to better serve all SPX and CSRL clients and to further improve the performance of the SPX Group all with the ultimate aim to promote shareholder value.

We wish you all the best for the 2020 year and the unprecedented challenges that it is presenting because of COVID-19 and we look forward to our continued collaborative relationship as we chart new territory for a better future for all of us.



Dr Nur Bano Ali
Chairperson

Chief Executive Officer's Report



Dear Shareholders

An annual report is an opportunity to both look back and look forward. At this time, the immediate past is probably a more pleasant view for most people. This report will not start with the pleasant, celebratory look into the past, but the more uncertain-perhaps even daunting-look into the future.

As we enter the second quarter of 2020, the COVID-19 pandemic is rapidly spreading around the globe. To prevent the pandemic from decimating vulnerable segments of the population, global leaders have instituted measures to reduce the velocity of the viral spread. The understandable economic sacrifice of these measures presents a significant challenge for Fiji and the entire world, albeit a smaller challenge than if leaders did not act. As a result of swift, sharp economic declines, stock markets around the world are experiencing heightened volatility on a historic scale. Although intraday and day-to-day volatility on the South Pacific Stock Exchange (SPX or Exchange) tends to be far more muted than other financial markets, the reverberations of the COVID-19 pandemic and responses to it have and will affect the overall operations of the SPX Group in 2020 and beyond. While this is expected to have a negative impact on the financial performance of the SPX Group in 2020, it is not yet possible to quantify the magnitude and duration of such impact at this time given the fluidity of the situation. Nonetheless, the SPX Group continues to monitor and assess its business operations daily, and will undertake actions as appropriate.

As per the Reserve Bank of Fiji (RBF) Economic Review for the month ended March 2020, the Fijian economy is expected to fall into a recession following almost a decade of positive economic growth. Whilst the virtual elimination of tourist arrivals to the country is occurring during one of the seasonal slow times, the direct impact to one of Fiji's leading industries can be expected to have economic repercussions. To cushion the impact of COVID-19 on business entities and the general populous, the Fijian Government announced the COVID-19 Response Budget as an economic package of over \$1 billion. The Response Budget carries numerous mitigation measures and provides the much-needed push in confidence as well as financial relief which is expected to subside market anxiety for listed entities as well as institutional and retail investors, limiting the economic damage from this global pandemic.

Prior to the extent of the economic dislocation of the COVID-19 pandemic becoming more acute, SPX felt an initial sting with the postponement of the World Exchange Congress (WEC) that was to be held in June 2020. Although not even comparable to the human cost of the spread of COVID-19, this postponement foreshadowed many of the uncertainties, difficulties and frustrations felt as government, business and individuals mobilise to slow the spread of the virus. Planning for a grand event that would highlight Fiji's capital markets and Fiji as a destination had reached an advanced stage when in March, the organisers and SPX made the wise decision to postpone the WEC to allow for an orderly change to plans.

Yet, even in this disappointment, the SPX upheld its core values: serving as steward of public trust to promote the long-term development of the capital markets, of Fiji's and regional economies and of the well-being of the populace. Attending to the reputational impact to the SPX and Fiji as the host country, the Exchange demonstrated its responsibility to a larger vision of a brighter future.

That potential for the Exchange becomes clearer when we look to not just the 2019 performance, but the SPX's history of development. The 2019 performance of SPX and its subsidiary company, Central Share Registry Pte Limited (CSRL) has been outstandingly positive in terms of operational and financial performance.

Fiji's stock market recorded another year of remarkable performance and recorded gains in its key performance indicators for the year ended 31st December 2019 in comparison to the 2018 financial year as illustrated in the table below:

Particulars	Includes One-Off Transactions			Excludes One-Off Transactions		
	2019	2018	% Change	2019	2018	% Change
Number of Trades	3,551	1,771	+100.51%	3,544	1,755	+101.94%
Volume Traded	27,911,775	13,963,159	+99.90%	14,197,346	5,973,863	+137.66%
Value Traded (\$)	55,637,386	24,884,808	+123.58%	22,267,762	13,766,094	+61.76%

On the financial performance front, the SPX Group showed significant improvements in the 2019 financial period in comparison to the achievements of the 2018 and 2017 financial year respectively. The key financial indicators from 2017 to 2019 are tabulated below:

Group Financial Performance	2019	2018	2017
Operating Revenue*	\$1,620,433	\$908,855	\$554,410
Operating Expenses**	\$1,206,856	\$875,761	\$724,896
Net Profit After Tax	\$533,089	\$240,972	\$81,205
Total Assets	\$6,327,608	\$2,705,562	\$1,738,607
Net Assets	\$1,639,593	\$1,106,504	\$865,532

* Excludes Government Grant

** Excludes Depreciation and Amortisation

Beyond the financial metrics, SPX has worked to develop Fiji's capital markets and serve as a beacon to assist Fiji's companies in their aspirations to be world-class regional leaders. One of the key achievements for 2019 has been the implementation of the amended SPX Listing Rules. During the year, listed entities have transitioned well to adopt the amended Listing Rules. The current rules have been aligned to the Companies Act 2015 and to international best practices.

In the listing front, SPX enthusiastically welcomed Port Denarau Marina Limited (PDM) to the SPX Main Board in August 2019. The listing has been very successful for SPX as it attracted a total of 467 new investors to the market. The latest addition to the SPX Main Board also extended the capital markets sectorial representation by including a company from the Tourism sector. The market capitalisation of PDM on the day of listing stood at \$56 million.

2019 also saw SPX diversifying its investor awareness mechanisms to digital mode. Emphasis was placed on social media advertising and interactive messages were disseminated to target audience to captivate the interest of the general populous. The shift from traditional investor awareness activities has resonated well with potential investors as the number of new investors attracted to the stock market in 2019 stood at 945 compared to 209 in 2018, thus SPX intends to continue with this momentum in 2020 and beyond.

Furthermore and in a bid to enhance SPX visibility in the global markets, SPX entered into Memorandum of Understanding (MOU) arrangements with the Colombo Stock Exchange (CSE), New Zealand Stock Exchange (NZX) and Papua New Guinea Stock Exchange (PNGX) during the year. The MOUs carve the pathway not only for inter-market listing and trading flows between the Exchanges but also opens SPX to new technology, new products and the advantage of tapping into resources from developed markets. As part of the MOU arrangement with NZX, SPX executive management team visited the NZX offices based in Wellington and Auckland in November 2019 to gather information and discuss the potential areas of collaboration between the two Exchanges. This has been the first of many steps that SPX will be

undertaking to increase its regional footprint and to become the preferred securities exchange in the Pacific region.

While SPX makes strides towards global recognition, work on the domestic front has continued with equal zeal and compassion. In 2019, SPX undertook two major projects to enhance its prominence in Fiji's financial markets through relocation of its operations to Sabrina Building situated in Victoria Parade Suva and rebranding of its logo and code from SPSE to SPX. Undoubtedly, both of these projects will have long term benefits for the SPX Group and serve towards the goal of the SPX to enhance its standing in Fiji's capital markets.

All of these achievements in 2019 were possible only with the support and involvement of the SPX Board of Directors and stakeholders of the SPX Group. Even more integral has been the team of dedicated staff at SPX who rise to each new challenge. Together, the Directors, stakeholders, and SPX team have built a resilient institution with a solid foundation. Although we do not yet know the extent to which the current situation will affect the performance of the financial markets or SPX's own financial performance, I am confident that SPX will continue to be a core institution for the development of Fiji and the region and that SPX will also seek to promote value for its shareholders.

I would like to conclude with a deep sense of gratitude for the SPX Board of Directors, my team at SPX, and all stakeholders of the SPX Group.

Thank you.



Ms Krishika Narayan
Chief Executive Officer

CORPORATE GOVERNANCE



Corporate Governance Disclosures

NAME OF THE COMPANY: South Pacific Stock Exchange Pte Limited

FOR THE FINANCIAL YEAR ENDED ON: 31st December 2019

Introduction

The Board of Directors of the South Pacific Stock Exchange Pte Limited (SPX) is accountable to its shareholders for the overall direction and control of the Company. Reflecting this confidence clearly, the SPX 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 SPX's commitment to maintain the highest levels of corporate governance throughout the Company to ensure that the SPX's governance processes and structures comply with the relevant legislation and with international best practice.

SPX's integrated governance framework is designed to ensure that it draws a clear portfolio of direction for the organisation which is aligned to the overall vision, strategy and goals decided by the Board of Directors. Governance enables the Board to make the right decisions on projects and opportunities which will be captured in order to accomplish the organisation's vision, growth and future needs.

The governance decision making processes are rigorous and robust in order to support the establishment of long-term value for shareholders. At SPX, 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 SPX believes is necessary to optimise business outcomes.

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	The roles and responsibilities of the SPX Board and its subsidiaries are defined in the respective Board Charters. The charter also details the matters reserved for the Board and matters that have been delegated to Management with oversight by the Board.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	<p>The roles and responsibilities of the Board are defined in the respective Board Charters.</p> <p>The Board of SPX is ultimately responsible for the oversight and review of management, administration and the overall governance of the Company and its strategic direction. This includes:</p> <ul style="list-style-type: none"> the protection of Shareholders' interests by seeking to ensure that SPX's strategic direction provides value for its Shareholders; establishing goals for management and monitoring the achievement of those goals; authorising policies and overseeing the strategic implementation of these policies; and seeking to ensure that SPX's internal control and reporting procedures are adequate, effective and ethical.
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which one third of total number of directors to be independent directors.	The Corporate Governance Principles affirm that the majority of the Board should be independent. The SPX Board has five (5) Directors, which includes two (2) independent Directors (including the Chairperson) and the Chief Executive Officer who is not considered to be independent by reason of being an Executive of SPX.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	The SPX Corporate Governance Principles provide that the Board must ensure it maintains an appropriate mix of skills and experience without gender bias. As such SPX has adopted the same provisions in its charters. Three (3) out of five (5) Directors of the SPX Board are females. The Company Secretary on the SPX Board is also a female.
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank of Fiji (RBF).	The SPX Governance Committee assists SPX in fulfilling its oversight responsibilities regarding the remuneration, succession and recruitment of Directors, Executives and other SPX Group employees. The Governance Committee is comprised of two (2) independent Directors. The Chairperson of the Governance Committee is an independent Director. The Directors of the SPX Group are appointed by the Board upon confirmation and after successful due diligence by the Reserve Bank of Fiji (RBF).
	Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the Company.	SPX has a process for periodically evaluating the performance of the Board, its Committees and individual Directors. The Governance Committee reviews at least annually the processes by which the Board assesses its own performance in meeting its responsibilities. It is intended to extend the assessment of the Board as a whole to include an assessment of the contribution of each individual Director. The Board is cognisant of the need to continually identify areas for improvement; to ensure that it meets the highest standards of corporate governance; and for the Board and each Director to make an appropriate contribution to the Group's objective of providing value to all its stakeholders. The performance review is facilitated annually by the Company Secretary.

Principle	Requirement	Compliance Status
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	On joining the SPX Board, new Directors are provided with an Appointment Letter setting out the terms of the appointment and a Board induction pack which includes the following: <ul style="list-style-type: none"> ✕ SPX Articles of Association ✕ SPX Board Charter ✕ SPX Board Committee Charters ✕ SPX Listing Rules ✕ SPX Business Rules ✕ Companies Act, 2015 and its Regulations Any other relevant SPX policies, procedures, guidelines In particular, the Appointment Letter specifies the term of appointment, expectations in relation to time commitment, the Director's remuneration arrangements, the Director's disclosure and confidentiality obligations, the Director's indemnity entitlements, and SPX Group's key corporate governance policies.
	Board Sub-committees: Board must have sub-committees which must at a minimum include - <ul style="list-style-type: none"> ✕ Audit Committee; ✕ Risk Management Committee; and ✕ Nomination Committee/Recruitment Committee. 	SPX has three (3) Committees of the Board whose functions and powers are governed by their respective Charters. These Committees are the Board Audit Committee, Board Listing and Compliance Committee and the Board Governance Committee.
3. Appointment of Chief Executive Officer/Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director	The Governance Committee assists the SPX Board in fulfilling its oversight responsibilities regarding the Remuneration, Succession and Recruitment of Directors, Executives and other SPX Group employees. The responsibilities of the Governance Committee are to oversee the selection and appointment of a Chief Executive Officer (CEO) and setting of an appropriate remuneration and benefits package for recommendation to the full Board.
4. Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	The Company Secretary, through the Chairperson, is directly accountable to the Board for the proper functioning of the Board. The appointment is based on qualification and experience. The Company Secretary may only be appointed or removed by the Board.
5. Timely and balanced disclosure	Annual Reports:	The Group's continuous disclosure regime is fundamental to the rights of Shareholders to receive information concerning the SPX Group. All requirements under the Companies Act 2015 have been complied in the SPX Annual Report.
	Timely and accurate disclosures are made in Annual report.	
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	The Governance Committee assists SPX in fulfilling its oversight responsibilities regarding the remuneration, succession and recruitment of Directors, Executives and other SPX Group employees. Any change in Directors remuneration is taken up to the shareholders for approval at the SPX Annual General Meeting (AGM). Senior management remuneration is also disclosed in the SPX audited financial statements.
	Continuous Disclosure:	The SPX Management is responsible for approving and releasing of any or all SPX announcement on the SPX Announcements platform other than:
	General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	<ul style="list-style-type: none"> ✕ an announcement that relates to a matter which is both material and strategically important, which will require approval by the Board; or ✕ procedural matters which will require approval by the Board.
6. Promote ethical and responsible decision-making	Code of Conduct:	SPX acknowledges the need for Directors and employees at all levels to observe the highest standards of ethical behaviour when undertaking SPX Group business.
	To establish a minimum Code of Conduct of the Company applicable to directors, senior management and employees and conduct regular trainings on the same.	To this end, the Board has adopted a Code of Conduct for both Directors and the employees of the SPX Group which stipulates that each Director and SPX employee must comply with the Code and the Corporate Mission, Objectives, and Core Values Statement which establishes principles to guide all employees in the day to day performance of their individual functions within the Group.

Principle	Requirement	Compliance Status
7. Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	<p>SPX maintains a Group Conflict of Interest and Related Party Transactions register for Directors and employees of the SPX Group which is updated as and when there is a conflict of a related party transaction. The Group has also adopted policies on conflict of interest and related party transactions which set out the process of determining what constitutes to the matter of conflict and related party and the process of assessing it.</p> <p>Prior to a Director appointment, Directors are also required to provide information to the Board for it to assess their independence. In assessing the independence of Directors, the Board considers number of criteria including:</p> <ul style="list-style-type: none"> ✕ the Director is not an executive of the SPX Group; ✕ the Director is not a substantial shareholder of SPX or otherwise associated directly with a substantial shareholder of SPX; ✕ the Director has not within the last three years been a material consultant or a principal of a material professional adviser to SPX, or an employee materially associated with a service provider; ✕ the Director is not a material supplier to SPX, or a material consultant to SPX, or an employee materially associated with a material supplier or customer; ✕ the Director has no material contractual relationship with SPX other than as a Director of SPX; ✕ the Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of SPX. <p>This information is assessed by the Board to determine whether the relationship could, or could reasonably be perceived to, materially interfere with the exercise of the Director's responsibilities.</p>
	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	SPX commits to dealing fairly, transparently and openly with its Shareholders using available channels and technologies to communicate widely and promptly. SPX commits to facilitating participation in shareholder meetings, and dealing promptly with shareholder enquiries. SPX complies with the disclosure obligations of the Companies Act 2015 and aspires to be at the forefront of best practice in disclosure.
8. Respect the rights of shareholders	Website: To create and maintain a Website of the Company to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	The SPX website presents a wide array of information for the benefit of investors, shareholders, listed entities, potential issuers, stockbrokers, media and the general audience. SPX is currently working on revamping its existing website and the new website is expected to offer an inspiring experience for SPX stakeholders through modern interactive services with the provision of share price charting facilities, introduction of dedicated portals to streamline compliance by stockbrokers and listed entities with the SPX rules amongst others.
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	All complaints and grievances can be reported to the SPX Office directly or via email to info@spx.com.fj in the required Complaints Form implemented through the SPX Complaints Management Framework. The SPX website also provides the mechanism to lodge complaints.
	Shareholders' Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	No complaints have been received by the SPX Group during the financial year.
	Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	SPX identifies and manages its material exposures to economic, environmental and social sustainability within its Risk Management Framework. This framework applies to the Directors and employees of the SPX Group. The Exchange has adopted performance standards, completes due diligence and risk assessments, and undertakes incident and grievance reporting.

