

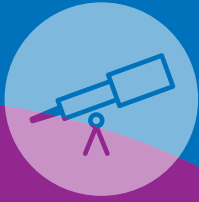


# ANNUAL REPORT 2021



## 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

# Table of Contents

Listed Entity Information	2-3
Board of Directors	4-5
Team SPX	6
Financial and Statistical Highlights	7
Deputy Chairperson's Report	8-10
Acting Chief Executive Officer's Report	11-14
Corporate Governance	15-18
Market Report	19-32
Investor Profile	33-38
Development Report	39-41
Financial Statements	42-72

# Listed Entity Information



## Atlantic & Pacific Packaging Company Ltd (APP)

**Date Listed: 17 Aug 98 | Listing Day Market Price (Close): \$0.70 | Financial Year End: 30 June**

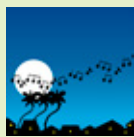
Is the provider of packaging solution to FMF Foods Group of companies as well as to a number of other customers both locally and regionally; Tonga, Samoa, American Samoa and Vanuatu. It has specialised machines that produces a vast range of packaging materials including corrugated cartons, assorted containers and bags for any industry. APP's strongpoint is its ability to fast-track the design-to-delivery cycle due to its high flexibility in its production processes and in-house graphic capabilities. APP's production facility and processes are Certified under ISO: 9001:2000 to provide the best quality and service.



## Amalgamated Telecom Holdings Ltd (ATH)

**Date Listed: 18 Apr 02 | Listing Day Market Price (Close): \$1.14 | Financial Year End: 31 March**

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. Within the last years, the ATH Group has also expanded its footprint in the region, acquiring companies in Vanuatu, Kiribati, Samoa, American Samoa, Cook Islands and Papua New Guinea.



## Communications (Fiji) Ltd (CFL)

**Date Listed: 20 Dec 01 | Listing Day Market Price (Close): \$1.15 | Financial Year End: 31 December**

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 PNG. CFL has developed a range of profit centres that complement the power of 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 (Close): \$2.00 | Financial Year End: 31 December**

Operates the first English only language institute catering only to international students who choose Fiji as their study abroad destination. It also provides an in-house insurance scheme along with foreign exchange services exclusively for its Japanese market. FBL has also diversified its operations to include the recruitment of human capital on behalf of its overseas based clients and started its Japanese language school to cater for the demand by their overseas based clients. Over the years, the company has diversified its operations in foreign exchange business, employment agency, driving school and restaurant business.



## FijiCare Insurance Ltd (FIL)

**Date Listed: 07 Dec 00 | Listing Day Market Price (Close): \$0.60 | Financial Year End: 31 December**

Is a general insurance company specialising in medical, term life, mortgage protection, personal accident, wagecare, 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 (Close): \$0.06\* | Financial Year End: 30 June**

Deals in activities of flour milling and its subsidiaries are engaged in manufacture of biscuits, snack food products, packaging materials, sale of rice, dunfield peas, wheat and related products. With growth in demand from both local and export markets, FMF has extended to manufacturing wholemeal flour, semolina, noodle flour, and other associated and specialty products such as wheatgerm, chakki flour, atta flour, pea flour (besan) and premixes. FMF has also added new businesses to the original business of flour milling. This includes; milling of peas, biscuit manufacturing, snack manufacturing of potato chips, dalo (taro) & cassava chips, noodles manufacturing and cardboard carton manufacturing.



## Fiji Television Ltd (FTV)

**Date Listed: 24 Apr 97 | Listing Day Market Price (Close): \$1.02 | Financial Year End: 30 June**

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 (Close): \$1.14 | Financial Year End: 30 June**

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. For its retail and motor vehicle dealer partners, KFL is a full-service provider of accessible and easy-to-understand financing solutions that allows it to better serve its client relationships by managing credit applications, credit authorisation, billing, remittance and customer service processing.



## Kinetic Growth Fund Ltd (KGF)

**Date Listed: 16 Dec 04 | Listing Day Market Price (Close): \$1.05 | Financial Year End: 31 December**

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.



## Pleass Global Ltd (PBP)

**Date Listed: 04 Feb 09 | Listing Day Market Price (Close): \$0.94 | Financial Year End: 31 December**

A diverse and growing corporation principally engaged in production and marketing of bottled water under the AquaSafe® and VaiWai® brands, operating a state-of-the-art bottling operation at the source, for the domestic and export markets. PBP also operates a business unit selling single use daily items and manufactures packaging items. It also operates an adventure eco-tourism park and is in the establishment phase of organic farming and property development. PBP values the environment and sustainable practices are at the heart of all that they do. PBP's source land is certified organic providing assurance of protection of the sustainable water source.

**Port Denarau Marina Ltd (PDM)****Date Listed: 14 Aug 19 | Listing Day Market Price (Close): \$1.40 | Financial Year End: 31 July**

Owens 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. PDM is ideally positioned to provide a stopover for rest, recreation and provisioning during cruising of the Fijian Islands. The fast-developing marina complex is the centre of yachting activity in Fiji, it is accessed through a well-marked channel that is 5 metres deep. The basin contains 52 fully serviced berths and 16 swing moorings including 20 berths capable of taking Superyachts up to 85 metres in length with 5 metres draft.

**Pacific Green Industries (Fiji) Ltd (PGI)****Date Listed: 05 Jun 01 | Listing Day Market Price (Close): \$1.90 | Financial Year End: 31 December**

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 (Close): \$0.21\* | Financial Year End: 30 June**

Has a diversified business portfolio and is involved in supermarkets incorporating department stores, distribution, imports, exports, wholesale and property development and management. RBG is the only publicly listed supermarket chain in Fiji. The company's wholesaling arm complements its core business as it wholesales products that it imports. As a result, RBG benefits from cost and operational synergies present across its business segments.

**The Rice Company of Fiji Ltd (RCF)****Date Listed: 20 Jan 97 | Listing Day Market Price (Close): \$0.50 | Financial Year End: 30 June**

Is engaged in grading, packing and selling rice which is a staple food for many households. RCF has developed a highly efficient processing line using fully automated machinery and has installed a rice sorter in the processing line to remove any foreign particles and unwanted bits and pieces so that every bag of rice is safe and of top quality. RCF has four varieties of rice that cover most preferences and recipe requirements; Calrose medium grain rice, Australian long grain rice, Thai/Vietnamese long grain rice and the fragrant Jasmine rice.

**Toyota Tsusho (South Sea) Ltd (TTS)****Date Listed: 07 Jun 79 | Listing Day Market Price (Close): \$1.95 | Financial Year End: 31 March**

Trading as Asco Motors, TTS operates through dealerships which are strategically located throughout Fiji, Tonga, Samoa and American Samoa. The company markets Toyota, Yamaha, Massey Ferguson, Bridgestone, Kobe, other world proven products and also operates the Avis franchise. In each region that Asco Motors operates, it is the market leader in many of the market segments and has been operating in the Pacific for nearly 100 years. Initially part of the Burns Philp Group, the company has been majority owned by Toyota Tsusho Corporation since 1998.

**V B Holdings Ltd (VBH)****Date Listed: 01 Nov 01 | Listing Day Market Price (Close): \$1.28 | Financial Year End: 31 December**

Engages in property investment, financing of vehicles sold by related entities, fleet management services and other investments. Generally, VBH is known to be a company that operates through property management and fleet management segments.

**Vision Investments Ltd (VIL)****Date Listed: 29 Feb 16 | Listing Day Market Price (Close): \$1.70 | Financial Year End: 31 March**

A diversified and successful business enterprise with a solid track record of growth and sustained earnings and a long history of trading in Fiji. In 2020, a division of VIL, Courts commemorated 100 years of operation in Fiji. 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, SportsWorld, Best Buys for Business, Carpets International, Vision Motors, Mahogany Industries (Fiji), Vision Finance and Home & More in PNG. Recently, the company has incorporated a fully owned subsidiary Vision Fintech Services Pte Limited which provides MoneyGram money transfer and foreign currency exchange services to the public.

**Fijian Holdings Ltd (FHL)****Date Listed: 20 Jan 97 | Listing Day Market Price (Close): \$0.18\* | Financial Year End: 30 June**

Was incorporated in 1984 to fulfil the objectives of the leaders of the iTaukei people, creating an entity that meaningfully represented iTaukei in the business sector and ensured their meaningful participation in the Fijian economy. Its investments give the iTaukei significant shareholding in major companies thus helping to achieve the objective of bringing the iTaukei fully into the mainstream of Fiji's economy. FHL is a principal investment firm specializing in investing in the manufacturing, building and construction, tourism, property, financial services, media and communications and retail sectors.

**BSP Convertible Notes Ltd (BCN)****Date Listed: 11 May 10 | Listing Day Market Price (Close): \$5.25 | Financial Year End: 31 December**

Is a wholly owned subsidiary of BSP Financial Group Limited 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



**From Left:**

MR GYANESH RUEBEN | MS ROWENA FONG | MR SAIYAD HUSSAIN | MS JANICE NAND



## Board of Directors Profile

### 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. 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. She has an undergraduate degree in Information Technology and specialises in Digital Transformation, Data Protection, Privacy and Cyber Security. She is an entrepreneur and is Principal of her Law Firm, Solved Legal and Director of the ICT company, Solved (Fiji) Pte Limited. Ms Nand has worked for major international firms and as an in-house corporate counsel for large regional and global organisations. Ms Nand has global fundraising experience from public, private and philanthropic organisations across many domains, most recently in Ocean and Climate Funding. She is currently serving many organisations in Fiji as a Board member, General Counsel and Strategic Adviser and 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.

---

### Ms Rowena Fong

*Member Audit and Finance Committee, Member Listing and Compliance Committee*

Ms Fong is the former Chief Executive Officer of Merchant Finance Limited. She has experience in the capital markets industry particularly Unit Trusts and stockbroking, properties, and finance 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 Financial & Securities Institute of Australasia (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. 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). Mr Rueben also has experience with other Board's and Board Sub-Committees.

# Team SPX

## PRETESH PRASAD

Acting Chief Executive Officer



## RASHA ALI

Manager Legal  
& Company Secretary

From left:

**RIMA PRASAD**

Accounts Officer

**SWASTIKA RAM**

Financial Accountant

From left:

**LOSALINI RABUKA**

Registry & Administration Officer

**JOANA RARASEA**

Team Leader Depository

**SENITIKI CAMA**

Registry Intern

From left:

**SHIVANI CHAND**

Clearance & Settlement Officer

**ASHLY PRASAD**

Markets & Financial Analyst



## 2021 Financial and Statistical Highlights

### Financial Highlights [\$(F) Million]



Operating Revenue\*

**1.25**



Operating Expenses\*\*

**0.88**



Net Profit Before Tax

**0.41**



Net Profit After Tax

**0.33**



Total Assets

**6.73**



Net Assets

**2.26**

### Statistical Highlights



Number of Trades

**1,779**



Volume Traded

**5.62 million**



Value Traded

**\$16.75 million**



Market Capitalisation

**\$3.14 billion**



Market Cap Weighted Price Index

**3,385.06**



SPX Total Return Index

**7,783.19**



Equal Weighted Price Index

**5,605.42**



Equal Weighted Total Return Index

**12,069.95**



Average Total Market Return

**10.39%**

\* Excludes Government Grant

\*\* Excludes Depreciation and Amortisation



## Deputy Chairperson's Report

Dear Shareholders,

On behalf of the Board of Directors and Management of the South Pacific Stock Exchange Pte Limited (SPX), I take this opportunity to present to you the 42nd Annual Report of the SPX for the financial year ended 31st December 2021. This report provides an overview of the operational aspects and development initiatives undertaken by the SPX and its subsidiaries; Central Share Registry Pte Limited (CSRL) and SPX Trustees Limited (SPXT) during the 2021 financial year.

### Introduction

The year 2021 started with a brief period of relative normalcy before the second wave of the COVID-19 pandemic upended everything with the unpleasant dominance of the virus being felt greatly by many during most of the year. The economic and social disruption caused by the pandemic has been upsetting on many folds as the resilience and adaptability of all businesses was once again tested with the enormous scale of the crisis also exerting great pressure on our health system. The Fijian Government's COVID-19 vaccination programme across the country led to a significant rise in the vaccination statistics which paved way for the easing of various COVID restrictions. As a result, businesses gradually commenced operations subject to certain guidelines established by relevant authorities.

Unfortunately, the year ended with the emergence of a new COVID-19 variant, pushing hopes of fully eliminating the virus from our communities to an indeterminate future. As we progress in the new year; the continuing vaccination and the subsequent

administration of booster shots look to be the most promising approach to suppress the rapid spread of the virus.

On the local equities front, the SPX market remained open showing adaptability and our responsiveness to such unprecedented events including the un-disrupted work from home arrangements in light of the lengthened lockdown period faced during 2021. Similar to the previous year, the SPX once again responded with regulatory relief measures through the extension of deadlines for publication of financial statements and annual reports for listed entities while operative flexible arrangements in terms of continuing broking member obligations were also offered to the three licensed stockbroking firms during the year.

The SPX measures its performance by four market indices; the Market Capitalisation Weighted Price Index (MCWPI) which is a market value-weighted index reflecting only the share price returns, fell by 4.80% while the SPX Total Return Index (STRI) which is also a market value-weighted index but encompasses both the share price returns as well as the dividend returns, recorded a fall of 3.81%. Showing divergence and in line with the positive average total market return noted in 2021, the SPX Equal Weighted Price Index (EWPI) and the SPX Equal Weighted Total Return Index (EWTRI), which weigh each listed entity equally irrespective of their market capitalisation weighting; gained 7.65% and 9.80% respectively at the end of the 2021 financial year.

In terms of market capitalisation, the aggregate total dollar value of all the SPX listed entities descended by 9.39% ending the

year at a value of \$3.14 billion, reflecting a fall in share prices for heavyweight companies and the loss in market value consequent to the delisting of Paradise Beverages (Fiji) Limited in August 2021.

In terms of the 2021 average total market return for the listed entity shareholders; the SPX market recorded an average dividend yield of 2.08% and an average capital gain of 8.30%, which combined to post an average total market return of 10.39%.

## Development Activities

The SPX three-year Strategic Plan was due for assessment and renewal in 2021, however, given the continuing uncertainty arising due to the impact of COVID-19 and the resurgence of the second wave of the pandemic; the SPX Board decided to maintain consistency and use the existing Strategic Plan to formulate a Roll Over Action Plan for the year 2021. The Board worked closely with Management to place a strong emphasis on the core operations of the SPX Group and to ensure the Group remains efficient and inventive in the current difficult business environment.

The key undertakings for the year are presented below:

### Launch of Wholesale Corporate Bonds Rule Book

Following the earlier announcement of various tax incentives by the Fijian Government to encourage the issuance and listing of Wholesale Corporate Bonds, the SPX with technical assistance from the International Finance Corporation (IFC) energetically worked towards formulating a Rule Book that lays out the rules and procedures of the SPX that would apply to companies wanting to issue and list their Wholesale Corporate Bonds on the SPX platform under the Companies (Wholesale Corporate Bonds) Regulations 2021. After various consultations with the IFC and the Reserve Bank of Fiji (RBF), the Rule Book was implemented in December 2021.

### Establishment of SPXT

The SPXT has been established as a wholly-owned subsidiary of the SPX and its operations was simultaneously launched in December 2021 together with the implementation of the Wholesale Corporate Bonds Rule Book. The SPXT has been approved by the RBF to undertake the function of a Trustee in relation to borrowers that conduct bond issuances under the Companies (Wholesale Corporate Bonds) Regulations 2021 as well as for beneficiaries under Energy Fiji Limited (EFL). Overall, the establishment of the SPXT presents the SPX group as an evolving, progressive and dynamic business that aims to elevate its significance in the overall financial market structure.

### Investor Awareness

Our quest for innovative investor awareness activities continued in 2021 and the SPX placed great emphasis on this market development initiative all throughout the year. In an embryonic market such as ours, investor awareness plays a critical role as

these mediums are long-term channels that can pave the way towards increasing the breadth, depth and liquidity of our market. In 2021, the SPX once again focused on social media channels to promote investment opportunities in the stock market through the use of various infographics, short video clips and animations. These channels were also used to publicise information related to dividend payments and upcoming Annual General Meetings amongst others. The SPX also produced various other publications on weekly as well as monthly basis to keep the stakeholders informed on our operations and the latest trends while innovating the presentation of our Listed Entity Insight articles with pertinent investor information for greater acknowledgement amongst our intended audience.

### Technological Upgrades

CSRL took time during the year to reflect on the need for efficiency in its processes and as such carried out some technological enhancements to its existing software with an aim to further improve the effectiveness of its systems. These enhancements included; introduction of a new alert system on the Stockbroker portal page to easily identify any shareholdings under Lien, introduction of an option to electronically identify shareholders who have registered instructions to hold their dividend payments, and an option to digitally maintain and manage records of shareholders who opt for electronic correspondence of all future company notices and publications.

## 2022 Outlook

The core strategic goals of the SPX Group remain consistent as the previous years which revolves around continuing the development of the local stock market in terms of new listings on both the Equity and the Wholesale Corporate Bond market, improvement in market liquidity and trading activities, upsurge in investor participation, increase in clientele for registry and trust businesses, continuing streamlining of business processes as well as an aim to increase the multiplicity of investible products through the SPX platform.

The SPX intends to maintain its engagement with its listed entities, stockbrokers and the investors to ensure timely and balanced disclosures as well as dissemination of pertinent information to assist investors in making informed investment decisions while also providing access to capital raising and trading/investment platforms for the investors and businesses with an aim to ensure efficiency of capital allocation while supporting a broader financial stability.

In a proactive response to the current business environment, in 2022, the SPX Board aims to convene a comprehensive meeting to formulate a detailed three-year Strategic Plan. Covering the next three financial years this Plan will carve a new era of development and future for the SPX Group. As such, the SPX will continue to engage with key stakeholders to help us build an effective strategy, ensuring business growth and enhancement of shareholder value.

## Acknowledgement

On behalf of the SPX Board of Directors, I wish to extend my earnest appreciation to the Government of Fiji for continuing to provide assistance in the form of market development grant while also continuing to offer various tax incentives which makes listing and investing on the SPX attractive and a definite option to consider for capital raising and wealth creation.

At the 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 wholeheartedly thank the former SPX Chairperson, Dr Nur Bano Ali for her sterling leadership over the past nine years.

I would also like to convey my appreciation to the Acting Chief Executive Officer and his entire team for rising to the challenges during the year and for their continued dedication, unwavering support and loyalty towards the day-to-day operations of the business.

Finally, I wish to acknowledge the support and partnership from the industry regulator, Reserve Bank of Fiji (RBF), listed entities, stockbrokers, investment advisers as well as the investment community.

The SPX Board looks forward to working with our Management in building sustainable value for all stakeholders as we strive to overcome the prevailing economic challenges and to develop a more vibrant capital market in Fiji.

Thank you.



**Saiyad Hussain**  
**Deputy Chairperson**



## Acting Chief Executive Officer's Report

Dear Shareholders

At the core of the operations of the South Pacific Stock Exchange Pte Limited (SPX) and its subsidiaries; Central Share Registry Pte Limited (CSRL) and SPX Trustees Limited (SPXT), the focus has been on our stakeholders – the listed entities, stockbroking firms, investors and our clientele. While the financial year ended 31<sup>st</sup> December 2021 posed new challenges to each of our stakeholders, yet, it has truly been a satisfying experience to collaborate with and be of service to our stakeholders during this past year.

The year 2021 brought both highs and lows as it began in hope with the rapid administration of COVID-19 vaccines across the globe, offering the possibility of a future in which COVID would become an endemic. Fiji welcomed its highly anticipated first batch of COVID-19 vaccines in March, supplied through the global COVAX facility with the ultimate intention to protect as many people in the country from the serious illness often associated with COVID-19 at the earliest pace. Early rapid uptake of the vaccine was followed by the first signs of recovery towards the livelihoods of people. Yet, as we stepped into the second quarter of the year, a second wave of the pandemic hit Fiji virulently. The country was once again in the grips of fresh lockdowns and stringent containment measures from mid-April. As the wave subsided, gradual relaxations in health measures allowed for progressive opening of businesses subject to strict guidelines established by relevant authorities as the vaccination statistics continued to improve.