Principle	Requirement	Compliance Status
9. Accountability and audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	The SPX Group has an internal audit function. Reviews are undertaken on the scope of the work by the internal audit function to ensure no unjustified restrictions or limitations have been placed on the business performance. An internal audit report is also provided to the CEO on a monthly basis and a quarterly report is also tabled at the Audit Committee meetings to discuss any matters that the Committee, or the internal auditor, believe should be discussed privately. The Committee ensures that significant findings and recommendations made by the internal auditor are received and discussed promptly, and that management responds to recommendations by the internal auditor on a timely basis.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	The Audit Committee is responsible for making recommendations to the Board on the appointment and terms of engagement of SPX Group's external auditors. The selection is made from appropriately qualified auditors in accordance with the Board Charter.
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The External Auditor is rotated every three to five years through recommendations at the Annual General Meeting of the Company.
	Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	The Audit Committee assists the Board to discharge its responsibilities of oversight and governance in relation to financial and audit matters. The responsibilities of this Committee include: <ul style="list-style-type: none"> ✕ Overseeing the financial reporting and disclosure process. ✕ Approve, or recommend for approval to the Board, the appointment, compensation and termination of appointment of external auditors. ✕ Monitoring the internal control process. ✕ Overseeing the performance of the internal audit function. ✕ Receive audit reports and ensure that senior management (with the appropriate involvement of the control functions) takes necessary corrective action in a timely manner to address control weakness, non-compliance with policies, laws and regulations or other problems identified by the auditors.
10. Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The Group's Risk Management activities are aligned to the achievement of the Group's Objectives, Goals and Strategy. The Board, in consultation with the Governance Committee, determines the Group's risk appetite and risk tolerance and this is expressed in the Group Risk Appetite Statement in the Policy. These benchmarks are used in the risk identification, analysis and risk evaluation processes. The Board or and the Committee reviews the risk management framework at least annually or as and when required.
	Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the Company code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]	SPX is committed to a culture in which it is safe and acceptable for employees, customers and suppliers to raise concerns about poor or unacceptable practices, irregularities, corruption, fraud and misconduct. The Group has adopted a whistle-blowing policy that is designed to support and encourage staff to report in good faith matters such as: <ul style="list-style-type: none"> ✕ unacceptable practices; ✕ irregularities or conduct which is an offence or a breach of laws (actions and decisions against the laws including non-compliance); ✕ corruption; ✕ fraud; ✕ misrepresentation of facts; ✕ sexual harassment; ✕ abuse of Delegated Authorities; ✕ misuse of Group assets; and so forth.

MARKET REPORT



2019 Market Highlights

Trading Activity

Market Sentiments

For the year 2019, the stock market reached new highs and saw various positive highlights, including; the growth in market capitalisation surpassing the \$4 billion mark, substantial gains in market indices, general increase in the number of new investors seeking opportunities in the stock market, extension of SPX sectorial representation to 11 different sectors subsequent to a new listing, new corporate actions and more than 50% of the listed entities ending the year at their all-time high share prices. Overall, the year 2019 can be characterised as a period of 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 dividend payments and financial performance.

Generally, the 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 as well as working with SPX in attracting new investors into the stock market. The average capital growth improved further in 2019 but given the inverse relationship between share price movements and the dividend yield ratio, the average dividend yield percentage for the year 2019 saw a slight fall. However, considering the same on a dividend per share basis for each listed entity, majority of the entities either recorded an increase or in some cases, similar levels of dividend payment in 2019. Nonetheless, the higher average capital growth compensated for this decline yielding a higher average aggregate total market return (capital growth plus dividend yield) in 2019.

Moreover, it was also encouraging to note that there were certain shareholders who took an opportunity of the prevailing market sentiments to liquidate part of their shareholdings and realise capital gains from their investments. This is a welcome sign as historically many of these investors maintained a strong 'Hold' and/or 'Accumulate' desire for listed securities. From the buyer perspective, this behaviour from certain existing investors offered them an opportunity to purchase shares in securities that were highly sought-after and scrips for which were usually unavailable.

2019 was also a period during which some listed entities were active in using the SPX platform to undertake certain corporate actions; further realising their status and embracing the many advantages of being a listed entity. These corporate actions encouraged greater participation by shareholders and enhanced further liquidity of their shares during the year arising from activities such as share splits, private placements and options to reinvest dividend proceeds. SPX encourages other listed entities to take queue and explore possibilities of exercising similar corporate action activities in 2020 which may present favourable opportunities for their shareholders.

Encouraging trends were noted in terms of new investors seeking investment opportunities in the stock market in 2019. While the

listing of Port Denarau Marina Limited (PDM) was a significant contributor to the overall new investor statistics, there was a general upsurge noted from people investing in the stock market during the year. A moving trend is now apparent whereby new investors are focused on establishing a diversified investment portfolio, investing in multiple listed entities rather than focusing on one particular listed entity only. Considering the current market sentiments demonstrated in 2019 combined with the continued existence of various incentives for listing on SPX, 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

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 2019. Collectively, while considering all ordinary trades as well as the one-off transactions, the number of trades noted for 2019 stood at 3,551, a substantial increase of 100.51% in comparison to the same period last year. Additionally, the total volume and value of trades for the year also recorded substantial increases in comparison to 2018. In aggregate, the total volume traded for 2019 stood at 27,911,775 shares accumulating a total consideration value of \$55,637,386. While excluding the one-off transactions for 2019, the number of trades stood at 3,544 while the volume and value of shares totalled 14,197,346 and \$22,267,762 respectively. These statistics also stand considerably higher in comparison to the 2018 market statistics.

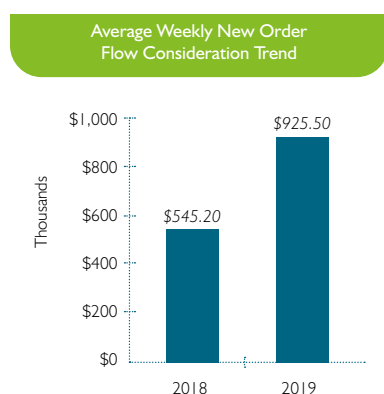
The key market indicators discussed above in comparison to last year is illustrated in the table below:

Particulars	Includes One-Off Transactions		
	2019	2018	% Change
Number of Trades	3,551	1,771	+100.51%
Volume Traded	27,911,775	13,963,159	+99.90%
Value Traded (\$)	55,637,386	24,884,808	+123.58%
Particulars	Excludes One-Off Transactions		
	2019	2018	% Change
Number of Trades	3,544	1,755	+101.94%
Volume Traded	14,197,346	5,973,863	+137.66%
Value Traded (\$)	22,267,762	13,766,094	+61.76%

New Order Flows

The average weekly new order flow for 2019 stood at \$925,500 per week, an increase of 69.76% in comparison to 2018. From the buyer perspective, the increase in the average weekly order flow has been reflective of heightened investor confidence owing to various investor awareness programmes being undertaken during 2019 and their willingness to explore investment opportunity in the stock market. From the seller perspective, the increased demand for listed entity shares were viewed by certain existing

investors as an opportunity to sell and realise capital gains. Overall, this behaviour from potential and existing investors resulted in an increased frequency of trades as reflected in the number of trades and new investors recorded during 2019. While considering the average bid to offer ratio on a 12 monthly basis, it is noted that the average bid to offer ratio for 2019 stood at 1:9 in comparison to an average bid to offer ratio of 1:5 in 2018, a general indication of increased sell orders entering the market as opposed to buy orders. However, it was witnessed that the increased sell orders were centric to certain listed stocks only, namely: FMF Foods Limited (FMF), Kontiki Finance Limited (KFL), Port Denarau Marina Limited (PDM) and Fijian Holdings Limited (FHL).



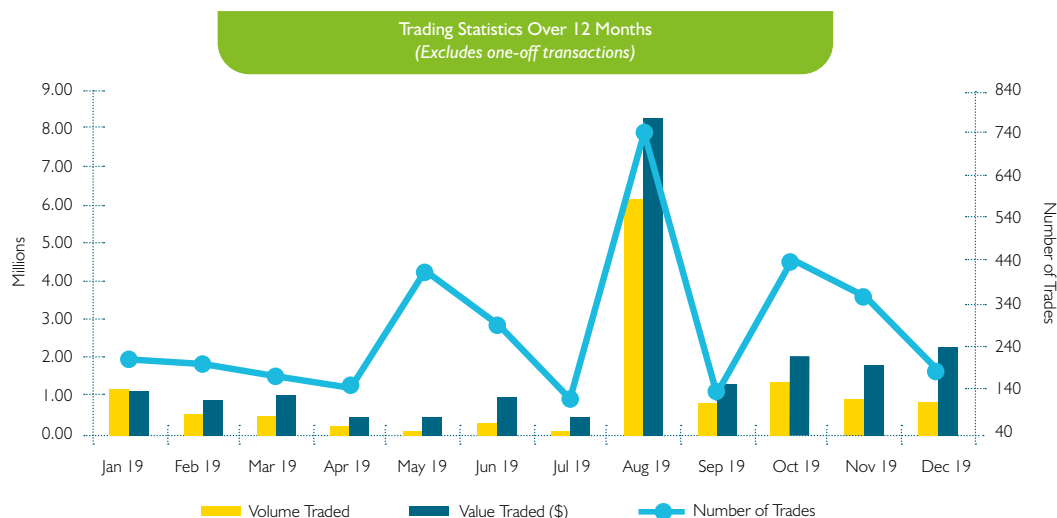
Monthly Market Activity Highlights

- ✕ The year 2019 started on an optimistic note as an active pattern of trading was witnessed in Fijian Holdings Limited (FHL) boosting the overall trading statistics for the month. The hype in trading activities for FHL was consequent to the completion of the Share Split process into a ratio of 1:10 and the adjustment of the last traded price to \$0.85. From an investor viewpoint, the readjusted share price for FHL made the stock more affordable to potential investors thus creating greater demand for FHL shares.
- ✕ Whilst trading activities in other listed stocks remained low during the month of February, active trading continued in FHL shares due to its affordability with the readjusted share price. This resulted in a greater demand for FHL shares resulting in further appreciation in FHL's share price as well as attraction of multiple new investors given the prevailing circumstances. This trend continued during the month of March with FHL shares still highly sought-after and continued to post further capital gains for the shareholders.
- ✕ Trading picked pace in April arising from the execution of a special crossing transaction in FMF Foods Limited (FMF) between two institutional investors. The month of May saw the partial execution of FHL's market-based bi-annual dividend reinvestment transactions which resulted in an increase in the number of trades, however, volume and value traded remained at usual levels.
- ✕ The month of June recorded a special crossing transaction in Amalgamated Telecom Holdings Limited (ATH) which combined with the full execution of FHL's remaining dividend reinvestment transactions boosting the overall trading statistics for the month.
- ✕ Market activities during July remained slow, however, picked pace during August consequent to the listing of Port Denarau Marina Limited (PDM). The official listing of PDM was enthusiastically welcomed by the SPX as PDM added a new sector to the Exchange's portfolio of investment, namely from the Tourism sector. The listing also offered savers and prospective investors an opportunity to gain access to a competitive tax-free rate of return through PDM shares and this was highlighted by a high number of retail investor participation in PDM shares.
- ✕ Trading for September picked pace due to the execution of one special crossing transaction each in Vision Investments Limited (VIL) and FHL. The two special crossing transactions recorded in VIL and FHL were executed between high net worth individuals and institutional investors. Secondly, certain high-volume trades executed between two institutional investors in Kinetic Growth Fund Limited (KGF) also boosted trading volumes.
- ✕ Trading in FHL shares were dominant in October due to the execution of FHL's market-based dividend reinvestment trades originating out of the second interim dividend declared in September 2019. Additionally, other listed entities such as; Kontiki Finance Limited (KFL) and PDM supplemented the trading statistics with the execution of some larger quantities during the month under review, attracting a couple of first-time stock market investors as well.
- ✕ November recorded multiple notable activities with the overall market capitalisation reaching the \$4 billion mark for the first time ever. The month also witnessed completion of the Share Split process for RB Patel Group Limited (RBG) into a ratio of 1:5 and the adjustment of the last traded price to \$1.90. Similar to FHL's Share Split at the start of the year and with RBG historically being a highly sought-after stock, the readjusted share price made the entity's shares more affordable to potential investors thus creating greater demand for RBG shares. This increased investor demand rallied well for the shareholders posting substantial capital gains in RBG shares. FHL's market-based dividend reinvestment transactions were partially executed during November as well while some orders continued to remain unexecuted and were expected to trade in the coming month.
- ✕ The month of December in concluding the year 2019 witnessed two special crossing transactions in Vision Investments Limited (VIL) which subsequently resulted in increased volume and value of transactions. December also witnessed a further growth in aggregate market capitalisation reaching an all-time high of \$4.13 billion, however, dipped slightly to end the year at \$4.12 billion. Additionally, despite the festive season setting in, many retail investors remained active during the month which is a welcome change noted by the SPX over the past years and indicates that individuals are now balancing their consumption and saving/investment priorities.

Trade by Security

Analysing the overall market statistics for 2019 by each security shows that PDM shares dominated the aggregate volume traded by 42.97% while VIL shares dominated the aggregate value traded

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



by 30.71%. The main contributing factor to the high volume traded in PDM shares is due to the execution of a special crossing transaction as well as various other high-volume transactions recorded on the day of listing where the founding shareholder partially offloaded its holding to a mixture of other institutional and high net worth investors. As for the volume traded, VIL shares stood out as being the most active due to the execution of three special crossing transactions during 2019. These special crossing transactions were executed between institutional investors and high net worth individuals.

In terms of number of trades and as per historical trends, the restricted security, FHL stood as the most active stock. FHL accounted for 44.30% of the total number of trades in 2019. These number of trades for FHL is close to two times higher than the second most active security and were underpinned by FHL's market-based dividend re-investment option for shareholders, which accounted for 47.36% of all FHL trades.

Future Forests (Fiji) Limited (FFF)¹ and Pacific Green Industries (Fiji) Limited (PGI) were the two listed stocks that did not record any market activity in 2019.

The trade analysis by each security for 2019 is tabulated below:

Security	Security Price as at 31/12/19 (\$)	Number of Trades	Volume Traded	Value Traded (\$)	Issued Securities	Volume Traded to Issued Securities Ratio	Market Capitalisation (\$)
APP	1.60	8	4,543	7,037	8,000,000	0.06%	12,800,000
ATH	3.34	173	1,889,108	5,695,191	422,104,868	0.45%	1,409,830,259
CFL	6.22	33	43,091	255,340	3,558,000	1.21%	22,130,760
FBL	3.00	11	71,136	195,774	2,000,000	3.56%	6,000,000
FFF	0.79	NO TRADES			30,307,483	0.00%	23,942,912
FIL	2.45	54	49,875	82,863	8,607,742	0.58%	21,088,968
FMF	2.12	33	2,202,504	4,669,485	150,000,000	1.47%	318,000,000
FTV	5.50	55	142,919	438,474	10,300,000	1.39%	56,650,000
KFL	1.30	165	2,741,638	2,963,912	91,460,194	3.00%	118,898,252
KGF	1.12	16	904,270	1,012,622	3,821,210	23.66%	4,279,755
PBF	14.86	52	23,359	315,885	10,408,125	0.22%	154,664,738
PBP	2.60	2	49,553	123,931	6,684,500	0.74%	17,379,700
PDM	2.19	787	11,994,957	15,631,522	40,000,000	29.99%	87,600,000
PGI	1.08	NO TRADES			7,619,234	0.00%	8,228,773
RBG	3.70	308	529,795	1,996,369	150,000,000	0.35%	555,000,000
RCF	8.00	44	76,907	524,362	6,000,000	1.28%	48,000,000
TTS	13.00	39	24,771	275,144	14,032,202	0.18%	182,418,626
VBH	7.00	9	6,121	43,194	2,137,403	0.29%	14,961,821
VIL	4.90	96	3,908,650	17,086,077	103,769,425	3.77%	508,470,183
FHL	1.54	1573	3,232,998	4,022,463	304,646,500	1.06%	469,155,610
BCN	26.00	93	15,580	297,744	3,064,968	0.51%	79,689,168
Total		3,551	27,911,775	55,637,386	1,378,521,854	2.02%	4,119,189,524

¹ FFF shares have been on suspension from 2016 which continued during 2020.

Liquidity

The total volume traded for the year 2019 encompassing all trades accounted for 2.02% of the issued securities quoted on the trading platform. Amongst these securities, 9 listed stocks witnessed an exchange of less than 1% of their issued securities. 8 listed stocks recorded an exchange of greater than 1% but less than 10% of their issued securities while 2 listed entities 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 2019 was 7,860 shares and \$15,668 respectively. However, once the one-off transactions are excluded, the average volume and value of trades per transaction for the market in 2019 stood at 4,006 shares and \$6,283 respectively.

Changes in Issued Securities

The total number of securities on issue as at 31st December 2019 stood at 1.38 billion which showed a substantial increase of 46.36% in comparison to 2018 where the total number of securities on issue tallied at 941.86 million. The change in issued securities is due to the following occurrences during the year:

- ✧ The existing 30,464,650 shares on issue for Fijian Holdings Limited (FHL) was readjusted to 304,646,500 shares following the completion of the share split process into a ratio of 1:10.
- ✧ 671,234 additional shares were quoted for Kontiki Finance Limited (KFL) through a Private Placement option while a further 1,373,431 shares were quoted as part of the entity's Dividend Reinvestment Plan during the year.
- ✧ Additional shares of 84,500 were quoted for Pleass Global Limited (PBP) as part of the entity's Dividend Reinvestment Plan during the year.
- ✧ 123,548 additional shares were quoted for FijiCare Insurance Limited (FIL) as part of the entity's Dividend Reinvestment Plan.
- ✧ Kinetic Growth Fund Limited (KGF) quoted an additional 226,245 shares. This process was based on the internal management agreement between KGF and its Manager, Kontiki Capital Limited whereby it indicated that the performance fees to the Manager is paid in the form of shares in lieu of cash payment of fees.
- ✧ 40,000,000 shares were quoted on the SPX trading platform consequent to the listing of Port Denarau Marina Limited (PDM).
- ✧ The existing 30,000,000 shares on issue for RB Patel Group Limited (RBG) was readjusted to 150,000,000 shares following the completion of the share split process into a ratio of 1:5.

Private Transfers

Private transfer transactions are now executed on the e-trading platform via special crossing transaction mechanism to ensure these transactions are conducted in an efficient manner. The special crossing transaction mechanism has been adopted to ensure that the last traded price of security remains unchanged given the fact that the parties to such transactions are pre-determined and in

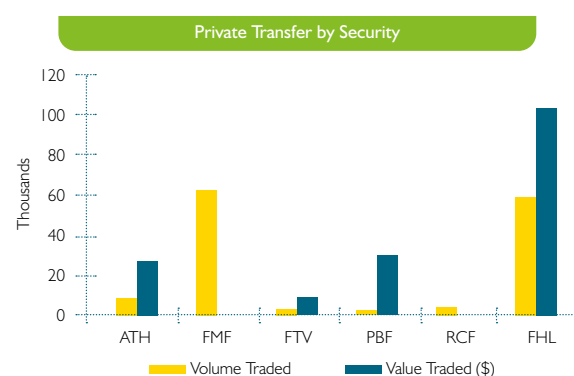
certain cases, consideration is not exchanged between the trading parties.

Overall, there were a total of 15 private transfer transactions in 6 listed securities in 2019. These transactions totalled 138,976 securities in volume garnering a total value of \$169,759. A breakdown of private transfer cases is tabulated below:

Private Transfer Type	Number of cases
Estate case	11
Gift to close relation case	4

FMF shares made up for majority private transfers in terms of volume while FHL shares dominated in terms of value traded. ATH and FHL had the highest number of private transfers with both listed stocks seeing four transfers during 2019.

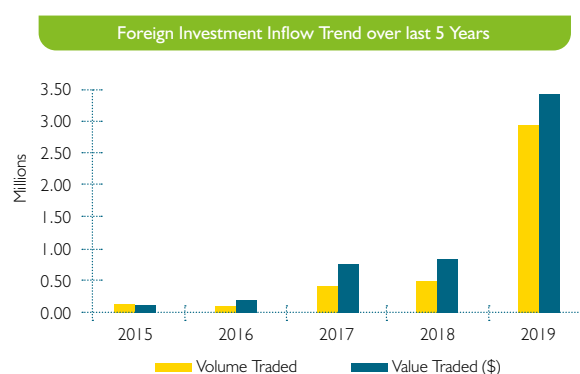
The bar graph below portrays the volume and value of transfers by the individual listed securities in 2019:



Foreign Investment Flows

In 2019, the amount of new foreign investment inflows into the stock market by way of volume and value traded stood at 2.89 million and \$3.39 million respectively. In comparison to 2018, the volume traded through foreign investors saw a substantial increase of 495.87% while the total value traded through foreign investors also recorded a hike of 313.84%. The substantial increase was generally noted for Kontiki Finance Limited (KFL) shares.

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



Market Returns

Capital Growth

The SPX e-trading platform concluded the year 2019 with 17 out of the 21 listed entities recording increased share prices while two listed stocks recorded a decrease in their share prices. Additionally, the share prices for two securities remained invariable during the period under review.

The price movers and shakers for 2019 were as follows:

- ✕ RB Patel Group Limited (RBG) was the largest price gainer seeing a significant price increase of 224.56% while queuing second was Fiji Television Limited (FTV) taking an upswing of 130.13%;
- ✕ BSP Convertible Notes Limited (BCN) stood as the third largest price gainer recording a noteworthy increase of 108.00% while Fijian Holdings Limited (FHL) shares surged by 81.18%;
- ✕ Toyota Tsusho (South Sea) Limited (TTS) shares swelled 79.31% while FijiCare Insurance Limited (FIL) shares recorded an increase of 58.06%. The newly listed entity, Port Denarau Marina Limited (PDM)² shares bragged an increase of 56.43% while Kontiki Finance Limited (KFL) shares recovered this year posting a gain of 34.02%;
- ✕ The Rice Company of Fiji Limited (RCF) shares garnered an increase of 23.08% while Vision Investments Limited (VIL) shares witnessed a growth of 18.36%. Communications (Fiji) Limited (CFL) shares and Paradise Beverages (Fiji) Limited (PBF) shares gained 15.19% and 14.31% respectively;
- ✕ Shares for Kinetic Growth Fund Limited (KGF) and Atlantic & Pacific Packaging Company Limited (APP) gained 9.80% and 6.67% respectively;
- ✕ Pleass Global Limited (PBP) shares witnessed a growth of 6.12% whereas the market heavyweight, Amalgamated Telecom Holdings Limited (ATH) shares had increased by 4.38%. Lastly, FMF Foods Limited (FMF) shares recorded a slight growth of 0.95%;
- ✕ While shares for VB Holdings Limited (VBH) and Free Bird Institute Limited (FBL) recorded negative share price returns of 9.68% and 1.64% respectively.

Given that there were no transactions recorded, Future Forests (Fiji) Limited (FFF) and Pacific Green Industries (Fiji) Limited (PGI) did not record any share price movements.

Overall, 11 out of the 21 listed stocks (52.38%) 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 40.92% (tax-free) during 2019. The consistent increase noted in the average capital growth for the period under review 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 2.11% in 2019. 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 investments, settled slightly lower than 2018 (2018 average income yield stood at 2.91%).

Considering each of the listed stocks on an individual basis, 13 out of the 21 listed stocks paid increased dividends to their shareholders in comparison to the prior year while two listed entities maintained the same level of dividend payments from 2018. Three entities paid lower dividends in 2019 while three listed entities did not declare or pay any dividends during the period under review.

Overall, a total of \$62.26 million was paid out in dividends from the listed equity securities in 2019.

Total Market Return

The total market return to investors in listed entities encompasses the capital gain and the dividend yield from listed stocks. As such, aggregating the average capital gain of 40.92% and the average dividend yield of 2.11% resulted in a **43.03% (tax-free) average total market return for 2019**.

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 22.46%. 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 entity shares which subsequently resulted in increased share prices for majority of the listed entities. This trend is also supportive of the Exchange's various ongoing investor education programmes including widespread concentration on digital marketing during the year 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 income yields per security are tabulated on the following page.

² PDM share price of 56.43% is computed based on the listing day closing share price of \$1.40.

Security	Security Prices		Capital Growth (%)	Dividend Yield (%)	Total Market Return (%)
	2019	2018			
APP	1.60	1.50	6.67%	3.44%	10.10%
ATH	3.34	3.20	4.38%	0.75%	5.12%
CFL	6.22	5.40	15.19%	3.22%	18.40%
FBL	3.00	3.05	-1.64%	3.50%	1.86%
FFF	0.79	0.79	0.00%	0.00%	0.00%
FIL	2.45	1.55	58.06%	3.27%	61.33%
FMF	2.12	2.10	0.95%	0.94%	1.90%
FTV	5.50	2.39	130.13%	1.64%	131.76%
KFL	1.30	0.97	34.02%	4.00%	38.02%
KGF	1.12	1.02	9.80%	0.00%	9.80%
PBF	14.86	13.00	14.31%	3.36%	17.67%
PBP	2.60	2.45	6.12%	1.54%	7.66%
PDM*	2.19	1.40	56.43%	1.03%	57.46%
PGI	1.08	1.08	0.00%	0.00%	0.00%
RBG**	3.70	1.14	224.56%	1.03%	225.59%
RCF	8.00	6.50	23.08%	4.38%	27.45%
TTS	13.00	7.25	79.31%	3.08%	82.39%
VBH	7.00	7.75	-9.68%	2.00%	-7.68%
VIL	4.90	4.14	18.36%	2.09%	20.45%
FHL***	1.54	0.85	81.18%	1.60%	82.77%
BCN	26.00	12.50	108.00%	3.56%	111.56%
Average			40.92%	2.11%	43.03%

* PDM share price of \$1.40 is the closing price on day of official listing (14th August, 2019)

** RBG shares underwent a share split at a ratio of 1:5 which resulted in share price and dividend yield being adjusted accordingly

*** FHL shares underwent a share split at a ratio of 1:10 which resulted in share price and dividend yield being adjusted accordingly

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

The average Earnings per Share (EPS) and Price Earnings (PE) ratio from the market in 2019 stood at 38.83 cents and 16.32 times (or a 6.13% earnings yield) respectively.

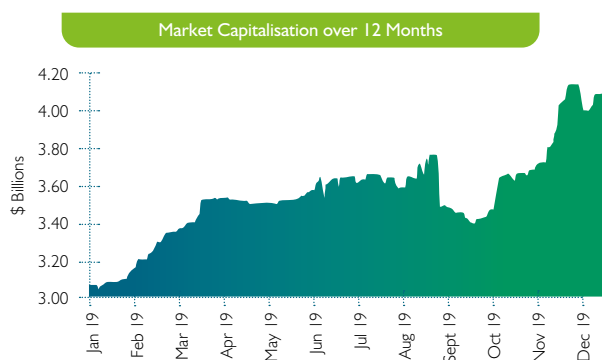
The EPS and the PE ratio comparisons per security between 2018 and 2019 is illustrated in the table below.

Security	Earnings Per Share (Cents)		Price Earnings Ratio (Times)	
	2019	2018	2019	2018
APP	25.34	12.31	6.31	12.18
ATH	20.08	22.90	16.64	13.98
CFL	82.74	82.15	7.52	6.57
FBL	40.19	52.89	7.46	5.77
FFF	-1.04	0.06	-75.61	1,244.11
FIL	40.18	18.06	6.10	8.58
FMF	4.55	5.66	46.59	37.10
FTV	11.67	7.95	47.13	30.05
KFL	10.25	6.00	12.68	16.17
KGF	1.87	35.93	60.02	2.84
PBF	117.34	141.60	12.66	9.18
PBP	91.12	11.14	2.85	21.99
PDM	9.98	N/A	21.94	N/A
PGI	9.01	5.09	11.99	21.21
RBG	6.72	6.14	55.06	18.56
RCF	48.15	42.40	16.61	15.33
TTS	113.10	116.97	11.49	6.20
VBH	63.47	87.06	11.03	8.90
VIL	23.15	19.44	21.17	21.30
FHL	12.04	11.72	12.79	7.25
BCN	85.55	74.55	30.39	16.77
Average	38.83	38.00	16.32	76.20

Market Capitalisation

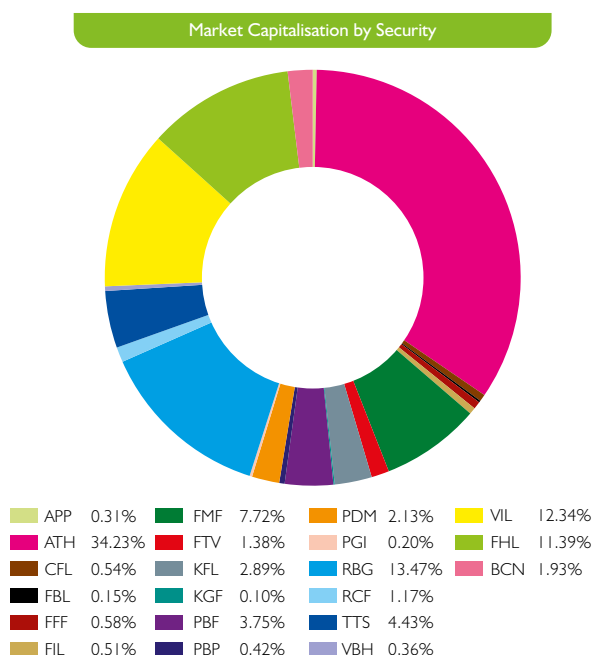
The overall capitalisation of the market recorded an impressive performance in 2019. Owing to the increase in share prices for various listed entities, inclusion of Port Denarau Marina Limited (PDM) as well as additional quotation of shares by various listed entities, the aggregate market capitalisation had reached an all-time high value of \$4,130,283,479 during the year, however, dipped to conclude the year at a value of \$4,119,189,524, an increase of 34.17% over the 12 month period.