The second wave presented a much bigger challenge forcing people to adapt to a new normal with lengthy stretches of time without any face-to-face social interaction and immersed a huge pressure on our health facilities as a more transmissible Delta variant of the COVID-19 virus became prevalent in our community and triggered not just economic destruction but also left tragic human scars amongst people with loss of loved ones succumbing to the wrath of the pandemic. The second wave prompted the SPX to reactivate its COVID-19 Business Continuity Protocol overnight, appreciatively, the experience gained from the 2020 lockdown meant that the transition to remote working was seamless. Being the front-line regulator meant the SPX had to once again act promptly and offer regulatory relief to its listed entities which allowed for the extension of deadlines for filing of financial statements and annual reports as part of the listed entities ongoing listing requirements. The SPX also considered the challenges faced by the stockbroking firms and further assisted them by maintaining flexibility in terms of their continuing broking member obligations as well.

Although 2021 was a year of challenges, the SPX upheld its core values of serving as a steward of public trust to promote the long-term development of the capital markets and the well-being of the populace and demonstrated its responsibility to a larger vision for a brighter future by advancing on strategic initiatives that were feasible during the year.



## Stock Market Performance

For the entire year, the COVID-19 pandemic affected the local, regional, and global economies. These pressures spilled into the financial markets and precisely the local bourse faced the 2021 financial year under the prevalence of the second wave of the COVID-19 pandemic where the overall operational and financial performances of the SPX listed entities were understandably affected by various incessant pandemic related pressures. As at 31<sup>st</sup> December 2021, the aggregate market capitalisation posted a fall of 9.39%, concluding the year at a value of \$3.14 billion. This decrease reflects the fact that heavyweight companies recorded share price declines as well as the negative impact on market value consequent to the delisting of Paradise Beverages (Fiji) Limited.

However, it must be emphasised that the average capital return of listed securities remained positive and the SPX's key market indices show such a divergent pattern. Indices weighted by company size (as measured by the company's market capitalisation or value of all its outstanding shares) declined; the Market Capitalisation Weighted Price Index (MCWPI) which reflects only the share price returns and the SPX Total Return Index (STR1) which incorporates both the share price returns and the dividend returns, recorded falls of 4.80% and 3.81% respectively. On the contrary and in line with the positive average total market return noted in 2021, the SPX Equal Weighted Price Index (EWPI) and the SPX Equal Weighted Total Return Index (EWTRI), which weigh each listed entity equally irrespective of their market capitalisation weighting, gained 7.65% and 9.80% respectively at the end of the 2021 financial year.

In terms of 2021 average total market return for the shareholders; the SPX market recorded an average dividend yield of 2.08% and an average capital gain of 8.30%, which combined to post an average total market return of 10.39%, concluding in the positive territory for the 11<sup>th</sup> successive year.

As for the trading statistics, the prevailing economic conditions and the ongoing impact from COVID-19 pandemic weighed heavily on the market activities which stood lower for the 2021 financial year in comparison to the prior period (detailed trading statistics is presented under market report section).

### The key stock market indicators

Stock Market Indicators	2021	2020	YOY (Unit Change)	YOY (% Change)
Market Cap Weighted Price Index (MCWPI)	3,385.06	3,555.80	-170.74	-4.80%
SPX Total Return Index (STR1)	7,783.19	8,091.89	-308.70	-3.81%
Equal Weighted Price Index (EWPI)	5,605.42	5,207.28	+398.14	+7.65%
Equal Weighted Total Return Index (EWTRI)	12,069.95	10,992.62	+1,077.33	+9.80%
Market Capitalisation (Billion)	\$3.14	\$3.47	-0.33	-9.39%
Average Total Market Return	10.39%	9.07%	N/A	N/A

## Financial Performance

The SPX Group's financial performance reflects the challenging operating environment in the face of the COVID-19 pandemic that prevailed during the 2021 financial year. In the midst of these challenges, the SPX ensured close monitoring of all expenses and prudently managed the cash flows to maintain a net profit after tax for 2021. The key financial indicators from 2019 to 2021 are tabulated below:

Group Financial Performance	2021	2020	2019
Operating Revenue*	\$1,250,889	\$1,213,307	\$1,620,433
Operating Expenses**	\$877,865	\$898,624	\$1,206,856
Net Profit After Tax	\$331,521	\$288,830	\$533,089
Total Assets	\$6,734,376	\$6,157,769	\$6,327,608
Net Assets	\$2,259,944	\$1,928,423	\$1,639,593

\* Excludes Government Grant

\*\* Excludes Depreciation and Amortisation

## Strategic Goals

Due to the uncertainties amidst the COVID-19 pandemic and it relatively being impossible to quantify the duration of the pandemic as well as the overall fluidity of the situation profoundly impacting the economy negatively, the SPX did not formulate a new three-year comprehensive Strategic Plan in 2021 to replace the concluding Strategic Plan of the past three years. Instead, the SPX formulated a Rollover Action Plan for the 2021 financial year that focused on the key deliverables that remained unexecuted from the previous year and new outputs that could be realistically achieved during 2021. Nonetheless, attention was paid to each of the strategic goals to ensure the overall success of the SPX Group.

Emphasis continued to be placed on the internal audit function of the SPX Group which involves proper monitoring and application of relevant legal frameworks. From verifying that business operations reflect required policies and procedures to ensuring that SPX as a licensed entity is in conformity with the applicable laws and to ensure that internal control processes operate effectively, the SPX board and management regard the internal

audit function as being vital and a key pillar of good governance. It provides the stakeholders with an independent view on whether the organisation has an appropriate risk and control environment whilst also acting as a catalyst for a strong risk and compliance culture within the SPX Group.

On the product diversity front, the SPX with technical assistance from the International Finance Corporation (IFC) vigorously pursued and made substantial progress towards the formulation and implementation of the Listing and Trading Rule Book for Wholesale Corporate Bonds, also facilitating the establishment of the SPXT. While the SPXT has been approved by the Reserve Bank of Fiji (RBF) to undertake the function of a Trustee in relation to borrowers that conduct bond issuances under the Companies (Wholesale Corporate Bonds) Regulations 2021, the Rule Book lays the foundation for the issuance, listing and trading of Wholesale Corporate Bonds on the SPX platform. The SPXT also takes charge towards the provision of trustee services for beneficiaries under Energy Fiji Limited. In essence, this is a huge stride made by the SPX and a great achievement for the entire capital market in Fiji as this initiative not only enhances the operational dynamics of the SPX Group but it will help develop a more vibrant stock market in Fiji by offering investors an opportunity to invest in a wider range of assets while simultaneously offering companies an alternative platform to raise capital.

2021 was also a year where Corporate Actions in the form of Dividend Reinvestment Plans and Rights Issue was evidently undertaken by select listed entities. The largest listed entity by way of market share, Amalgamated Telecom Holdings Limited (ATH) managed to raise \$112.97 million at the conclusion of the offer representing successful completion of more than 89% of the Rights Issue. Given the general uncertainty in light of the economic disruptions caused by the COVID-19 pandemic since early 2020, ATH had been successful in raising this notable sum. In terms of Dividend Reinvestment Plans, a total of \$1.89 million was reinvested into additional shares in 2021 in comparison to a lower \$0.98 million reinvested into additional shares in 2020. Dividend Reinvestment Plans were undertaken by Kontiki Finance Limited (KFL), Pleass Global Limited (PBP) and for the first time ever by Free Bird Institute Limited (FBL). The concept of reinvesting dividend proceeds augurs well for investors long-term financial goals and supplements the concept of compounding associated with investments. At the same time, dividend reinvestment provides listed entities an additional source of capital. The SPX is overwhelmed with the increased number of listed entities now undertaking such Corporate Actions and are capitalising on the benefits of being listed. The SPX anticipates other listed entities to consider this as an encouragement and foresee the benefits by taking cue as this empowers their shareholders encouraging them for greater participation in the stock market.

In terms of new investors, a total of 183 new investors entered the Fijian stock market in 2021. This was lower in comparison to the 2020 financial year mainly due to mixed investor sentiments and an understandable lack of any new listings in the uncertain environment of 2021.

On the investor awareness front; amidst the global pandemic, the SPX consistently maintained an active digital presence through use of social media platforms in partnership with its licensed stockbroking firms informing existing as well as potential investors that investing in shares of listed entities for the long-term provides a good possibility for returns greater than other investments, if one is comfortable taking some market risk. As for the investors who remained uncertain, they were recommended to consider a long-term approach to investing and to keep in mind the wise financial advice to buy low and sell high, a pathway which can help the investors be the winner over the long-term. SPX also continued to compile and publish key investor information in the form of weekly and monthly stock market updates, ongoing developments by the SPX and/or listed entities and the Listed Entity Insight articles for the benefit of existing as well as potential investors. These publications from the SPX have consistently received accolade from various stakeholders.

During the year, CSRL also pursued various technological changes to its existing software with an aim to further improve the effectiveness of its systems. These enhancements included; introduction of a new alert system on the Stockbroker portal page to easily identify any shareholdings under Lien, introduction of an option to electronically spot shareholders who have registered instructions to hold their dividend payments, and an option to digitally maintain and manage records of shareholders who opt for electronic correspondence of company notices and publications.

On the training and development front, the SPX placed greater emphasis on enhancing competencies of its staff and market participants. While for most of 2021 social gatherings and face to face interactions were limited, the SPX Group staff took opportunity as available and attended select networking sessions organised by Women In Business (Fiji), workshops organised by the Fiji Institute of Accountants and the Office of the Attorney-General as well as courses run by The University of the South Pacific and The Fiji National University. The yearly Stockbroker Examination was successfully executed to assist the stockbrokers to refresh their understanding of the stock market operations and the recent developments in the industry.

The SPX continued to maintain virtual contact with Exchanges with whom there is an existing Memorandum of Understanding (MoU) for collaboration opportunities, however, in the face of operational challenges faced during most of 2021, no major progress was made under this initiative. Furthermore, keeping in mind the health and safety concerns of potential attendees, ongoing international travel restrictions imposed on many countries world-wide and the closure of international borders, the SPX in consultation with Terrapinn Holdings Limited, the international event manager for the World Exchange Congress (Congress) event announced the cancellation of the Congress in July 2021. Given that the circumstances around hosting of the Congress in Fiji had been beyond SPX's control, this decision while regretful, had to be practically made.