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

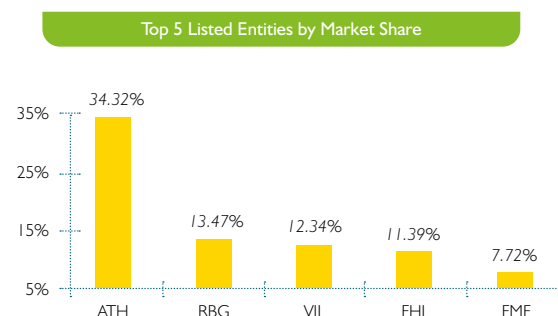


The top five listed securities in terms of market capitalisation represented 79.15% of the overall market capitalisation as at 31st December 2019. An interesting trend was observed towards the conclusion of the year in terms of ranking of the top five listed entities by market share. With the continuing increase recorded in RBG's share price following the conclusion of the share split process, RBG shares ranked as the second largest security on the SPX occupying 13.47% of the overall market at the end of 2019. Amalgamated Telecom Holdings Limited (ATH) continues to stand as the largest entity by market share.

Details of the contribution of each listed security towards the overall market capitalisation as at the end of 2019 are illustrated in the pie chart below:

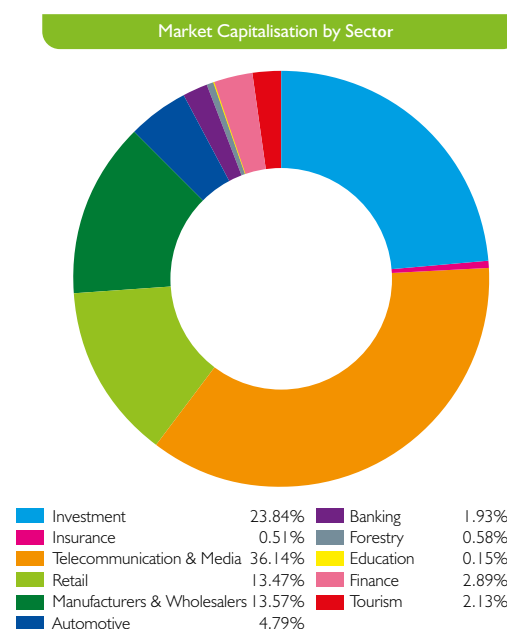


The top five listed securities in terms of market capitalisation is illustrated below:



By sectoral representation, the Telecommunications and the Media sector held the largest portion of the overall market value at 36.14%. The Investment sector stood second in queue occupying 23.84% with the Manufacturers & Wholesalers sector posing third with a 13.57% occupancy. With an ownership of 13.47%, the Retail sector stood fourth with the Automotive sector standing at 4.79%. The Finance sector encompassing KFL shares positioned at 2.89% while the Tourism sector tallied at 2.13%. The Banking sector occupied 1.93% and the Forestry sector accounted for 0.58% of the overall market value. Finally, the Insurance sector represented solely by FIL shares, saw its contribution standing at 0.51% at the end of 2019 whereas the Education sector represented by FBL stood at 0.15%.

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

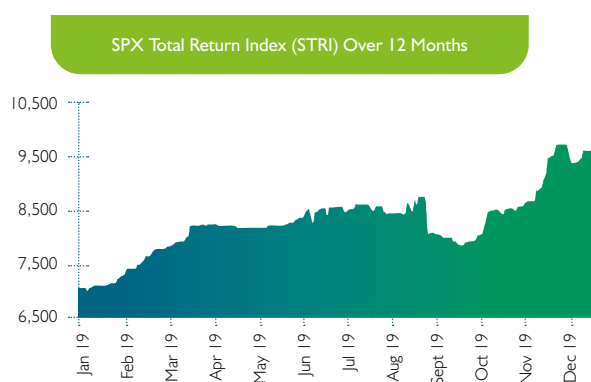


Market Indices

SPX 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 entity towards the aggregate market value. As such, with an impressive capital growth in listed stocks noted for 2019 supplemented by a competitive dividend return, these increases augured well for STRI resulting in a notable gain of 34.43% (2,460.66 points) ending the year at a value of 9,607.67. An all-time high value of 9,621.01 for STRI was also recorded in early December.

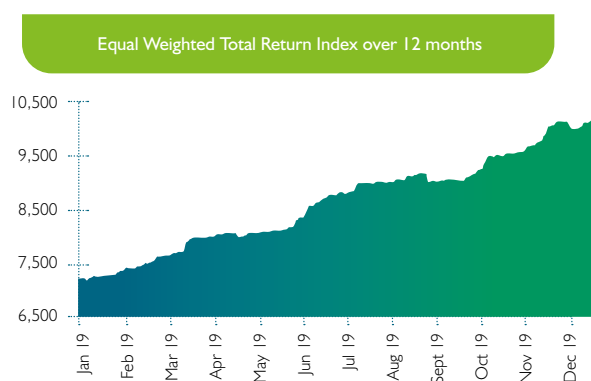
The 12-month performance for SPX Total Return Index (STRI) is illustrated below:



Equal Weighted Total Return Index

This index weighs all the listed stocks equally without being skewed by the heavyweights. The Equal Weighted Total Return Index concluded the year 2019 at an all-time high value of 10,220.90, a gain of 40.65% (2,953.77 points). The increase in the equal weighted index is in line with the average total market return for 2019.

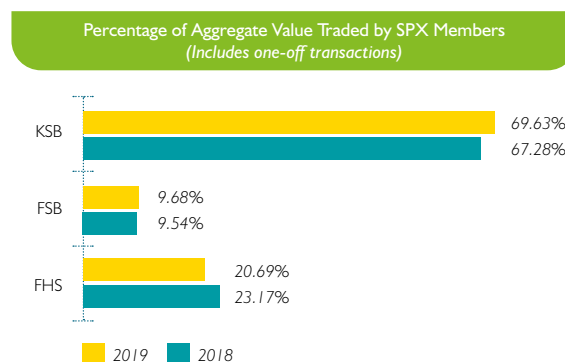
The 12-month performance for Equal Weighted Total Return Index is illustrated below:



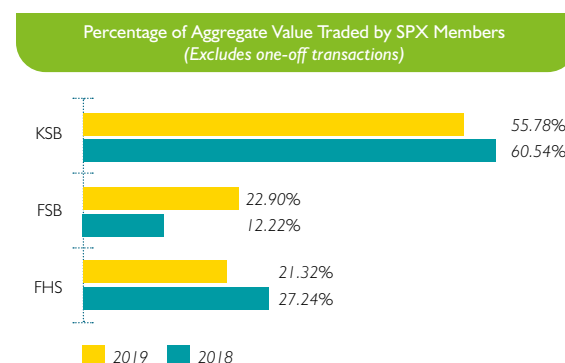
Trading Activity by SPX Members

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 2018.

The graph below includes the one-off transactions executed on the SPX for the 2019 and 2018 comparative years.

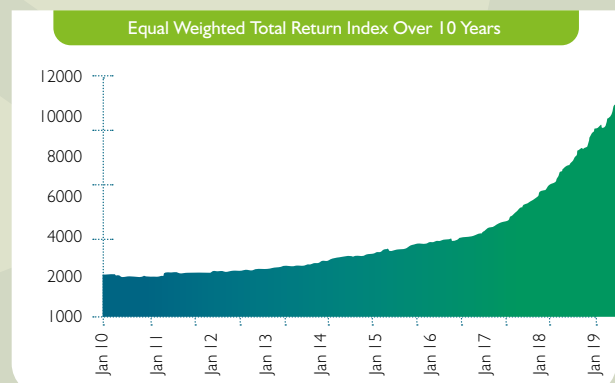
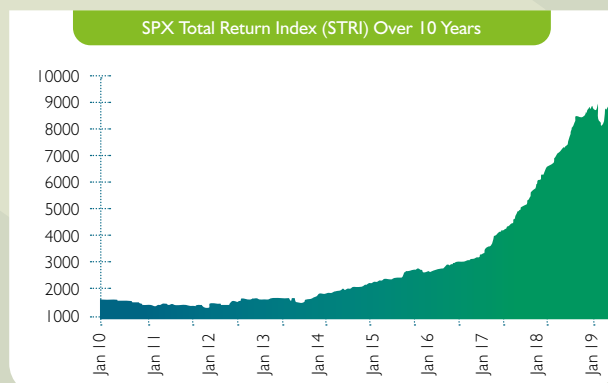
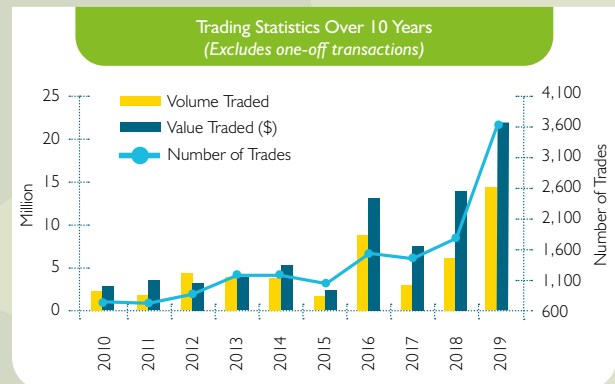
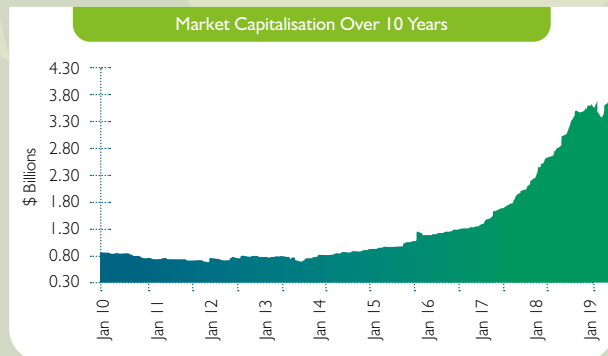


The illustration below excludes the one-off transactions executed on the SPX for both the 2019 and 2018 comparative years.

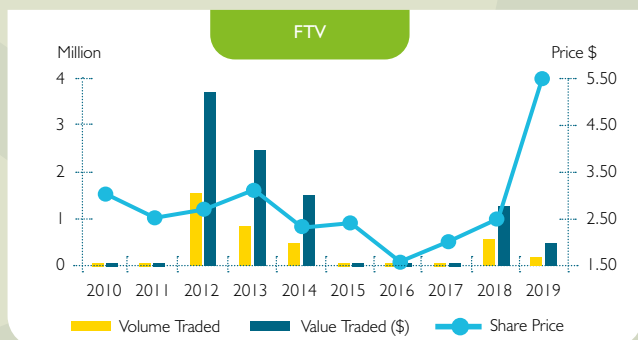
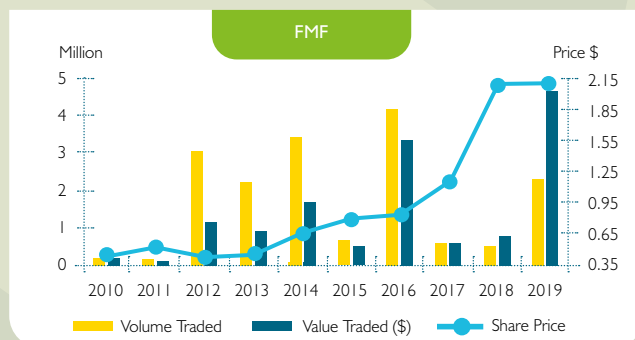
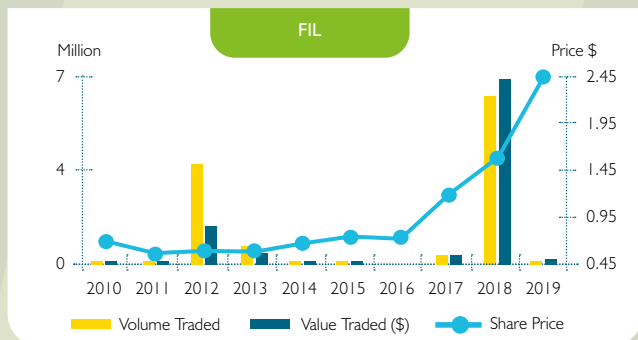
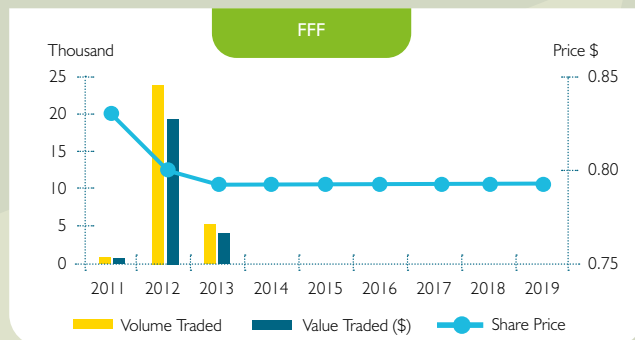
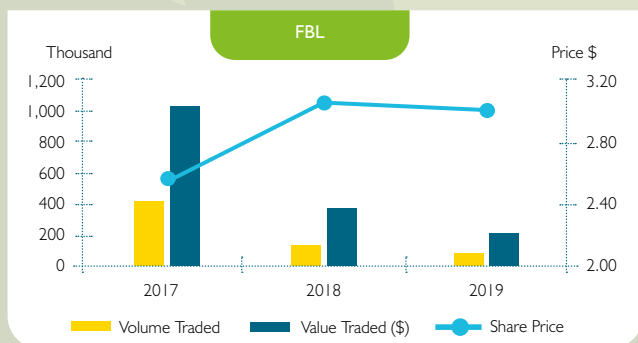
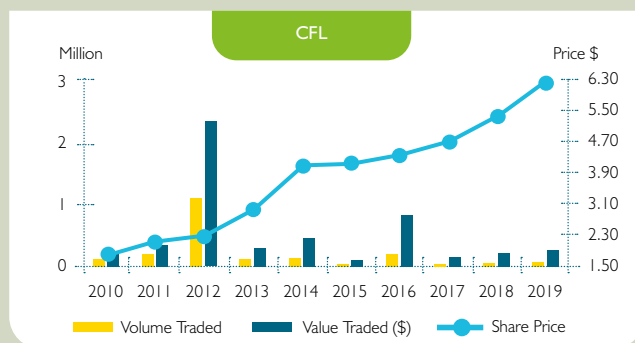
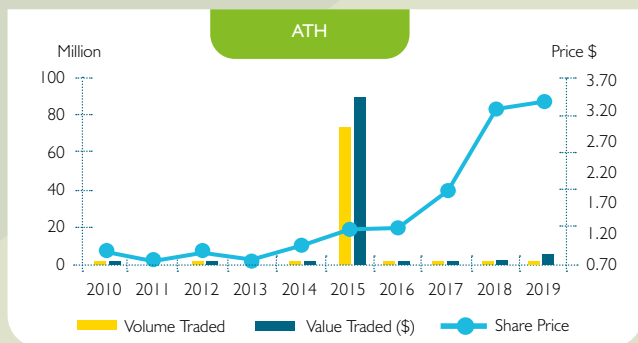
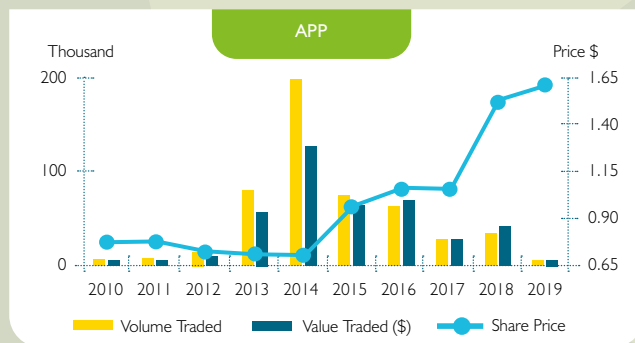