## The Year Ahead

As we headed into 2022, the Fijian economy encountered the emergence of the third wave of the COVID-19 pandemic which exerted new events of uncertainties on people and businesses. However, there is more hope than during the previous waves, given the vaccination rates already achieved with continuing administration of booster shots as well as health experts commenting that the Omicron variant while being much more infectious is less virulent than its Delta predecessor. The hope is that the economic impact of this new wave could be relatively less severe and mild than what was experienced in 2021.

The SPX, as the front-line regulator of the stock market maintains its commitments to innovate and to improve its services and will continue to position the SPX Group as a service-driven and operationally excellent organisation with a greater objective to maintain the fundamental principles of market integrity, investor protection and efficient discovery.

On the listing and business evolution front, while the SPX aims to continue promoting the various tax incentives in existence for listing of equities, it can now truly realise offering a market for the issuance of Wholesale Corporate Bonds through the SPX platform. Given that necessary regulatory framework for issuance and listing of this alternative investible product has already been established during 2021, the SPX will work closely with its stakeholders to ensure success of this initiative through listing of the first Wholesale Corporate Bond on the SPX platform.

The SPX is also expected to pursue further development opportunities and while acknowledging that these will be long-term projects, starting with consultation with relevant stakeholders, development of appropriate regulatory frameworks, and building market awareness; it intends to at least initiate necessary discussions with relevant stakeholders in the area of introducing a centralised securities settlement system as well as make relevant progress towards the upgrade and amendment of the SPX Business Rules in order to align it with the modern-day practices. The SPX also aims to revisit its existing Memorandum of Understanding (MoU) and explore ways to optimise its operational capacity through fostering professional relationships with institutions with similar intent.

The year 2022 will also be marked with the SPX Group formulating a new three-year Strategic Plan which is expected to map-out the future direction and priorities of the business in line with expected opportunities to further grow the business in years ahead.

## Acknowledgement

Finally, to conclude this report, I would like to convey my humblest gratitude to the former SPX Chairperson, Dr Nur Bano Ali who concluded her nine-year term in October 2021, the Deputy Chairperson and the remaining members of the SPX Board for their valued guidance, sincere commitment, advice and unwavering support in this COVID-induced challenging year.

The performance of the SPX Group and its financial stability stands on the contribution of our dedicated staff who have demonstrated their loyalty, perseverance and agility in ensuring the successful execution of the various strategic initiatives during the year. As such, the SPX team deserves a special accolade and I look forward to their commitment in the new financial year.

I extend my appreciation to the Government of Fiji for the continued effort in promoting the development of the stock market both in form of their ongoing financial support through government grant and as well as various tax incentives for both the Equity and the Wholesale Corporate Bond market.

I also thank all the stakeholders of the SPX Group including the stockbrokers, listed entities, the Reserve Bank of Fiji (RBF) and the SPX shareholders for the collaborative relationship.

Nevertheless, as the Fijian populous continues to adapt to the new era of living with the virus, we anticipate investors as well as potential issuers regaining their confidence to re-enter the market which would ultimately ring-in optimism and growth opportunities for the capital market. Additionally, with the ongoing support from the investment community, listed entities, stockbrokers, investment advisers, RBF and the Government of Fiji, SPX anticipates a rebounding year as we get through the current unprecedented crisis and work towards promoting value for all our stakeholders.

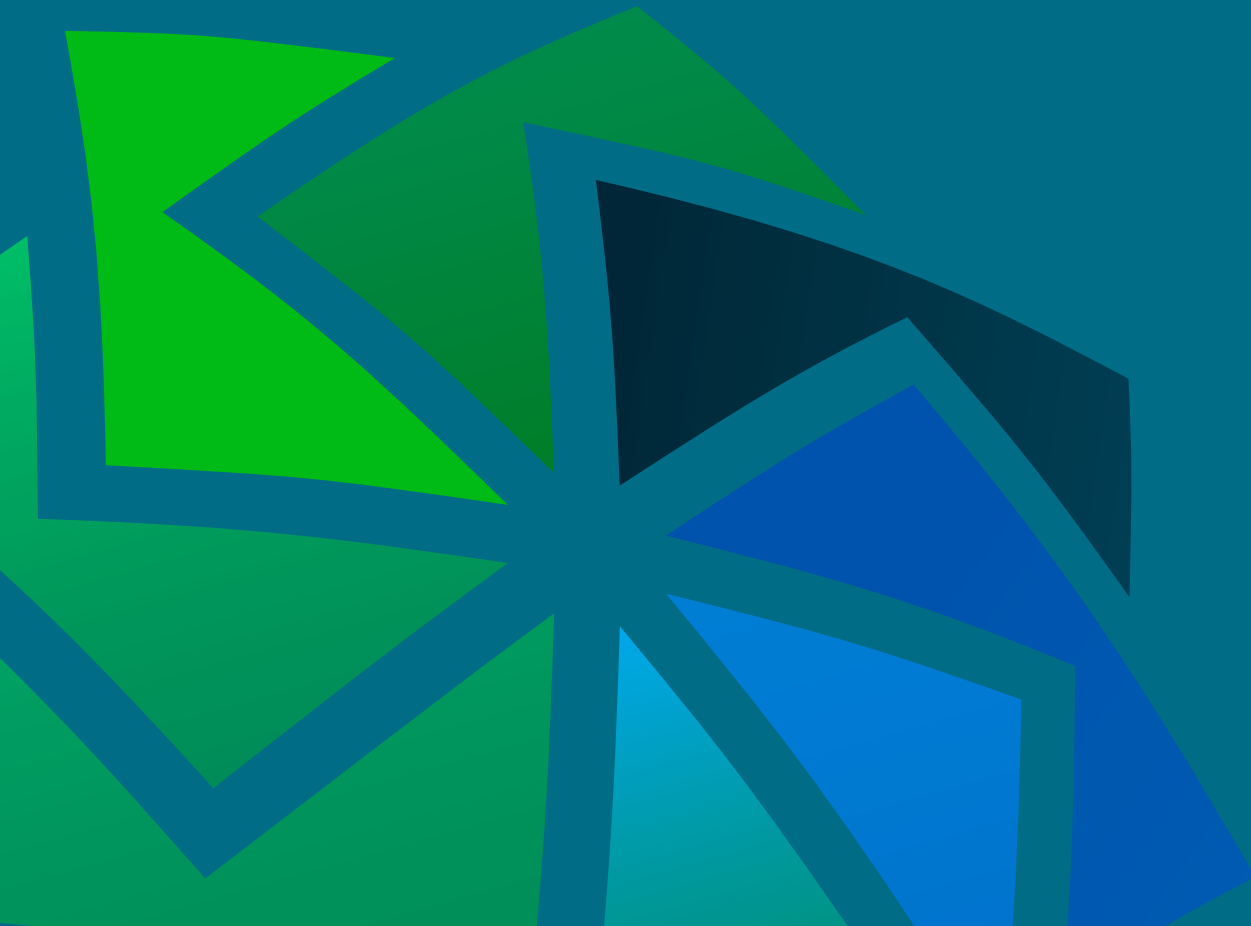
Thank you.



**Mr Pretesht Prasad**  
Acting Chief Executive Officer



# Corporate Governance



# Corporate Governance Disclosures

**NAME OF THE COMPANY:** South Pacific Stock Exchange Pte Limited

**FOR THE FINANCIAL YEAR ENDED ON:** 31<sup>st</sup> December 2021

## Introduction

The Board of Directors of the South Pacific Stock Exchange Pte Limited (SPX) considers sound corporate governance crucial in ensuring its long-term success and is intent on deepening its commitment to the principles of good corporate governance. The SPX Board is accountable to its shareholders for the overall direction and control of the Company. Reflecting on this assurance, 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 Company. 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
<b>1. Establish clear responsibilities for board oversight</b>	<b>Separation of duties:</b> 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.
	<b>Board Charter:</b> Adopt a Board Charter detailing functions and responsibilities of the Board.	The roles and responsibilities of the Board are defined in the respective Board Charters.  The SPX Board is ultimately responsible for the oversight and review of management, administration and the overall governance of the Company and its strategic direction. This includes: <ul style="list-style-type: none"> <li>✗ the protection of Shareholders' interests by seeking to ensure that SPX's strategic direction provides value for its shareholders;</li> <li>✗ establishing goals for management and monitoring the achievement of those goals;</li> <li>✗ authorising policies and overseeing the strategic implementation of these policies; and</li> <li>✗ seeking to ensure that SPX's internal control and reporting procedures are adequate, effective and ethical.</li> </ul>
<b>2. Constitute an effective Board</b>	<b>Board Composition:</b> Balanced Board Composition with Executive and Non-Executive Directors of which 1/3rd of total number of Directors to be Independent Directors.	The Corporate Governance Principles affirm that the majority of the Board should be independent. Additionally, as per the Reserve Bank of Fiji's (RBF) Prudential Supervision Policy Statement No. 1 on Minimum Requirements for Corporate Governance of Licensed Entities, the tenure for Independent Board Directors should not exceed nine (9) years. In consideration of this RBF requirement, the tenure limit for one of the Independent Directors was reached on 31 <sup>st</sup> October 2021. Through further consultation with the RBF, the SPX published an Expression of Interest for the replacement Independent Director role and aims to have the replacement Independent Director appointment finalised in Quarter 1 of 2022. This would then ensure that the SPX remains in compliance with the minimum board composition requirements for licensed entities as well as the requirement for the number of Independent Directors. In view of the above, the SPX Board comprised of four (4) Directors, which included one (1) Independent Director at the end of 2021.
	<b>Gender Diversity:</b> 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. As at 31 <sup>st</sup> December 2021, two (2) out of four (4) Directors of the SPX Board are females. The Company Secretary on the SPX Board is also a female.
	<b>Nomination Committee:</b> 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 makes reports and recommendations to the Board on new and evolving compliance matters. In governing themselves, the Governance committee supports and encourages opportunities for board development. 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).
	<b>Board Evaluation:</b> Process of evaluation of performance of the Board, its Committees and individual Directors. Evaluation to be linked to key performance indicators of the Company.	The 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.