Market Statistics

Ten Year Key Market Indicators



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



KFL



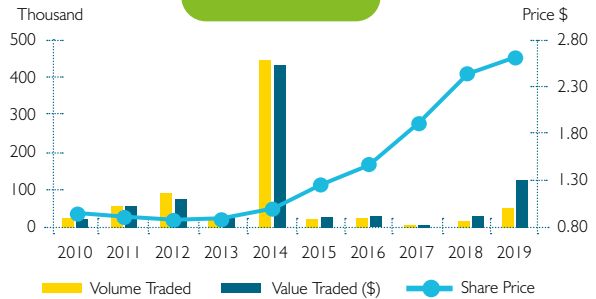
KGF



PBF



PBP



PDM



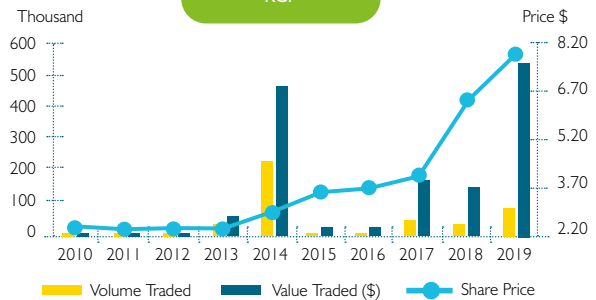
PGI

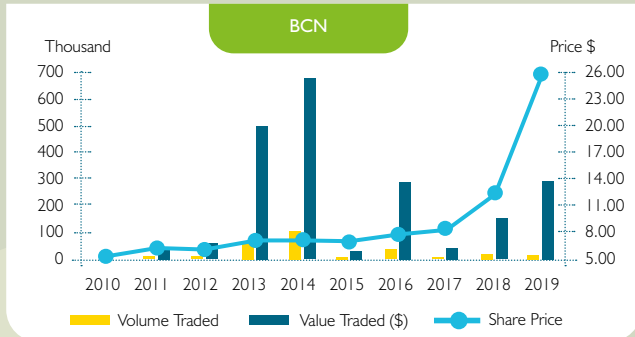
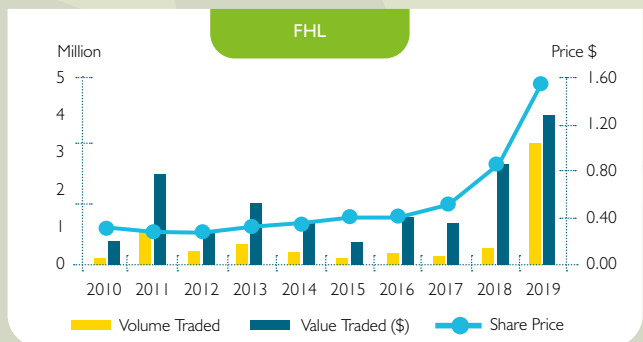
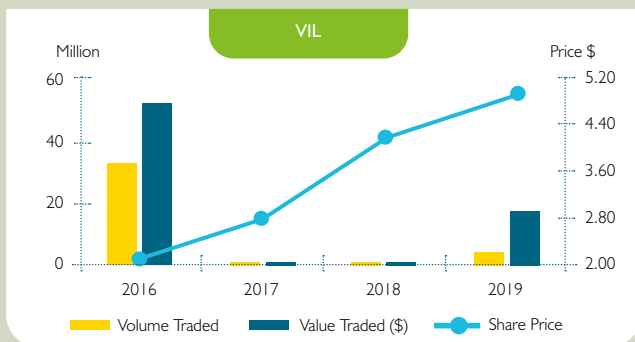
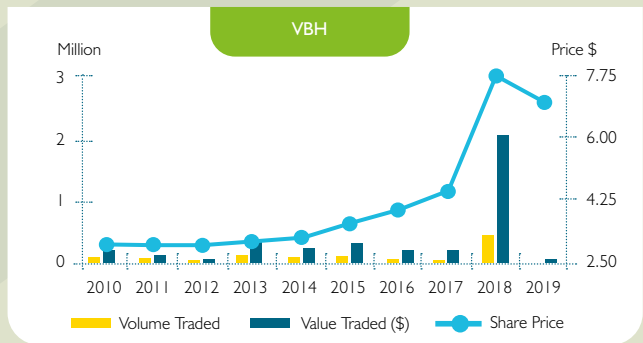
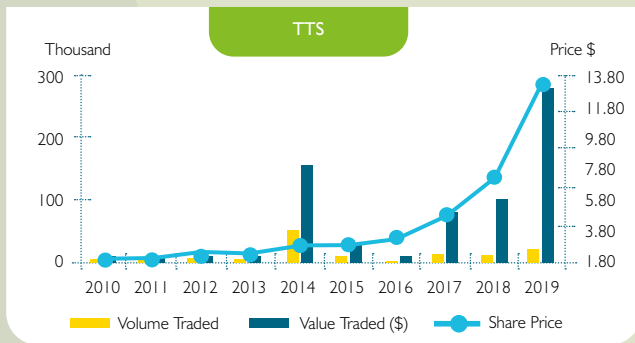


RBG



RCF





INVESTOR PROFILE



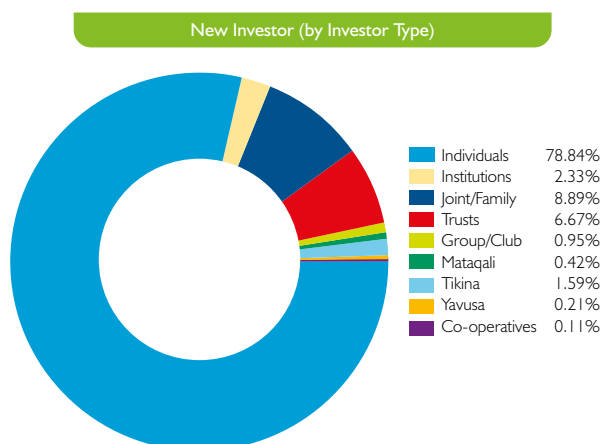
2019 Security Holders

New Investors

A total of 945 new investors entered the Fijian stock market in 2019, a significant increase of 352.15% in comparison to 2018. PDM was the main contributor to the improved new investor statistics, solely attracting 504 new investors, out of which 467 new investors were recorded on the day of listing itself. Second in queue to contribute significantly to the new investor statistics was Fijian Holdings Limited (FHL) accounting for 333 new investors. These new investors in aggregate yielded 1,561 trades and contributed 7,545,848 shares in volume traded and garnered \$13,005,378 in value traded. Overall, the new investors demonstrated an impressive contribution towards the overall trading statistics for 2019 accounting for 43.96% of the overall number of trades, 27.03% of the overall volume traded and 23.38% of the overall value traded. This is demonstrated below:

Particulars	2019 New Investor Statistics	% of 2019 Aggregate
No. of New Investors	945	
No. of Trades	1,561	43.96%
Volume Traded	7,545,848	27.03%
Value Traded	13,005,378	23.38%

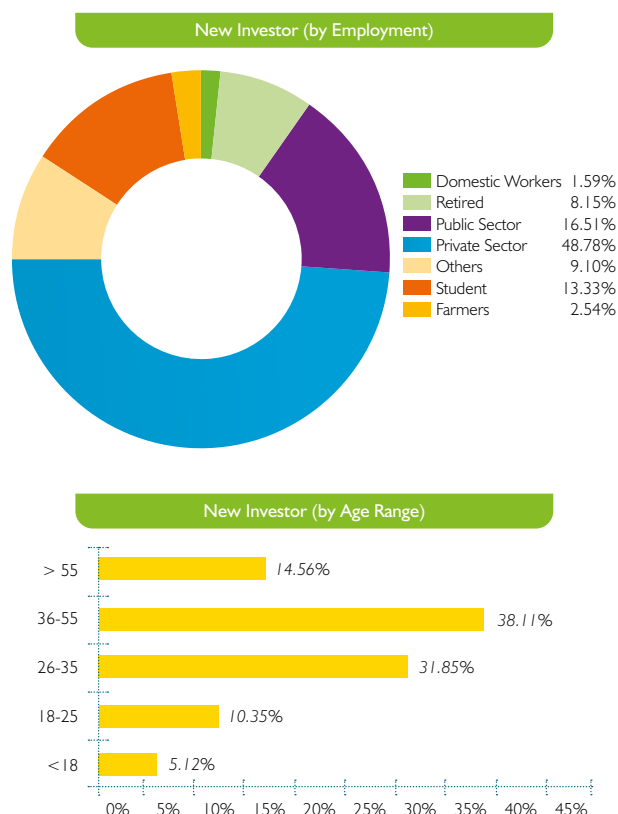
Majority of the new shareholders that invested in the listed entities during 2019 were individuals and represented 78.84% of the overall new investment by investor type. These individuals are public servants, private sector employees, domestic workers, retirees, students, farmers and investors who are self-employed. A detailed illustration of new investors by type is presented below for information:



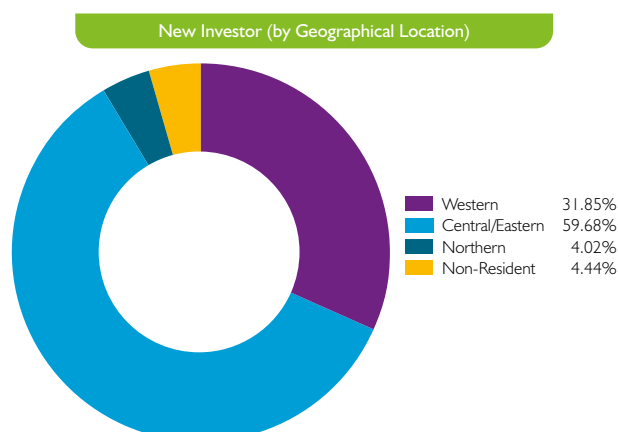
An analysis of the new investors by type of employment indicated that majority of the new investors recorded during 2019 were those employed in the private sector followed by those employed in the public sector. Following closely behind and ranking third in queue is student investors. A growth in student investors is certainly another encouraging trend noted whereby share investments are being considered in early ages for children which would certainly assist them in achieving their future financial goals. This is illustrated in the New Investor (by Employment) pie chart.

A review of new investors entering the market in 2019 by age classification showed that majority of the new investors fall between the age range of 36 years to 55 years with the age range of 26 years to 35 years standing second in queue. Additionally,

close to 47.32% of the new investors recorded were below the age of 35 years. A detailed illustration of the new investors by age range is portrayed below:



In terms of new investors by geographical location, it is apparent that majority of the new investors in 2019 were residents which were largely from the Central/Eastern division. However, it is commendable to note new investors emerging from the Western and Northern divisions as well. New non-resident investors were also recorded in 2019. SPX with the three licensed stockbroking firms are located in Suva which helps investors from the Central division to access our services with more convenience, however, SPX continues to disseminate all relevant information about investing through other mediums such as SPX website, social media platforms, radio, television and newspaper advertisements. A breakdown of new investors by geographical location is illustrated 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	12	72	17	12	3	0	0	2	4	1	123
ATH	271	972	121	42	8	5	11	13	4	9	1,456
CFL	44	88	7	2	4	2	0	2	4	1	154
FBL	66	18	5	2	2	1	1	1	2	1	99
FFF	40	89	15	16	3	5	4	4	27	4	207
FIL*	13,272	45	9	7	5	0	0	1	5	1	13,345
FMF	19	108	67	72	40	17	22	33	44	9	431
FTV	213	204	8	3	1	0	0	0	3	2	434
KFL	17	62	24	20	10	11	5	24	51	21	245
KGF	2	72	15	14	5	3	1	4	6	1	123
PBF	337	280	13	5	3	0	0	2	1	1	642
PBP	17	40	11	6	1	0	0	2	3	2	82
PDM	200	342	55	26	4	9	3	7	4	3	653
PGI	16	29	0	2	1	1	0	1	3	3	56
RBG	16	148	40	40	33	3	20	13	15	9	337
RCF	29	72	6	8	2	2	0	1	3	1	124
TTS	103	39	4	2	1	1	0	1	1	2	154
VBH	43	51	6	3	3	0	2	2	5	0	115
VIL	57	159	61	21	6	0	4	3	9	9	329
FHL	112	505	327	196	90	51	36	69	131	18	1,535
BCN	53	57	1	0	1	2	2	5	4	1	126
Total	14,939	3,452	812	499	226	113	111	190	329	99	20,770

*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	114	9
ATH	1,369	87
CFL	136	18
FBL	72	27
FFF	166	41
FIL	13,334	11
FMF	341	90
FTV	393	41
KFL	182	63
KGF	112	11
PBF	495	147
PBP	80	2
PDM	622	31
PGI	47	9
RBG	321	16
RCF	112	12
TTS	87	67
VBH	96	19
VIL	322	7
FHL	1,514	21
BCN	123	3
Total	20,038	732

Percentage of Public & Non-Public Security Holding

Security	Public Holding	Non-Public Holding
APP	16%	84%
ATH	10%	90%
CFL	29%	71%
FBL	18%	82%
FFF	20%	80%
FIL	20%	80%
FMF	27%	73%
FTV	15%	85%
KFL	55%	45%
KGF	78%	22%
PBF	10%	90%
PBP	26%	74%
PDM	30%	70%
PGI	6%	94%
RBG	29%	71%
RCF	16%	84%
TTS	6%	94%
VBH	22%	78%
VIL	20%	80%
FHL	31%	69%
BCN	38%	62%
Average	25%	75%

Percentage of 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	19.93%	0.92%	0.03%	78.34%	99.22%	0.79%
ATH	422.10	2.45%	0.35%	0.04%	96.67%	99.50%	0.50%
CFL	3.56	23.24%	0.52%	0.00%	73.84%	97.60%	2.40%
FBL	2.00	1.37%	2.29%	0.04%	15.03%	18.73%	81.27%
FFF	30.31	34.45%	0.16%	0.01%	51.23%	85.85%	14.15%
FIL	8.61	6.38%	0.19%	0.01%	92.19%	98.77%	1.23%
FMF	150.00	7.93%	2.94%	0.28%	86.03%	97.19%	2.81%
FTV	10.30	2.31%	1.18%	0.06%	95.97%	99.52%	0.48%
KFL	91.46	15.68%	0.88%	0.01%	42.02%	58.59%	41.41%
KGF	3.82	17.68%	1.31%	0.42%	63.57%	82.98%	17.02%
PBF	10.41	2.61%	1.73%	0.16%	93.53%	98.03%	1.97%
PBP	6.68	56.12%	0.27%	0.00%	43.45%	99.85%	0.15%
PDM	40.00	2.80%	1.22%	0.07%	24.97%	29.07%	70.93%
PGI	7.62	0.82%	0.58%	0.00%	87.98%	89.37%	10.63%
RBG	150.00	6.76%	4.64%	0.11%	88.29%	99.81%	0.19%
RCF	6.00	4.39%	0.75%	0.19%	93.93%	99.26%	0.74%
TTS	14.03	0.43%	0.04%	0.01%	19.61%	20.08%	79.92%
VBH	2.14	65.04%	0.31%	0.09%	21.40%	86.85%	13.15%
VIL	103.77	3.34%	0.57%	0.00%	92.97%	96.89%	3.11%
FHL	304.65	6.45%	0.65%	0.23%	92.25%	99.57%	0.43%
BCN	3.06	4.14%	0.31%	0.01%	95.19%	99.65%	0.35%