	<b>Directors Training:</b> 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"> <li>✕ SPX Articles of Association</li> <li>✕ SPX Board Charter</li> <li>✕ SPX Board Committee Charters</li> <li>✕ SPX Listing Rules</li> <li>✕ SPX Business Rules</li> <li>✕ Companies Act 2015 and Companies Regulations</li> <li>✕ With other relevant/ updated and/or recently introduced SPX policies, procedures, guidelines</li> </ul> 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.
	<b>Board Sub-committees:</b> Board must have sub-committees which must at a minimum include – <ul style="list-style-type: none"> <li>✕ Audit Committee;</li> <li>✕ Risk Management Committee; and</li> <li>✕ Nomination Committee/ Recruitment Committee.</li> </ul>	SPX has three (3) Committees of the Board whose functions and powers are governed by their respective Charters. These Committees are the: <ul style="list-style-type: none"> <li>✕ Audit and Finance Committee;</li> <li>✕ Listing and Compliance Committee; and</li> <li>✕ Governance Committee.</li> </ul>
<b>3. Appointment of Chief Executive Officer/Managing Director</b>	<b>CEO:</b> 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 responsibility of the Governance Committee is 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.
<b>4. Appointment of a Board and Company Secretary</b>	<b>Company Secretary:</b> 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/Board Secretary, through the Chairperson, is directly accountable to the Board for the proper functioning of the Board. The Company/Board Secretary is the chief governance specialist within the SPX Group, increasingly relied upon by members to provide advice and implement good governance practices at Board level. The appointment is based on qualification and experience. As per guiding provisions of the Charter, the Company/Board Secretary may only be appointed or removed by the Board.
<b>5. Timely and balanced disclosure</b>	<b>Annual Reports:</b> Timely and accurate disclosures are made in Annual report.	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.
	<b>Payment to Directors and Senior management:</b> 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 remuneration for Directors 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.
	<b>Continuous Disclosure:</b> 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.	The SPX management is responsible for approving and releasing of any or all SPX announcement on the SPX Market Announcements Platform other than: <ul style="list-style-type: none"> <li>✕ an announcement that relates to a matter which is both material and strategically important, which will require approval by the Board; or</li> <li>✕ procedural matters which will require approval by the Board.</li> </ul>
<b>6. Promote ethical and responsible decision-making</b>	<b>Code of Conduct:</b> To establish a minimum Code of Conduct of the Company applicable to Directors, senior management and employees and conduct regular trainings on the same.	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 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.
<b>7. Register of Interests</b>	<b>Conflicts of Interest:</b> Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	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 or 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 stipulates processes of assessing it.  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: <ul style="list-style-type: none"> <li>✕ the Director is not an executive of the SPX Group;</li> <li>✕ the Director is not a substantial shareholder of SPX or otherwise associated directly with a substantial shareholder of SPX;</li> <li>✕ 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;</li> <li>✕ 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;</li> <li>✕ the Director has no material contractual relationship with SPX other than as a Director of SPX;</li> <li>✕ 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.</li> </ul> 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.

8. Respect the rights of shareholders	<b>Communication with shareholders:</b> 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.
	<b>Website:</b> 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. The revamped SPX website launched in 2020 offers 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.
	<b>Grievance Redressal Mechanism:</b> 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.
	<b>Shareholders' Complaints:</b> 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.
	<b>Corporate Sustainability:</b> 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.	The SPX Group identifies and manages its material exposures to economic, environmental and social sustainability within its Risk Management Program. This framework applies to the Directors and employees of the overall Group. The Exchange has adopted performance standards, completed due diligence and risk assessments, and undertook incident and grievance reporting as per processes stipulated as part of internal policies.
9. Accountability and audit	<b>Internal Audit:</b> 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 provided to the CEO on a monthly basis and a detailed quarterly report is also tabled at the Audit Committee meetings and the Board 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.
	<b>External Audit:</b> 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.
	<b>Rotation of External Auditor:</b> 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.
	<b>Audit Committee:</b> 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"> <li>✕ Overseeing the financial reporting and disclosure process.</li> <li>✕ Approve, or recommend for approval to the Board, the appointment, compensation and termination of appointment of external auditors.</li> <li>✕ Monitoring the internal control process.</li> <li>✕ Overseeing the performance of the internal audit function.</li> <li>✕ 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.</li> </ul>
10. Risk Management	<b>Risk Management Policy:</b> 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 the Committee reviews the risk management framework at least annually or as and when required.
	<b>Whistle Blower Policy:</b> 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.	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"> <li>✕ unacceptable practices;</li> <li>✕ irregularities or conduct which is an offence or a breach of laws (actions and decisions against the laws including non-compliance);</li> <li>✕ corruption;</li> <li>✕ fraud;</li> <li>✕ misrepresentation of facts;</li> <li>✕ sexual harassment;</li> <li>✕ abuse of Delegated Authorities;</li> <li>✕ misuse of Group assets; and so forth.</li> </ul>



# Market Report



# 2021 Market Highlights

## Trading Activity

### Key Stock Market Statistics

Market Cap Weighted Price Index 3,385.06 ▼ -4.80% -170.74	SPX Total Return Index 7,783.19 ▼ -3.81% -308.70	Equal Weighted Price Index 5,605.42 ▲ +7.65% +398.14
Equal Weighted Total Return Index 12,069.95 ▲ +9.80% +1,077.33	Market Capitalisation \$3.14 billion ▼ -9.39% -\$0.33 billion	Avg. Total Market Return ▲ +10.39%

### Market Sentiments

For the domestic economy and according to the statistics provided by the Reserve Bank of Fiji (RBF), the Fijian economy is expected to contract by 4.1% in 2021 due to the economic challenges in the face of COVID-19; however, economic recovery is anticipated in 2022 with continuing vaccination amongst the Fijian population including the administration of booster shots and the positive spill-over effects on associated sectors of the economy following the opening of regional borders which has allowed for the recommencement of international tourism. As per the recent statistics published by the Fijian Government, it is comforting to note a substantial decline in severe and critical cases as well as a reduction in hospitalisation numbers due to COVID-19. These developments essentially suggest that greater vaccination coverage seems to be the most appropriate way forward to ensure the negative impact of COVID-19 is minimised and has allowed the Fijian Government to undertake a review of the national COVID-19 response and further ease several other restrictions including the total uplifting of the daily nation-wide curfew that had been strategically imposed from 2020 around the time when the first case of COVID-19 was identified in the country.

From the perspective of market activity, while there was a gradual pickup in trading activity as well as an improvement in investor confidence during the first quarter, this optimism was rather short-lived and the market re-embraced a deterioration in investor confidence following the emergence of the second wave of the pandemic in the second quarter of 2021. Further, noting the realities on the ground and given the existing uncertainty, the stock market fared with instances of high volatility resulting in concentrated sell-offs for certain listed stocks ultimately causing downward pressure in share prices.

Some improvements in trading activity was noted as various COVID-19 protocols were relaxed and businesses gradually started to open up in the latter part of the year, allowing people to return to employment. Generally, and as per historical trends, the year 2021 noted relatively high demand for stocks which had potential for share price increases presenting capital gain opportunities, those that have been traditionally more liquid and stocks that had reported consistent or in some cases improved financial performance as well as consistent and/or increased dividend payments. Overall, the three licensed stockbroking firms

are to be commended for assisting with the injection of supply of shares into the market by their respective clientele throughout the year as well as being able to convert investor interests into actual investments contributing positively towards the new investor statistics noted in 2021.

During this period, SPX as the front-line regulator of the stock market maintained a close look at the daily trading activities and movements in market indices. As per the SPX market surveillance guidelines, any movements exceeding +/- 5% in the SPX Equal Weighted Price Index (EWPI) in a trading day would trigger a temporary trading halt, however, no such instances were recorded during the year under review.

On an assenting note, the year 2021 saw three listed entities, namely; Kontiki Finance Limited (KFL), Pleass Global Limited (PBP) and for the first time ever, Free Bird Institute Limited (FBL) offer a Dividend Reinvestment Plan (DRP) for its shareholders. A DRP allows existing shareholders to reinvest their dividend proceeds through acquisition of additional shares in an entity at a discounted price and without any transaction costs as opposed to receiving their dividend entitlement in cash. In aggregate, a total of \$1.89 million was reinvested into additional shares in 2021 in comparison to a lower \$0.98 million reinvested into additional shares in 2020. The ongoing Rights Issue by Amalgamated Telecom Holdings Limited (ATH) that was initially offered in 2020 concluded in 2021. Through this corporate action, ATH managed to raise \$112.97 million at the conclusion of the offer representing successful completion of more than 89% of the Rights Issue.

It is also worth highlighting that while the delisting of Paradise Beverages (Fiji) Limited (PBF) following the compulsory acquisition by Coca-Cola Amatil (Fiji) Pte Ltd (CCEP Fiji) resulted in a decrease in market value by \$211.81 million, PBF had a successful journey being listed on the SPX for over 24 years and was able to unlock its value yielding notable returns for its shareholders both in the form of capital growth as well as dividend returns. PBF's market value grew from \$26.50 million from the time of listing to \$211.81 million when it delisted while the company also paid an estimated \$75 million in dividends to its shareholders during its journey of being listed on the SPX.

Given the above sentiments, the overall capitalisation of the market, which is the total dollar value of all the SPX listed entities, recorded a fall of 9.39% concluding the year at a value of \$3.14 billion while the Market Capitalisation Weighted Price Index (MCWPI) and the SPX Total Return Index (STRI) fell by 4.80% and 3.81% respectively. On the contrary and in line with the positive average total market return of 10.39% noted in 2021, the SPX Equal Weighted Price Index and the SPX Equal Weighted Total Return Index rose by 7.65% and 9.80% respectively.

### Overall Trading Pattern

On a consolidated basis and considering all ordinary trades as well as the one-off transactions for the year 2021, the number of trades, volume and value traded decreased in comparison to the 2020 market statistics. The number of trades was lower by 989 trades (-35.73%) and the volume and value of trades were lower by 3,440,341 shares (-37.96%) and \$2,504,827 (-13.01%). Lower trading statistics were also recorded after excluding the one-off transactions for both comparable periods.

Historically, trades originating from FHL dividend declarations contributes more than 50% of all FHL trades as well as the aggregate number of trades in a particular year. However, the year 2021 noted no dividend declarations by FHL which substantially reduced the aggregate number of transactions recorded for the year as no dividend declarations translated into nil market-based dividend reinvestment trades. However, the trading platform did record 330 transactions categorised as market-based dividend reinvestment trades but these trades originated from the earlier dividend declared in October 2020 and were essentially the trades which had remained unexecuted at the end of the previous year.