Percentage of Security Holding by Investor Type

Security	TYPE OF INVESTOR									
	Individual	Institution/ Company	Trust	Joint/Family	Group/Club	Co-operative	Mataqali	Province	Tikina	Yavusa
APP	4.45%	88.64%	5.61%	0.76%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%
ATH	0.81%	97.07%	1.80%	0.14%	0.03%	0.02%	0.00%	0.12%	0.01%	0.00%
CFL	9.64%	74.87%	13.08%	2.27%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
FBL	12.28%	73.67%	12.64%	1.01%	0.40%	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	5.85%	93.18%	0.00%	0.43%	0.28%	0.00%	0.00%	0.26%	0.00%	0.00%
FMF	11.46%	86.06%	2.01%	0.45%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
FTV	3.25%	89.55%	6.36%	0.65%	0.03%	0.13%	0.02%	0.00%	0.00%	0.00%
KFL	37.93%	49.83%	5.94%	5.00%	0.00%	1.30%	0.00%	0.00%	0.00%	0.00%
KGF	17.45%	79.28%	0.08%	3.10%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%
PBF	6.01%	93.59%	0.15%	0.19%	0.02%	0.00%	0.02%	0.02%	0.00%	0.00%
PBP	56.17%	26.92%	16.54%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PDM	4.01%	94.40%	1.03%	0.51%	0.00%	0.03%	0.02%	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	7.01%	88.37%	3.86%	0.36%	0.02%	0.00%	0.04%	0.02%	0.33%	0.00%
RCF	4.09%	93.94%	1.02%	0.74%	0.05%	0.17%	0.01%	0.00%	0.00%	0.00%
TTS	0.44%	99.32%	0.14%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VBH	61.47%	23.91%	14.39%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VIL	1.20%	92.98%	2.25%	0.42%	0.00%	3.09%	0.01%	0.05%	0.00%	0.00%
FHL	5.30%	79.87%	2.17%	2.45%	0.81%	2.27%	0.97%	5.00%	0.83%	0.33%
BCN	4.17%	91.92%	2.28%	0.32%	0.00%	1.31%	0.00%	0.00%	0.00%	0.00%

Number of Resident & Non-Resident Security Holders by Investor Type, Gender & Province

Particulars	Residency	Investor Type	Gender	Total	Province														Rotuma	
					Ba	Bua	Cakaudrove	Kadavu	Lau	Lomaiviti	Macuata	Nadroga-Navosa	Naitasiri	Namosi	Ra	Rewa	Serua	Tailevu		
Number of Investors by Location	Resident Investors	Individual	Male	11,441	2,159	2	36	90	4	6	98	117	448	57	33	8,122	4	265	-	
			Female	3,135	560	2	11	82	1	1	11	34	168	14	5	2,166	-	80	-	
		Trust		233	36	-	7	-	2	1	1	2	17	2	2	159	-	4	-	
			Corporate	510	94	-	10	4	4	1	2	10	19	3	2	343	-	18	-	
		Mataqali		64	10	-	1	-	-	-	2	3	1	2	-	35	1	9	-	
			Joint Account	620	115	-	10	5	2	1	16	14	60	9	7	351	-	30	-	
		Others		194	13	-	26	2	7	-	11	3	17	6	4	77	2	26	-	
			Unknown (FIL shareholders)*	3,841	2	-	-	-	-	-	-	1	-	-	-	3,838	-	-	-	
		Total		20,038																
		Non-Resident Investors		Individual			Australia	New Zealand	USA	UK	Canada	China	India	Japan	Pacific Island Countries	Others				
Male	445				133	123	33	15	34	-	1	19	28	59						
Trust	Female			112	50	29	14	4	4	1	-	4	4	2						
				22	14	2	5	-	-	-	-	1	-	-						
Corporate				72	42	18	-	-	-	-	-	2	3	7						
	Joint Account			78	23	18	11	3	14	-	-	-	3	6						
Others				3	-	1	1	-	-	-	-	-	1	-						
	Total			732																
TOTAL				20,770																

Notes:

* This data is for Fijicare Insurance Limited (FIL) shareholders which cannot be identified by age and by gender due to absence of date of birth and full shareholder names respectively.

DEVELOPMENT REPORT



Overview

SPX is a business in transformation and as such, during Quarter 2 of 2019, SPX revised its existing 2018-2020 Strategic Plan. This action was undertaken by the SPX board to align the goals of the SPX Group to reflect the prevailing business environment and evolving operations of SPX and its subsidiary, Central Share Registry Pte Limited (CSRL).

Key determinants driving this review included; the rebranding of the parent company from SPSE to SPX with a view to benchmark the organisation with international counterparts, relocation of business premises to enhance visibility, review and update of internal policies to accommodate significant changes witnessed in the business operations in the recent past, possible introduction of new investible products, extension of client base for CSRL and new business prospects such as the offer of trustee services.

Inevitably, SPX management with guidance from the board of directors placed prominence on all strategic objectives and the supplementary key performance indicators aiming to deliver key outputs that assisted the SPX Group to achieve the overall goals as outlined in the Strategic Plan.

Investor Awareness

The year 2019 saw SPX engaging in innovative platforms as opposed to traditional means of creating awareness in order to demystify the operations of the stock market and encourage people to invest in listed entity shares. This included engaging resources more towards digital advertising through use of various online channels such as newswire websites, television, radio and social media platforms.

While such advertising and brand awareness approach is much more effective in terms of disseminating knowledge about share investments to a wider audience than traditional means of awareness activities, it requires significant financial investment. Overall, it was also apparent that SPX needed to continue its advertising momentum to ensure successful and a greater conversion of investor interest into actual investments.

During the second half of the year in 2019, SPX outsourced its digital advertising to C&C Solutions, a company that provides marketing, advertising and branding solutions and undertook a rigorous creative communication and marketing campaign which was focused on digital and social media advertising to promote share investments. SPX intends to continue this trend in 2020 and extend its focus targeting potential investors outside of Fiji as well as introduce new marketing techniques to further profile the operations of the SPX.

In addition to digital advertising, SPX also focused on few other advertising and awareness mechanisms which included; formulation and publication of newspaper articles focused on the stock market and financial performance of listed entities, carrying out presentations to targeted groups, guest lecturing at universities for students enrolled in Accounting and Finance related courses and accommodating school visits at SPX premises.

SPX also continued to publish weekly newflash summaries and monthly stock market trading reports for the benefit of existing and potential investors keeping them informed on the latest trends and developments at SPX. With support from HFC Bank, SPX continued to provide weekly stock market update through FBC TV's business segment on first business day of each week.

School Financial Literacy Programme

The school financial literacy concept introduced in 2018 with assistance from the Ministry of Education, Heritage & Arts through an essay competition for secondary school students was further refined during 2019. This year, in addition to the secondary school students, a National Poster Competition was introduced which was extended amongst the upper primary school students as well with a view to assess their understanding of overall money matters as well as examine their creativity and artistic skills while helping them build their knowledge about the share market.

The National Poster Competition was divided into three categories; Category 1 focused on primary school students covering Years 5 to 8; Category 2 focused on students in lower secondary school covering Year 9 and Year 10 while Category 3

Some of the Social Media advertising content is illustrated below:



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

2019 SPX NATIONAL POSTER COMPETITION								
CATEGORY 1 (Year 5 – Year 8)			CATEGORY 2 (Year 9 & Year 10)			CATEGORY 3 (Year 11 – Year 13)		
Winner	1st Runner Up	2nd Runner Up	Winner	1st Runner Up	2nd Runner Up	Winner	1st Runner Up	2nd Runner Up
Jenica Kumar (Bhawani Dayal Memorial Primary School)	Melvin Aveesh Gounder (Bhawani Dayal Memorial Primary School)	Akansha Lodi Prakash (Ahmadiyya Muslim Primary School)	Natasha Roneeta Prasad (Tavua College)	Niral Nivedita Prasad (Levuka Public Secondary School)	Leanne Zhong (Yat Sen Secondary School)	Natasha Jacintha Prasad (Rishikul Sanatan College)	Levi Gaunavinaka (Nakasi High School)	Nilufa Begum Khan (Vashist Muni College)



focused on upper secondary school students covering Years 11 to 13. Each category had its own theme with an aim to get students to research about growing and managing money using the stock market, investment options through listed entities and structure of Fiji's capital markets including the basic difference between money and capital market.

Overall, 562 posters were submitted amongst which 374 entries were received solely from primary school students. In terms of participation, 69 schools participated in this financial literacy initiative with the highest number of schools being from the Western division. As a delightful development, majority of the participating students were females accounting for 58% of the number of entries.

To maintain transparency and independence of SPX 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 entities, academia 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 relevance of posters submitted and adherence to the given themes, overall impression through design, suitable texts and graphics, creativity in use of illustrations, evidence of research work and final delivery of the posters in terms of layout materials used.

Rule Amendments

The SPX 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. Rules, policies and procedures are living



documents and SPX believes that it should grow and adapt with the company. While the core elements of policy may stay the same, the details should change with the industry and the organisation on an ongoing basis. The Group considers that review and revision is a crucial part of an effective policy and procedure management plan.

On the Regulatory front of 2019, SPX had implemented the SPX Listing Rules on 15th April and continued to update its guidance on Non- Resident Investors, Material Information, Rights Issue, Share Buy –Back Scheme, Appointment of Independent Directors and Related Parties in relation to the SPX Listing and the SPX Business Rules for the purpose of listed entities and broking members respectively. The rules have been amended in a bid to simplify current rules for listed entities in order to make compliance effective and efficient while Incentivizing unlisted companies to list on SPX through enhanced compliance with the 2015 Companies Act of Fiji. Additionally, the amendments modernize the current Listing Rules in order to align to international best practices and to redefine rights, powers and duties of SPX as the frontline regulator of the stock market.

On the legal front of 2019 the SPX Group continued to improve its Risk, Governance and Compliance Framework. The importance of this is to improve and promote compliance with laws and regulations, providing strategic perspective for decision making and simplifying processes. The SPX Group continued to improve its group policies on Risk Management, Outsourcing, Related Party, Security and Access Controls and Conflict of Interest. Under the Governance Framework, the Group continues to revise its existing policies being the Board Charters, Employee Handbook and continues to imbed any major rule changes that are implemented by the Fijian Government every year. Under the Compliance Framework the Group continued to revise its Internal

Checklists and the Reserve Bank of Fiji (RBF) Regulatory Checklist in order to minimize risk where old policies may fail to comply with new laws and regulations.

Overall, the regular review of policies and procedures keeps the SPX Group up to date with regulations, technology, and industry's best practices. Policy review ensures that our policies are consistent and effective. The Group proactively tackles rules, policies and procedures review by building it into the corporate calendar annually.

Education & Training for Market Players

Relevant trainings 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 SPX as the front-line regulator of the stock market to facilitate appropriate trainings for the listed entity representatives as well as the licensed stockbrokers. In certain instances, these trainings were extended to other financial market stakeholders.

During 2019, the following trainings were provided for the benefit of the stakeholders.

Topics Covered	Attendees	Date	Facilitator
Changing Roles of an Entity Secretary in Corporate Governance	<ul style="list-style-type: none"> Listed entity personnel (Company Secretaries and Compliance Officers) Representatives from other corporate organisations, financial institutions and government organisations 	29th April 2019	Ms Sujatha Nair – Consultant & Qualified Company Secretary from The Institute of Company Secretaries of India
Training on Revised SPX Listing Rules	<ul style="list-style-type: none"> Listed entity personnel (Company Secretaries and Compliance Officers) 	26th July 2019	Ms Krishika Narayan– SPX CEO
Financial Statement Analysis, Equity Valuation and Interpreting Market Announcements	<ul style="list-style-type: none"> Stockbrokers Listed entity personnel Business journalists Representatives from banks, financial institutions, superannuation fund, state owned enterprises, provincial companies and Government ministries 	26th June 2019	Professor Erik Larson – Macalaster College in Minnesota, United States of America
Training on SPX Business Rules	<ul style="list-style-type: none"> Stockbrokers 	24th September 2019	Ms Rasha Ali – SPX Legal Officer
Corporate Governance Action Planning	<ul style="list-style-type: none"> Listed entity personnel (Board of Directors and Company Secretaries) Representatives from other corporate organisations, financial institutions, government departments and state-owned enterprises 	26th November 2019	<ul style="list-style-type: none"> Mr Warren Tapp – experienced company Director and Trainer Ms Sujatha Nair – Consultant & Qualified Company Secretary from The Institute of Company Secretaries of India

The following table provides the market supervision highlights for 2019.

Particulars	Description
Number of Market Surveillance enquiries lodged with licensed stockbroking members	11 market surveillance enquiries were lodged by the SPX with licensed stockbroking firms in 2019. All issues surfaced consequent to share price movements of greater than 10% 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	Four trading suspensions were placed in listed entity shares in 2019. All of these trading suspensions were placed on a voluntary basis. Kinetic Growth Fund Limited (KGF) and Amalgamated Telecom Holdings Limited (ATH) had requested for voluntary suspension in trading of its shares due non-compliance with Section 51 & 52 of the SPX Listing Rules relating to delay in release of the entity's audited financial statements and annual report. Fijian Holdings Limited (FHL) and RB Patel Group Limited (RBG) had requested for voluntary suspension in trading of their shares to accommodate the completion of the share split process.
Listed entities fined for non-compliance with SPX Listing Rules	Two listed entities were fined for non-compliance with the Continuing Listing Requirements. Kinetic Growth Fund Limited (KGF) was fined for delay in submission of the entity's audited financial statements while Future Forests (Fiji) Limited (FFF) was fined for delay in submission of the audited financial statements and as well as their annual report.
Number of Broking Members fined for non-compliance with SPX Business Rules	Two broking members were fined during 2019. One of the members was fined for delay in transferring settlement payments via Transactive while the other member was penalised for the failure in submitting correct names of buyers and sellers to the Exchange within the stipulated timeframe.

Annual Awards

The 2019 Annual Awards was successfully organised for the third consecutive year where the SPX also reminisced and celebrated its 40th anniversary having started operations as a price matching facility in 1979. Given the significance of this event in SPX's corporate calendar, the 2019 event was organised with an insistent quest for excellence to further substantiate and corroborate the essence of our core business operations of being a platform provider for capital raising by businesses and a medium available to mobilise savings for investment and wealth creation.

The highly profiled and the signature event for the entire capital market industry was held at the Grand Pacific Hotel in Suva on 13th September 2019 and the Chief Guest for the event was the Attorney General and Minister for Economy, 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 entities and unlisted organisations by focusing on design, presentation and content of the report and how best relevant information has

been reported and disclosed as per statutory requirements and 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:

The main objective of the Grand Awards was to recognise and reward our key stakeholders, such as the listed entities and stockbrokers. The Grand Awards once again added radiance towards the event as through this category the SPX for the second year was able to recognise and award students winning the National Poster Competition. A special award as the Innovator of the Year was also given in recognition of the contribution made by one listed entity for maintaining a sincere commitment to excellence by embracing its current business status and re-energizing its operational dimensions through invention, innovation and overall improvement in business operations to further enhance shareholder value. The winners under this category are summarised as follows:

ANNUAL REPORT AWARDS		
Award Name	Award Recipients	
	Listed Entities Category	Unlisted Organisations Category
Best Presentation & Content	Fijian Holdings Limited	Fiji National University
Best Reporting & Disclosure	Vision Investments Limited	Fiji National Provident Fund
Special Award	Pleass Global Limited	Fiji Ports Corporation Limited

GRAND AWARDS	
Award Name	Award Recipients
Award for Outstanding Contribution to Stockbroking	Ms. Raghni Khatri (Kontiki Stockbroking Limited)
Listed Entity of the Year	Pleass Global Limited
Spotlight Award: Innovator of the Year	FijiCare Insurance Limited

Winners of the Annual Report Awards posing with their credentials



Winners of the Grand Awards posing with their credentials



**South Pacific Stock Exchange Pte Limited
And Subsidiary Company
Financial Statements
For The Year Ended 31 December 2019**



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 2019, 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	Mr Saiyad Hussain
Ms Rowena Fong	Mr Gyanesh Rueben
Ms Janice Nand	

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 and trustee services.

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 \$277,694 (2018: \$160,539).

The consolidated profit after income tax attributable to the members of the company for the financial year was \$533,089 (2018: \$240,972).

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 Debts and Allowance for Impairment Loss

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.

DIRECTORS' REPORT [CONT'D]

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.

Events Subsequent to Balance Date

Subsequent to balance date, the 2020 World Exchange Congress (WEC) has been postponed to a date to be announced later. The decision to postpone the event is stemming from the unfavourable impact of the Coronavirus as the impact on the Congress in Fiji is probable due to the imminent involvement of the international delegates from multiple countries intending to be part of the event.

The current novel coronavirus (COVID-19) outbreak presents a significant challenge for Fiji and the entire world. The impact of COVID-19 on public life and the economy in Fiji is expected to affect stock market activities and the overall operations of the group. While this is expected to have a negative impact on the financial performance of the group in 2020, the group cannot quantify the magnitude and duration of such impact at this time given the fluidity of the situation. The group continues to monitor and assess its business operations daily, and will undertake actions as appropriate. In response to the COVID-19 outbreak, the group has implemented precautionary measures and protocols based on recommendations from the Fijian Government and health authorities, such as the World Health Organisation.

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

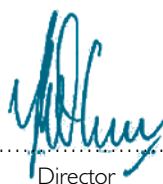
Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed in the financial statements and / or those included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements 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 27th day of March 2020.



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:

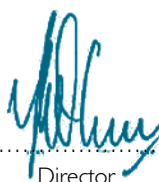
- a) In the opinion of the directors, the financial statements of the company and the group for the financial year ended 31 December 2019:
 - i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the company and the group as at 31 December 2019 and of the performance and cash flows of the company and the group for the year ended 31 December 2019; 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 27th day of March 2020.



.....
Director



.....
Director



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

BDO
Chartered Accountants
Level 10, FNPF Place
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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 2019, 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

27 March 2020



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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 the consolidated financial statements of South Pacific Stock Exchange Pte Limited and subsidiary company (the group), which comprise the statement of financial position as at 31 December 2019, 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 2019, 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 Accountants' **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.

Other Information

The management and directors are responsible for the other information. The other information comprises of the information included in the directors' report but does not include the financial statements and the auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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

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.

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.

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
27 March 2020

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
	Notes	2019	2018	2019	2018
		\$	\$	\$	\$
Revenue	5.1	1,306,813	585,241	632,457	398,160
Other operating income	5.2	792,517	633,592	1,007,239	580,081
Total revenue		2,099,330	1,218,833	1,639,696	978,241
Impairment loss on receivables		(10,000)	-	(10,000)	-
Depreciation and amortisation		(230,325)	(43,809)	(199,710)	(15,981)
Staff and employee benefits	5.3	(388,744)	(309,561)	(388,744)	(309,561)
Operating expenses	5.4	(748,535)	(566,200)	(639,971)	(452,025)
Finance costs		(59,577)	-	(59,577)	-
Profit before income tax		662,149	299,263	341,694	200,674
Income tax expense	6.1	(129,060)	(58,291)	(64,000)	(40,135)
Net profit after income tax		533,089	240,972	277,694	160,539
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		533,089	240,972	277,694	160,539

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 2019

	Note	Group		Company	
		2019	2018	2019	2018
		\$	\$	\$	\$
Accumulated Profits					
Balance at the beginning of the year		986,504	745,532	877,225	716,686
Net profit after tax		<u>533,089</u>	<u>240,972</u>	<u>277,694</u>	<u>160,539</u>
Balance at the end of the year		<u>1,519,593</u>	<u>986,504</u>	<u>1,154,919</u>	<u>877,225</u>
Share capital					
Balance at the beginning of the year		<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Balance at the end of the year	20	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Total shareholders' equity		<u>1,639,593</u>	<u>1,106,504</u>	<u>1,274,919</u>	<u>997,225</u>

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 2019

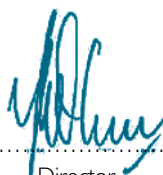
	Notes	Group		Company	
		2019	2018	2019	2018
		\$	\$	\$	\$
CURRENT ASSETS					
Cash at bank	7	841,734	620,061	486,616	428,543
Cash in dividend account	8	1,249,106	600,759	-	-
Cash in trust account	9	1,077,840	-	-	-
Trade and other receivables	10.1	148,603	83,296	159,160	194,849
Other investments	11.1	335,587	235,488	235,587	235,488
Units in Unit Trust of Fiji	12.1	400,000	400,000	-	-
Prepayments	10.2	451,502	62,571	451,317	62,242
Total current assets		<u>4,504,372</u>	<u>2,002,175</u>	<u>1,332,680</u>	<u>921,122</u>
NON-CURRENT ASSETS					
Units in Unit Trust of Fiji	12.2	182,801	175,751	182,801	175,751
Other investments	11.2	200,000	200,000	200,000	200,000
Investment in subsidiary	13	-	-	50,000	50,000
Plant and equipment	14	512,247	202,925	506,503	191,815
Intangibles (ShareSoft)	15	98,423	122,810	-	-
Right-of-use assets	19	809,931	-	809,931	-
Deferred tax asset	6.2	19,834	1,901	19,834	1,901
Total non-current assets		<u>1,823,236</u>	<u>703,387</u>	<u>1,769,069</u>	<u>619,467</u>
TOTAL ASSETS		<u>6,327,608</u>	<u>2,705,562</u>	<u>3,101,749</u>	<u>1,540,589</u>
CURRENT LIABILITIES					
Trade and other payables	16.1	315,250	110,779	220,136	79,464
Deferred income	18	693,676	452,558	693,676	447,536
Current tax liability	6.3	94,372	28,704	50,303	10,106
Funds for dividend payable	8	1,649,106	1,000,759	-	-
Funds for trust payable	9	1,072,896	-	-	-
Lease liability	19	56,142	-	56,142	-
Employee benefit liability	17	6,309	6,258	6,309	6,258
Total current liabilities		<u>3,887,751</u>	<u>1,599,058</u>	<u>1,026,566</u>	<u>543,364</u>
NON-CURRENT LIABILITIES					
Lease liability	19	800,264	-	800,264	-
Total non-current liabilities		<u>800,264</u>	<u>-</u>	<u>800,264</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,688,015</u>	<u>1,599,058</u>	<u>1,826,830</u>	<u>543,364</u>
NET ASSETS		<u>1,639,593</u>	<u>1,106,504</u>	<u>1,274,919</u>	<u>997,225</u>
SHAREHOLDERS' FUNDS					
Share capital	20	120,000	120,000	120,000	120,000
Accumulated profits		<u>1,519,593</u>	<u>986,504</u>	<u>1,154,919</u>	<u>877,225</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,639,593</u>	<u>1,106,504</u>	<u>1,274,919</u>	<u>997,225</u>

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 2019

	Note	Group		Company	
		2019	2018	2019	2018
		\$	\$	\$	\$
Operating activities					
Receipts from customers		1,804,522	790,896	1,075,412	640,399
Government grant		720,015	650,827	692,445	583,410
		<u>2,524,537</u>	<u>1,441,723</u>	<u>1,767,857</u>	<u>1,223,809</u>
Payments to suppliers and employees		(1,665,199)	(790,101)	(1,329,504)	(729,590)
Trust fund		(4,944)	-	-	-
Income tax paid		(81,325)	(4,823)	(41,736)	(4,600)
		<u>(1,751,468)</u>	<u>(835,724)</u>	<u>(1,371,240)</u>	<u>(734,190)</u>
Net cash flows provided by operating activities		<u>773,069</u>	<u>646,799</u>	<u>396,617</u>	<u>489,619</u>
Investing activities					
Payment for plant and equipment		(441,079)	(193,371)	(441,079)	(183,723)
Acquisition of intangible asset		(2,760)	(11,280)	-	-
Proceeds from sale of fixed assets		10,000	25,000	8,580	25,000
Payments for investments		(100,000)	(105,204)	-	(105,204)
Interest received		19,985	16,902	17,840	16,902
Dividends received		-	5,204	-	5,204
		<u>(413,854)</u>	<u>(262,749)</u>	<u>(411,659)</u>	<u>(241,821)</u>
Net cash flows used in investing activities		<u>(513,854)</u>	<u>(262,749)</u>	<u>(414,659)</u>	<u>(241,821)</u>
Financing activities					
Proceeds from related party advances		-	-	113,657	9,000
Payment of lease liability		(37,542)	-	(37,542)	-
		<u>(37,542)</u>	<u>-</u>	<u>(37,542)</u>	<u>-</u>
Net cash flows provided by financing activities		<u>(37,542)</u>	<u>-</u>	<u>76,115</u>	<u>9,000</u>
Net increase in cash and cash equivalents		221,673	384,050	58,073	256,798
Cash and cash equivalents at 1 January		620,061	236,011	428,543	171,745
Cash and cash equivalents at 31 December	7	<u>841,734</u>	<u>620,061</u>	<u>486,616</u>	<u>428,543</u>

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

I. 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 2019 were authorised for issue in accordance with a resolution of the board of directors on 27 March 2020.

The principal activities of the group are described in Note 27 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

New standards, interpretations and amendments effective from 1 January 2019

New standards impacting the company and the group that will be adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the company and the group's accounting policies are:

IFRS 16 - Leases

Adoption of IFRS 16 has resulted in the company and the group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases previously classified as operating leases, under previous accounting requirements the company and the group did not recognise related assets or liabilities, and instead spread 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 to apply the modified retrospective adoption method in IFRS 16, and, therefore, have recognised 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 the group has instead recognised interest on its lease liabilities and amortisation on its right-of-use assets. This has increased reported EBITDA by the amount of its current operating lease cost.

i) Definition of a lease

Previously, the company and the group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the company and the group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4 o).

On transition to IFRS 16, the company and the group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

ii) As a lessee

As a lessee, the company and the group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset. Under IFRS 16, the company and the group recognises right-of-use assets and lease liabilities for all leases except for short term leases – i.e. these leases are on statement of financial position.

For leases of other assets, which were classified as operating under IAS 17, the company and the group recognised right-of-use assets and lease liabilities with date of initial application of 1 January 2019.

2. BASIS OF PREPARATION (CONT'D)

e) Changes in accounting policies (cont'd)

IFRS 16 - Leases (cont'd)

Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the company's and the group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The company and the group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease

iii) As a lessor

The company and the group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

Under IFRS 16, the company and the group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the company and the group reassessed the classification of a sub-lease contract previously classified as an operating lease under IAS 17. The company and the group concluded that the sub-lease continues to be classified operating lease under IFRS 16 and thus there has been no impact on transition to IFRS 16 in relation to sub-lease.

iv) Impacts on financial statements

On transition to IFRS 16, the company and the group recognised an additional \$893,948 of right-of-use assets and \$893,948 of lease liabilities, refer Note 19.

When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 7.41%.

Operating lease commitment at 31 December 2018 as disclosed in the company's financial statements (Note 22)	\$ 1,298,190
Discounted using the incremental borrowing rate at 1 January 2019	(394,768)
Short term and low value leases excluded	<u>(9,474)</u>
Lease liabilities recognised at 1 January 2019 (Note 19)	<u>\$ 893,948</u>

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.

ii) Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified subsequent to their initial recognition unless the company 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

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.

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

a) Financial Instruments (Cont'd)

ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (cont'd)

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the company 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

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

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.

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.

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

a) Financial Instruments (Cont'd)

iii) Derecognition (Cont'd)

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.

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.

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.

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) Dividend 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.

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

e) Trust Funds

Liabilities in respect of trust funds are recorded in the statement of financial position and related funds are maintained in a separate bank accounts which is recorded as an asset "Cash in trust account".

f) 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.

g) 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.

h) 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 expect 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.

i) 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.

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

j) 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.

k) 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.

l) 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.

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.

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

l) Taxes (cont'd)

Deferred tax (cont'd)

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.

m) 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.

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.

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).

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

n) Comparatives

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

o) Leases

The company and the group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 2 (iv).

Policy applicable from 1 January 2019

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

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

This policy is applied to contracts entered into, or changed, on or after 1 January 2019. At inception or on reassessment of a contract that contains a lease component, the company and the group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the company and the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable as a lessee

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company and the group uses its incremental borrowing rate as the discount rate.

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

o) Leases (cont'd)

Policy applicable as a lessee (cont'd)

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

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

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

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

The company and the group presents right-of-use assets and lease liabilities as separate line items in the statement of financial position (refer note 19).

Short-term leases and leases of low-value assets

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

Assets held under other leases were classified as operating leases and were not recognised in the company and the group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable as a lessor

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

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

When the company and the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the company and the group applies IFRS 15 to allocate the consideration in the contract.

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

The accounting policies applicable to the company as a lessor in the comparative period were not different from IFRS 16. However, when the company and the group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

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

o) Leases (cont'd)

Policy applicable before 1 January 2019

Leases are classified as finance leases 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.