However, on an optimistic note, the SPX e-trading platform recorded an increased number of one-off special crossing trades (+30.77%) and a higher one-off value of transactions (+36.45%) during 2021 in comparison to 2020.

### New Order Flows

The average weekly new order flow for 2021 recorded on the SPX e-trading platform stood at \$181,431 and is in line with the lower aggregate trading statistics noted during the year in comparison to 2020.

Additionally, for the year 2021, the average buy to sell ratio concluded at 1:29 in comparison to an average bid to offer ratio of 1:36 in 2020. For now, while this ratio still indicates a strong presence of supply-side investors compared to buyers as was noted in 2020, the year 2021 saw a slight improvement while comparing the dominance of sell side investors for the SPX listed entities. It must also be noted that the strong presence of sellers exists for certain listed entities only, namely; ATH, FMF, KFL, PDM and FHL.

On a year-to-date basis for 2021, the selling interests averaged at 64.30% of the total new order flow consideration (in comparison to selling interests averaging at 67.22% in 2020) while the buying interests averaged at 35.70% of the total new order flow consideration (in comparison to buying interests averaging at 32.78% in 2020).



The key trading statistics including and excluding one-off transactions recorded in 2021 in comparison to 2020 period is tabulated below:

Particulars	Includes One-Off Transactions		
	2021	2020	% Change
Number of Trades	1,779	2,768	-35.73%
Volume Traded	5,622,571	9,062,912	-37.96%
Value Traded (\$)	16,747,851	19,252,678	-13.01%
Particulars	Excludes One-Off Transactions		
	2021	2020	% Change
Number of Trades	1,762	2,755	-36.04%
Volume Traded	1,836,576	4,788,097	-61.64%
Value Traded (\$)	3,691,519	9,684,444	-61.88%



## Monthly Trading Trend and Key Events

Jan

The remaining market-based dividend reinvestment trades for FHL from December 2020 was fully executed in January 2021 resulting in the month to record the highest number of trades out of all the months in 2021. January also saw the 12-month market capitalisation value peak at \$3.51 billion and the month was also one of the two months to record the highest number of new investors for the year.

Feb

Negotiated deal transactions were recorded in KFL resulting in the volume and value traded to peak. This was further supplemented by a high-volume private transfer transaction recorded in FHL. The SPX e-trading platform also recorded an additional quotation of 478,911 shares by KFL as part of its Dividend Reinvestment Plan.

Mar

Downward pressure on share prices and ultimately on the aggregate market value continued resulting in March being the month to record the highest monthly market capitalisation fall of 4.19%. New investors continued to be recorded, although slightly lower than the previous two months.

Apr

As the economy looked to have had the first signs of recovery from the economic and human scars left by the first wave of the pandemic, identification of the Delta variant in the community once again put Fiji back in the grips of a second wave with fresh lockdowns and containment measures being instituted to curtail the spread of COVID-19. A direct impact was felt with new investors and trading volumes shrinking considerably. However, on an assenting note, the market noted two corporate actions providing some stability towards the overall market value. PBP quoted an additional 39,481 shares as part of its Dividend Reinvestment Plan while ATH quoted an additional 4,000,541 shares as part of its Rights Issue offer.

May

COVID cases continued to surge, as such the greater part of the month saw establishment of various containment zones and restrictions being instituted on movements and gatherings of people. Listed entities were required to release relevant market updates outlining the impact from the second wave of the pandemic on their business operations, financial forecasts and decisions on dividend declarations to ensure informed investment decisions are made by investors. Amongst these, there were transactions executed by various high net-worth individuals and institutional investors in select securities and an additional 6,677,646 shares was quoted by ATH as part of the ongoing Rights Issue offer.

Jun

In recognition of the apparent challenges following the resurgence of COVID-19 cases, the SPX once again granted a waiver under which timing requirements for the release of Annual Audited Financial Statements and Annual Reports were extended for listed entities. Moreover, a negotiated deal transaction was recorded in Paradise Beverages (Fiji) Limited (PBF) during the month of June. Through this negotiated deal transaction, Coca-Cola Amatil (Fiji) Pte Limited (CCEP Fiji) acquired 57,323 shares in PBF from Platinum Insurance Limited which triggered the compulsory acquisition provisions of the Companies Act 2015.

Jul

ATH quoted a further 20,000,000 shares on the SPX platform, collectively raising \$112,970,462 at the conclusion of the Rights Issue offer. ATH also witnessed a negotiated deal transaction between two high net-worth investors which added positively to the overall trading statistics for the month of July. Following the announcement by CCEP Fiji regarding the compulsory acquisition of the remaining shares in PBF to increase its shareholding to 100%, a total of 81 shareholders opted in requiring CCEP Fiji to acquire their shares during the month of July. This resulted in CCEP Fiji increasing its stake in PBF to 92.68% at the end of July.

Aug

The month of August saw the successful completion of compulsory acquisition of 100% ordinary shares in PBF by CCEP Fiji and ultimately the delisting of PBF from the official list of the SPX. While various price gains were noted during the month, the delisting of PBF eliminated \$211,805,344 in market value resulting in August being the month to record an aggregate fall of 3.92% in the overall market capitalisation.

Sept

On the back of rising vaccination statistics and consequent return to employment by various people, noticeable improvement was noted in terms of new investor participation and trading statistics also improved. This degree of market confidence witnessed in September resulted in a major improvement in the overall market value as it recorded an increase of 2.03%, being the highest monthly market capitalisation increase for the year.

Oct

Overall trading activity picked pace on the back of six negotiated deal transactions executed on the SPX e-trading platform. These one-off transactions were recorded in FBL and KFL between certain high net-worth individuals and institutional investors. The market also recorded a corporate action during the month where KFL quoted an additional 123,973 shares as part of its Dividend Reinvestment Plan.

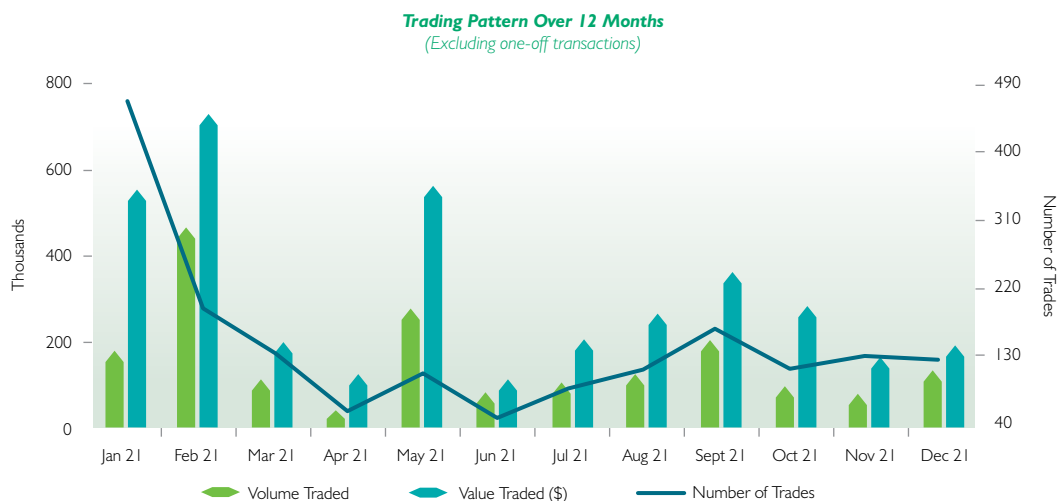
Nov

Favourable new investor statistics continued and with five negotiated deal transactions recorded on the SPX e-trading platform, this ultimately contributed positively to the overall trading statistics. These one-off transactions were recorded in BCN and VIL. November was also the month with the highest volume and value of trades in 2021.

Dec

While the trading statistics slowed as the festive season set-in, an increase of 1.49% was witnessed in the market capitalisation for the month. During the month, 14 out of the 19 listed stocks recorded market activities. Seven listed securities witnessed positive share price movements while two listed entities recorded negative share price movements. For the first time ever, FBL offered its shareholders an option to reinvest their dividend proceeds as part of its Dividend Reinvestment Plan.

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



### Trade by Security

Considering the overall market statistics generated by each listed entity in 2021, Vision Investments Limited (VIL) shares dominated the aggregate volume and value traded by 48.03% and 61.37% respectively. The dominance in volume and value traded for VIL shares is consequent to the four negotiated deal transactions noted in VIL shares between institutional investors during the year.

Despite the lack of market-based dividend reinvestment trades from any dividend declarations in 2021, Fijian Holdings Limited (FHL) still stood as the most active stock in terms of number of

trades as it accounted for 43.11% of the total number of trades in 2021. However, it is noted that the pending market-based dividend reinvestment trades from 2020 did supplement the trading statistics resulting in FHL's dominance in the number of transactions in 2021. Overall, the number of trades noted for FHL stood approximately 3.5 times higher than the security witnessing the second highest number of trades.

Pacific Green Industries (Fiji) Limited (PGI) was the only security that did not record any market activity in 2021 for the third consecutive year.

The trade analysis by each security for 2021 is tabulated below:

Security	Share Price as at 31/12/21 (\$)	Number of Trades	Volume Traded	Value Traded (\$)	Issued Securities	Volume Traded to Issued Securities Ratio	Market Capitalisation (\$)
APP	3.03	18	12,520	27,307	8,000,000	0.16%	24,240,000
ATH	1.76	120	195,221	331,642	478,590,099	0.04%	842,318,574
CFL	6.95	23	15,900	108,722	3,558,000	0.45%	24,728,100
FBL	4.02	24	168,803	514,133	2,375,298	7.11%	9,548,698
FIL	7.60	21	5,711	41,314	8,607,742	0.07%	65,418,839
FMF	2.00	21	15,072	31,469	150,000,000	0.01%	300,000,000
FTV	4.50	4	2,142	9,639	10,300,000	0.02%	46,350,000
KFL	1.17	219	1,213,038	1,341,839	92,877,078	1.31%	108,666,181
KGF	1.12	4	1,054	1,169	3,821,210	0.03%	4,279,755
PBF*	NA	24	61,769	1,536,108	-	-	-
PBP	3.20	27	23,967	71,434	6,802,060	0.35%	21,766,592
PDM	2.14	81	40,651	86,713	40,000,000	0.10%	85,600,000
PGI	1.08		NO TRADES		7,619,234	0.00%	8,228,773
RBG	3.38	154	173,660	566,604	150,000,000	0.12%	507,000,000
RCF	11.30	63	18,601	209,335	6,000,000	0.31%	67,800,000
TTS	19.00	16	1,663	27,540	14,032,202	0.01%	266,611,838
VBH	7.50	8	3,930	27,477	2,137,403	0.18%	16,030,523
VIL	4.15	84	2,700,798	10,277,413	103,769,425	2.60%	430,643,114
FHL	0.70	767	940,933	758,385	304,646,500	0.31%	213,252,550
BCN	32.99	101	27,138	779,607	3,064,968	0.89%	101,113,294
<b>TOTAL</b>		<b>1,779</b>	<b>5,622,571</b>	<b>16,747,851</b>	<b>1,396,201,219</b>	<b>0.40%</b>	<b>3,143,596,831</b>

\* PBF delisted from SPX's official list at close of trading on 6th August 2021 after the successful completion of the 100% compulsory acquisition of its ordinary shares by CCEP Fiji.