Company as Lessee

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

p) 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.

q) 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.

r) 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 2019

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
5. OPERATING PROFIT				
5.1 Revenue				
Annual listing fees	209,151	180,416	209,151	180,416
Distribution fees	107,170	34,870	-	-
Registry maintenance fees	312,706	114,269	-	-
Listing application fees	10,084	846	10,084	846
Membership fees	20,000	20,000	20,000	20,000
Private transfer fees	150	300	150	300
Subsequent listing	16,000	12,000	16,000	12,000
SPX facility fee	352,032	174,188	352,032	174,188
Fines and penalties	25,040	10,410	25,040	10,410
Trust Service Income	250,000	-	-	-
Entry fees	4,480	37,942	-	-
	<u>1,306,813</u>	<u>585,241</u>	<u>632,457</u>	<u>398,160</u>
5.2 Other Operating Income				
Annual government grant	478,897	309,978	446,305	243,260
Management fees	-	-	281,899	27,055
Interest earned	20,084	16,999	17,939	16,999
Dividend earned	7,050	5,204	7,050	5,204
Annual awards (a)	196,569	200,118	196,569	200,118
Training income (a)	46,800	54,918	46,800	54,918
Miscellaneous income	43,117	46,375	10,677	32,527
	<u>792,517</u>	<u>633,592</u>	<u>1,007,239</u>	<u>580,081</u>
a. Annual awards and training income include registration fees, sponsorship in cash and in kind and ticket sales, etc.				
5.3 Staff and employee benefits				
Directors fees	36,120	5,324	36,120	5,324
Salary and wages	270,582	242,842	270,582	242,842
FNPF contribution	25,125	24,377	25,125	24,377
FNU contribution	3,036	2,334	3,036	2,334
Insurance	13,950	9,932	13,950	9,932
Training and development	37,168	18,906	37,168	18,906
Travelling expenses	2,763	5,846	2,763	5,846
	<u>388,744</u>	<u>309,561</u>	<u>388,744</u>	<u>309,561</u>
5.4 Operating expenses				
Auditor's remuneration - audit services	13,800	12,000	9,300	8,000
Auditor's remuneration - other services	6,401	8,061	4,824	4,750
Annual awards	173,468	162,647	173,468	162,647
IT Expense	24,178	14,104	21,814	10,710
Electricity	8,752	3,186	7,942	2,184
Investor education program	143,276	25,226	143,276	25,226
RBF licence	6,159	6,159	6,159	6,159
Rent Rent	20,340	50,774	9,474	34,807
Sub-licensing fee	100,608	98,801	100,608	98,801
Enhancement – registry services	7,944	3,978	-	-
World Exchange Congress	29,605	-	29,605	-
Other operating expenses	214,004	181,264	133,501	98,741
	<u>748,535</u>	<u>566,200</u>	<u>639,971</u>	<u>452,025</u>

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
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 2019 and 2018 is as follows:				
Accounting profit before income tax	662,149	299,263	341,694	200,674
Prima facie tax expense thereon at 20%	132,430	59,853	68,339	40,135
Over provision of income tax in prior year	(3,162)	(1,562)	(4,131)	-
Permanent differences in current year	(208)	-	(208)	-
Income tax expense	129,060	58,291	64,000	40,135
6.2 Deferred tax asset				
Provision for employees entitlement	1,237	1,698	1,237	1,698
Allowance for impairment loss	2,000	-	2,000	-
Difference between right-of-use asset and lease liability	9,295	-	9,295	-
Difference in the cost base of plant and equipment for tax and accounting purpose	7,302	203	7,302	203
Balance at the end of the year	19,834	1,901	19,834	1,901
6.3 Current tax liability				
Movements during the year were as follows:				
Balance at the beginning of the year	28,704	(24,764)	10,106	(25,429)
Income tax paid	(81,325)	(4,823)	(41,736)	(4,600)
Under provision of deferred tax in prior year	938	-	938	-
Over provision of income tax in prior year	(3,162)	-	(4,131)	-
Tax liability for the current year	149,217	58,291	85,126	40,135
Balance at the end of the year	94,372	28,704	50,303	10,106
7. CASH AND CASH EQUIVALENTS				
Cash at bank	670,137	619,761	315,019	428,243
Cash in project account	171,297	-	171,297	-
Cash on hand	300	300	300	300
	841,734	620,061	486,616	428,543
8. CASH IN DIVIDEND ACCOUNT				
Cash in dividend account	1,249,106	600,759	-	-
	1,249,106	600,759	-	-

The subsidiary company holds and pays dividends to shareholders of listed companies which are its customers. This amount is held in two separate bank accounts. The corresponding liability has been disclosed separately in the statement of financial position as "Funds for dividend payable". In 2017, \$400,000 unclaimed dividends by shareholders had been invested in Unit Trust of Fiji by the subsidiary company.

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
9. CASH IN TRUST ACCOUNT				
Cash in trust account	1,077,840	-	-	-
	<u>1,077,840</u>	<u>-</u>	<u>-</u>	<u>-</u>

The subsidiary company has entered into a service level agreement with Fijian Government 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. EFL has declared dividends in June 2019 and beneficiaries' dividend is held in a separate bank account. The corresponding liability has been disclosed separately in the statement of financial position as "Funds for trust payable".

10. TRADE AND OTHER RECEIVABLES

10.1 Trade and Other Receivables

Owing by Central Share Registry Pte Limited	-	-	26,439	145,118
Accrued revenue	124,260	49,217	109,692	16,346
Allowance for impairment loss	(10,000)	-	(10,000)	-
Other receivables	34,343	34,079	33,029	33,385
	<u>148,603</u>	<u>83,296</u>	<u>159,160</u>	<u>194,849</u>

10.2 Prepayments

Prepayments	<u>451,502</u>	<u>62,571</u>	<u>451,317</u>	<u>62,242</u>
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During the year, the company made payment to Terrapinn Holdings Limited amounting to \$385,976 for hosting the World Exchange Congress. This has been deferred to a later date in light of COVID-19 outbreak and will be recognised as an expense in the statement of profit or loss in the period event takes place.

Similarly, revenue received for hosting the World Exchange Congress has been deferred (refer note 18).

11. FINANCIAL ASSETS

11.1 Current

Term deposits (a)	<u>335,587</u>	<u>235,488</u>	<u>235,587</u>	<u>235,488</u>
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11.2 Non- Current

Investment in government Viti bonds (b)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
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a. Term deposits are placed at Merchant Finance Limited, Kontiki Finance Limited and Westpac Banking Corporation and earn interest at 2% to 5.5%. 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%.

12. UNITS IN UNIT TRUST OF FIJI

12.1 Current

400,000 units @ \$1 each (Income Fund) (a)	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
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In 2017, the subsidiary company had 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.

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company			
		2019	2018	2019	2018		
		\$	\$	\$	\$		
12. UNITS IN UNIT TRUST OF FIJI (CONT'D)							
12.2 Non - Current							
Units in Trust of Fiji (Income Fund)		<u>182,801</u>	<u>175,751</u>	<u>182,801</u>	<u>175,751</u>		
13. INVESTMENT IN SUBSIDIARY							
Investment in Central Share Registry Pte Limited		<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>		
The company holds 100% shares in Central Share Registry Pte Limited.							
14. PLANT AND EQUIPMENT		Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Work in Progress	Total
		\$	\$	\$	\$	\$	\$
Group							
Cost:							
At 1 January 2019		57,000	48,081	44,974	224,131	93,859	468,045
Additions		-	232,603	-	190,976	17,500	441,079
Transfer		-	93,859	-	-	(93,859)	-
Disposals		-	(43,977)	(38,381)	(142,528)	-	(224,886)
At 31 December 2019		57,000	330,566	6,593	272,579	17,500	684,238
Accumulated Depreciation:							
At 1 January 2019		-	33,244	41,433	190,443	-	265,120
Depreciation for the year		11,400	54,003	1,609	52,149	-	119,161
Disposals		-	(31,382)	(38,380)	(142,528)	-	(212,290)
At 31 December 2019		11,400	55,865	4,662	100,064	-	171,991
Net written down value:							
At 31 December 2019		45,600	274,701	1,931	172,515	17,500	512,247
At 1 January 2019		57,000	14,837	3,541	33,688	93,859	202,925
Company							
Cost:							
At 1 January 2019		57,000	42,730	43,836	170,602	93,859	408,027
Additions		-	232,603	-	190,976	17,500	441,079
Transfer		-	93,859	-	-	(93,859)	-
Disposals		-	(41,576)	(38,381)	(96,287)	-	(176,244)
At 31 December 2019		57,000	327,616	5,455	265,291	17,500	672,862
Accumulated Depreciation:							
At 1 Jan 2019		-	31,719	41,388	143,155	-	216,212
Depreciation for the year		11,400	53,608	1,040	49,645	-	115,693
Disposals		-	(30,878)	(38,380)	(96,288)	-	(165,546)
At 31 December 2019		11,400	54,449	3,998	96,512	-	166,359
Net written down value:							
At 31 December 2019		45,600	273,167	1,457	168,779	17,500	506,503
At 1 January 2019		57,000	11,011	2,498	27,447	93,859	191,815

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

15. INTANGIBLE ASSETS

Cost:

At 1 January 2019

Additions

At 31 December 2019

Accumulated amortisation

At 1 January 2019

Amortisation charge for the year

At 31 December 2019

Net written down value:

At 31 December 2019

At 1 January 2019

	Group	Company
	\$	\$
At 1 January 2019	433,720	248,510
Additions	2,760	-
At 31 December 2019	436,480	248,510
At 1 January 2019	310,910	248,510
Amortisation charge for the year	27,147	-
At 31 December 2019	338,057	248,510
Net written down value:		
At 31 December 2019	98,423	-
At 1 January 2019	122,810	-

16. TRADE AND OTHER PAYABLES

16.1 Current

Owings to Central Share Registry Pte Limited

Accrued expenditure

Dividend payable

Income received in advance

VAT payable

Sundry creditor

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Owings to Central Share Registry Pte Limited	-	-	-	5,022
Accrued expenditure	208,145	81,460	200,197	72,172
Dividend payable	26,615	12,939	-	-
Income received in advance	2,185	-	-	-
VAT payable	58,366	14,110	-	-
Sundry creditor	19,939	2,270	19,939	2,270
	315,250	110,779	220,136	79,464

17. EMPLOYEE BENEFIT LIABILITY

Annual leave entitlements

Balance at 1 January

Arising during the year

Utilised

Balance at 31 December

Balance at 1 January	6,258	7,677	6,258	7,677
Arising during the year	13,382	11,200	13,382	11,200
Utilised	(13,331)	(12,619)	(13,331)	(12,619)
Balance at 31 December	6,309	6,258	6,309	6,258

18. DEFERRED INCOME

Grant income

Balance at 1 January

Grant received during the year

Release to statement of profit or loss

Balance at 31 December

Balance at 1 January	452,558	111,709	447,536	107,386
Grant received during the year	720,015	650,827	692,445	583,410
Release to statement of profit or loss	(478,897)	(309,978)	(446,305)	(243,260)
Balance at 31 December	693,676	452,558	693,676	447,536

Deferred income comprises of government grants yet to be utilised. Deferred grant will be released to statement of profit or loss as the grant is utilised. Deferred income amounting to \$557,330 relates to the World Exchange Congress to be hosted by the company at a later date. This is to be confirmed once the threat of COVID-19 has been clearly assessed and controlled and will be recognised as income in the statement of profit or loss in the period event takes place.

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES

As a lessee

The company leases building for its office premises from Primetime Properties Limited. Information about leases for which the company is a lessee is presented below:

Right-of-use assets	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Balance at 1 January	893,948	-	893,948	-
Depreciation charge for the year	(84,017)	-	(84,017)	-
Balance at 31 December	809,931	-	809,931	-

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

Less than one year	117,720	-	117,720	-
One to five years	506,850	-	506,850	-
More than five years	565,710	-	565,710	-
Total undiscounted lease liabilities at 31 December	1,190,280	-	1,190,280	-

Lease liabilities included in the statement of financial position at 31 December

Current	56,142	-	56,142	-
Non-current	800,264	-	800,264	-
Total lease liabilities	856,406	-	856,406	-

Amounts recognised in profit or loss

Interest on lease liabilities	59,577	-	59,577	-
	59,577	-	59,577	-

Amounts recognised in the statement of cash flows

Total cash outflow for leases	(37,542)	-	(37,542)	-
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Real estate leases

The company leases building for its office premises from Primetime Properties Limited. The lease of land run for a period of five to ten years. The lease includes an option to renew the lease for an additional period after the end of the contract term.

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONT'D)

Reconciliation of movement of liabilities to cash flows from financing activities

	Lease liabilities (\$)	Total (\$)
Balance at 1 January 2019	893,948	893,948
Changes from financing cash flows:		
Payment of lease liabilities	(37,542)	(37,542)
Total changes from financing cash flows	(37,542)	(37,542)
Other changes – liability related		
Interest expense	59,577	59,577
Interest paid	(59,577)	(59,577)
Total liability related other changes	-	-
Balance 31 December 2019	856,406	856,406

20. SHARE CAPITAL

Issued and Paid up Capital

	Group 2019 \$	2018 \$	Company 2019 \$	2018 \$
8 ordinary shares	120,000	120,000	120,000	120,000

21. CAPITAL COMMITMENTS

Approved and committed	-	350,000	-	350,000
Approved but not committed	71,390	254,720	71,390	254,720

Capital expenditure commitment mainly relates to purchase of computer equipment and changes to office cubicles.

22. 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	-	117,220
Later than one year but not later than five years	-	523,492	-	483,960
Later than five year	-	-	-	696,510
Balance at 31 December	-	640,727	-	1,298,190

22.1 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.

23. RELATED PARTY TRANSACTIONS

2019	2018
\$	\$

23.1 Net owing by related companies

Owing by Central Share Registry Pte Limited	26,439	145,118
Owing to Central Share Registry Pte Limited	-	(5,022)

23.2 Transactions with related parties

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

Income

Management fees	281,898	27,055
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During the financial year, the company had various transactions with its shareholders. The transactions involved brokerage services. All transactions with related parties were conducted under commercial terms and conditions.

23.3 Shareholders

The company has eight shareholders who hold one share each.

23.4 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 Gyanesh Rueben – Appointed: 13 th September 2019
Mr Saiyad Hussain	Ms Janice Nand – Appointed: 23 rd April 2019
Ms Rowena Fong	Mr Steven Pritchard – Resigned: 24 th June 2019

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Directors' fees and allowance	36,120	5,324	36,120	5,324

23.5 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 (2018: Chief Executive Officer and Business Development Manager) were identified as key management personnel.

Compensation paid to key management personnel during the year ended 31 December 2019 and 2018 was:

Salaries and other short-term employee's benefits	144,142	157,298
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24. FINANCIAL RISK MANAGEMENT - GROUP

24.1 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 account
- Cash in 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 \$841,734 (2018: \$620,061), cash in dividend account of \$1,249,106 (2018: \$600,759) and cash in trust account \$1,077,840 (2018: Nil), 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.

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.

24. FINANCIAL RISK MANAGEMENT - GROUP (CONT'D)

24.1 Financial risk factors (cont'd)

b) Credit risk (cont'd)

The group did not have any debt securities that were past due but not impaired at 31 December 2019. An impairment allowance of Nil (2018: \$Nil) in respect of debt securities at amortised cost (2018: 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.

24.2 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.

25. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date, the 2020 World Exchange Congress (WEC) has been postponed to a date to be announced later. The decision to postpone the event is stemming from the unfavourable impact of the Coronavirus as the impact on the Congress in Fiji is probable due to the imminent involvement of the international delegates from multiple countries intending to be part of the event.

The current novel coronavirus (COVID-19) outbreak presents a significant challenge for Fiji and the entire world. The impact of COVID-19 on public life and the economy in Fiji is expected to affect stock market activities and the overall operations of the group. While this is expected to have a negative impact on the financial performance of the group in 2020, the group cannot quantify the magnitude and duration of such impact at this time given the fluidity of the situation. The group continues to monitor and assess its business operations daily, and will undertake actions as appropriate. In response to the COVID-19 outbreak, the group has implemented precautionary measures and protocols based on recommendations from the Fijian Government and health authorities, such as the World Health Organisation.

26. COMPANY DETAILS

Company Incorporation

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

Number of employees at the end of the year: 11 (2018: 9).

Registered office

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

27. PRINCIPAL ACTIVITY

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 and trustee services.

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

28. 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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KONTIKI STOCKBROKING PTE LIMITED 	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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