## Liquidity

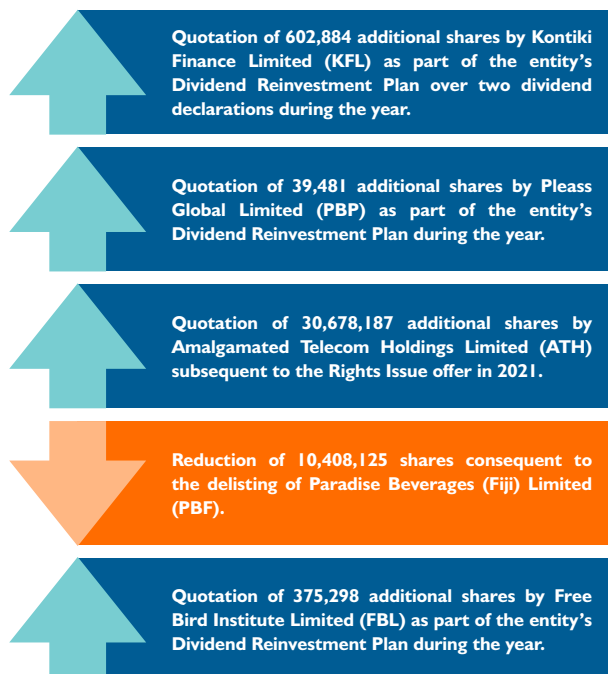
The total volume traded for the year 2021 encompassing all trades accounted for 0.40% of the issued securities quoted on the trading platform. Amongst these securities, 15 listed stocks witnessed an exchange of less than 1% of their issued securities while 3 listed stocks recorded an exchange of greater than 1% but less than 10% of their 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 2021 was 3,161 shares and \$9,414 respectively. However, once the one-off transactions are excluded, the average volume and value of trades per transaction for the market in 2021 stood at 1,042 shares and \$2,095 respectively.

## Changes in Issued Securities

The total number of securities on issue as at 31st December 2021 stood at 1.40 billion which depicts an increase of 1.55% in comparison to 2020 where the total number of securities on issue tallied at 1.37 billion. The increase is owing to additional quotation of shares arising from corporate actions in the form of Dividend Reinvestment Plans and Rights Issue for securities, namely; Kontiki Finance Limited (KFL), Pleass Global Limited (PBP), Free Bird Institute Limited (FBL) and Amalgamated Telecom Holdings Limited (ATH).

*The change in issued securities is due to the following occurrences during the year:*



## Private Transfers

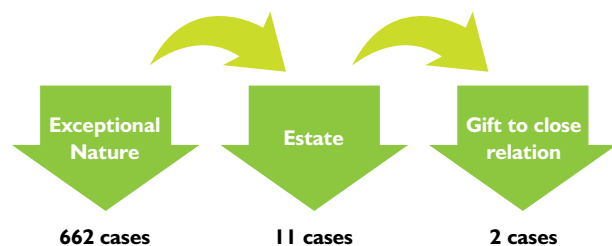
Private transfer transactions are executed on the e-trading platform via special crossing transaction mechanism to ensure these transactions are conducted in an efficient manner. The special crossing transaction mechanism has been adopted to ensure that the last traded price of the security remains unchanged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

fact that the parties to such transactions are pre-determined and essentially, consideration is not exchanged between the trading parties.

Overall, there were a total of 675 private transfer transactions in 9 listed securities in 2021. These transactions totalled 2.32 million shares in volume and \$27.59 million in value.

Out of 675 private transfer transactions, it is important to highlight that 656 one-off transactions were specifically related to transfers in Paradise Beverages (Fiji) Limited (PBF) shares to ensure a successful completion of the transactions as part of the compulsory acquisition process initiated by Coca-Cola Amatil (Fiji) Pte Ltd (CCEP Fiji). These transactions were classified as being exceptional in nature as per option (f) pursuant to Section 51(2) of the Companies (Securities Exchanges and Licensing) Regulations, 2015 and were conducted off market for ease of processing and an efficient registration of transactions.

*A breakdown of private transfer cases by type of cases is portrayed below:*



Given the initiation of the compulsory acquisition of the 100% of ordinary shares in PBF by CCEP Fiji, PBF shares dominated the private transfer statistics in all three aspects of number of private transfer transactions, volume and value of transactions during 2021.

*The table below portrays the volume and value of private transfers by the individual listed securities in 2021:*

Security	Number of Trades	Volume Traded	Value Traded (\$)
APP	1	2,000	3,600
ATH	3	22,653	41,451
CFL	1	5,000	31,500
FMF	3	108,367	226,556
KFL	1	978,244	1,222,805
PBF	657	1,027,052	25,886,656
PBP	1	4,300	12,255
RBG	1	5,000	17,650
FHL	7	169,460	150,060
<b>TOTAL</b>	<b>675</b>	<b>2,322,076</b>	<b>27,592,533</b>

## Foreign Investment Flows

The foreign investment inflows for the year 2021 shows a considerable decline in comparison to the prior year as the amount of new foreign investment inflows into the stock market by way of volume and value traded concluded at 0.15 million shares and \$0.29 million respectively.

A total of 10 non-resident investors were noted to maintain an active trading pattern in SPX listed entities during the year amongst which majority transactions, volume and value traded were executed in Kontiki Finance Limited (KFL).

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

**Foreign Investment Inflow Trend over last 5 Years**



## Market Returns

### Capital Growth

The SPX e-trading platform concluded the year 2021 with 9 out of the 19 listed securities recording increased share prices while 7 listed stocks recorded a fall in their share prices. Additionally, the share prices remained invariable for 3 securities during the period under review.<sup>1</sup>

The overall average capital growth for 2021 showed an improvement from 2020 and remained in the positive territory closing well within the long-term average return and concluded at 8.30% (tax-free) in 2021.

During the year, 37% of the listed entities (7/19) ended the year at their all-time high share prices where few yielded strong capital gains for its shareholders.

### Dividend Yield

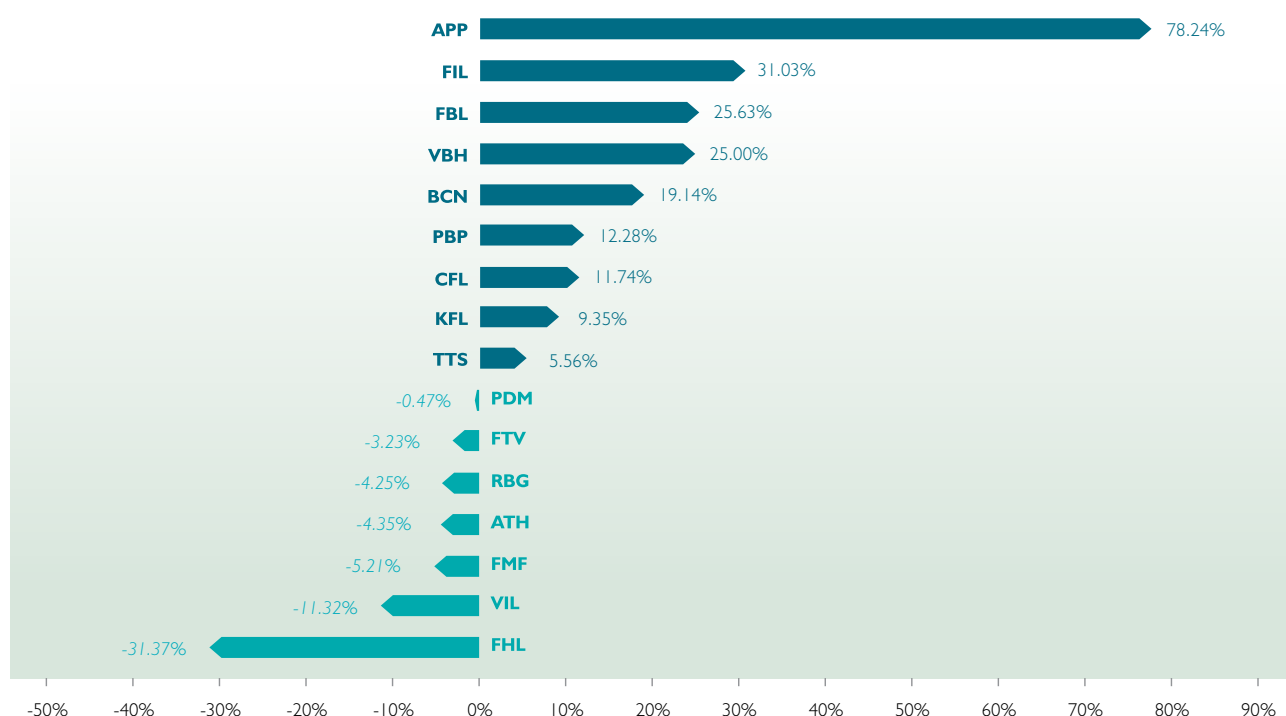
For 2021, the average tax-free income yield for the market stood at 2.08% which is an improvement in comparison to an average income yield of 1.29% recorded in 2020.

In 2020, it was apparent that many listed entities rushed to preserve their cash flows as earnings fell and economic outlook became uncertain in the midst of operational challenges posed by the pandemic and this resulted in a rapid uptick in the number of listed entities undertaking a decision to delay or suspend dividend payments. However, it was encouraging to note that this business norm changed during 2021 as listed entities became more accustomed and confident to mitigate and overcome the effects of the pandemic resulting in these companies to re-evaluate their stance on dividend payments to its shareholders.

In view of the above and as appropriate considering the operational dynamics of the listed stocks on an individual basis, for 2021 it was noted that six out of the 19 entities declared higher dividend payouts compared to 2020 while four listed entities maintained similar levels of dividend payments as the previous year. It was also noted that four entities declared a lower dividend in 2021 while the remaining five listed entities did not declare any dividends during 2021.

Overall, during 2021 an increased value of \$43.15 million was paid out in dividends in comparison to a total of \$32.58 million paid out in 2020.

*Share price movements recorded during 2021 is illustrated below:*



<sup>1</sup> Share prices for three listed stocks, namely: KGF, PGI and RCF remained constant during the 2021 period

### 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 8.30% and the average dividend yield of 2.08% resulted in a **10.39% (tax-free) average total market return for 2021**.



Details of price movements and dividend returns per listed entity as at 31st December 2021 is tabulated below:

Security	Share Price (\$)		Capital Growth	Dividend Yield	Total Market Return
	2021	2020			
APP	3.03	1.70	78.24%	1.82%	80.05%
ATH	1.76	1.84	-4.35%	1.14%	-3.21%
CFL	6.95	6.22	11.74%	1.15%	12.89%
FBL	4.02	3.20	25.63%	18.66%	44.28%
FIL	7.60	5.80	31.03%	0.66%	31.69%
FMF	2.00	2.11	-5.21%	1.50%	-3.71%
FTV	4.50	4.65	-3.23%	0.00%	-3.23%
KFL	1.17	1.07	9.35%	3.85%	13.19%
KGF	1.12	1.12	0.00%	0.00%	0.00%
PBP	3.20	2.85	12.28%	1.25%	13.53%
PDM	2.14	2.15	-0.47%	0.00%	-0.47%
PGI	1.08	1.08	0.00%	0.00%	0.00%
RBG	3.38	3.53	-4.25%	0.80%	-3.45%
RCF	11.30	11.30	0.00%	3.10%	3.10%
TTS	19.00	18.00	5.56%	1.05%	6.61%
VBH	7.50	6.00	25.00%	0.93%	25.93%
VIL	4.15	4.68	-11.32%	1.20%	-10.12%
FHL	0.70	1.02	-31.37%	0.00%	-31.37%
BCN	32.99	27.69	19.14%	2.47%	21.61%
AVERAGE			8.30%	2.08%	10.39%

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

The average Earnings per Share (EPS) and Price Earnings (PE) ratio from the market in 2021 stood at 17.45 cents and 16.51 times (or a 6.06% earnings yield) respectively.

The EPS and the PE ratio comparisons per security between 2021 and 2020 is tabulated below:

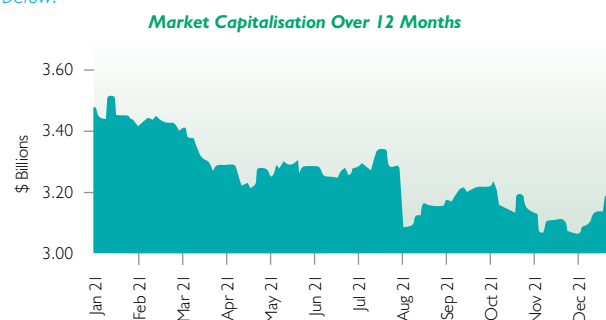
Security	Earnings Per Share (Cents)		Price Earnings Ratio (Times)	
	2021	2020	2021	2020
APP	26.81	25.46	11.30	6.68
ATH	8.64	9.68	20.36	19.01
CFL	23.17	62.79	30.00	9.91
FBL	29.91	31.95	13.44	10.01
FIL	18.56	51.17	40.96	11.33
FMF	6.13	8.26	32.62	25.54
FTV	-22.79	-26.54	-19.74	-17.52
KFL	4.59	7.89	25.46	13.55
KGF	-0.99	2.50	-112.85	44.78
PBP	15.59	9.96	20.53	28.63
PDM	-14.56	15.37	-14.70	13.99
PGI	3.82	5.85	28.26	18.46
RBG	5.71	6.45	59.15	54.70
RCF	35.70	36.08	31.65	31.32
TTS	39.81	94.86	47.73	18.98
VBH	65.49	75.72	11.45	7.92
VIL	6.76	15.17	61.41	30.85
FHL	-5.78	3.20	-12.12	31.83
BCN	85.05	96.18	38.79	28.79
AVERAGE	17.45	28.00	16.51	20.46

### Market Capitalisation

Given the uneven composition of individual SPX listed entities towards the aggregate market capitalisation, where the largest company by way of market share occupies more than 25% while the smallest company by way of market share occupies less than 1% only, movements in share prices of heavyweight stocks render larger changes in the aggregate market value.

As such, negative share price returns recorded by top four of the SPX listed stocks by way of market share in 2021 as well as the delisting of Paradise Beverages (Fiji) Limited (PBF)<sup>2</sup> resulted in the overall market value to witness a decrease of \$325,834,636 (-9.39%) and conclude at a value of \$3,143,596,831 (\$3.14 billion).

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

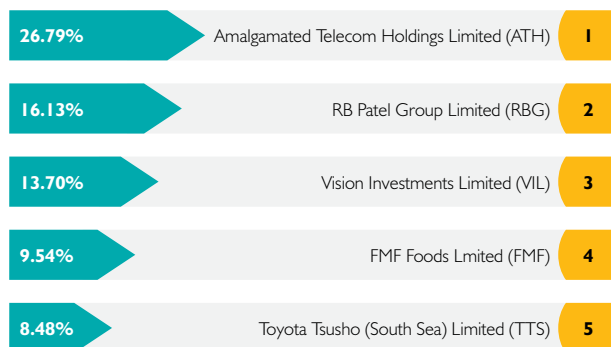


<sup>2</sup> The delisting of PBF reduced the SPX market capitalisation by \$211,805,344.

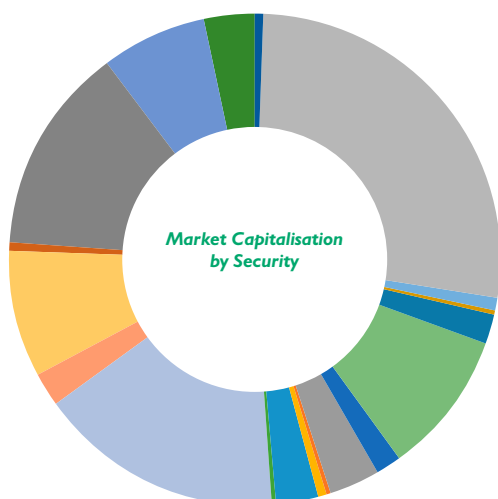


The top five listed securities in terms of market capitalisation represented 74.65% of the overall market value as at 31st December 2021.

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



Details of contribution of each listed entity towards the overall market capitalisation as at end of 2021 is illustrated below.

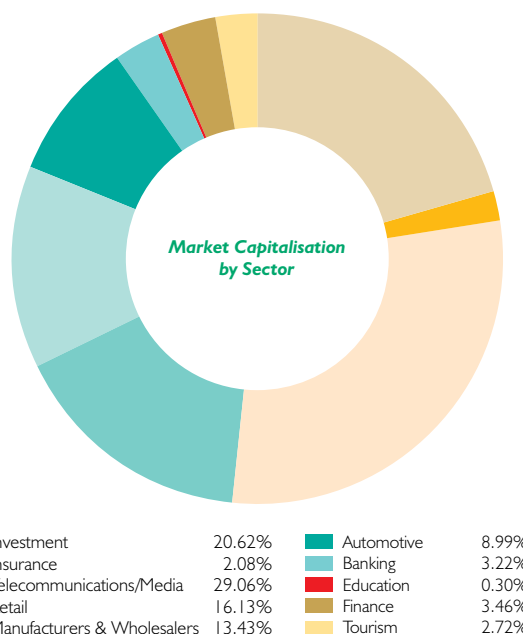


APP 0.77%	FMF 9.54%	PDM 2.72%	VBH 0.51%
ATH 26.79%	FTV 1.47%	PGI 0.26%	VIL 13.70%
CFL 0.79%	KFL 3.46%	RBG 16.13%	FHL 6.78%
FBL 0.30%	KGF 0.14%	RCF 2.16%	BCN 3.22%
FIL 2.08%	PBP 0.69%	TTS 8.48%	

By sectorial representation, the Telecommunications and the Media sector held the largest portion of the overall market value at 29.06%. The Investment sector stood second in queue occupying 20.62% with the Retail sector posing third with a 16.13% occupancy. With a composition of 13.43%, the Manufacturers & Wholesalers sector stood fourth while the Automotive sector ranked fifth with 8.99% occupancy. The Finance sector encompassing KFL shares positioned at 3.46% while the Banking sector tallied at 3.22%. The Tourism sector occupied 2.72%

while the Insurance sector represented solely by FIL shares, saw its contribution standing at 2.08% at the end of 2021. Lastly, the Education sector represented by FBL stood at 0.30%.

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



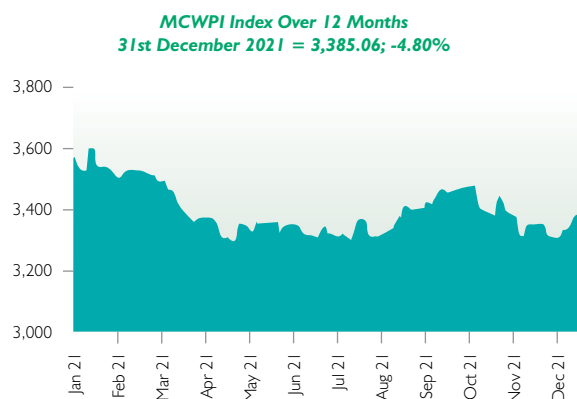
## Market Indices

### Market Capitalisation Weighted Price Index (MCWPI)

The Market Capitalisation-Weighted Price Index is an aggregate market capitalisation index which reflects only the price returns from the stock market.

Accordingly, with the top four listed stocks by way of market share recording negative share price returns, the overall MCWPI value for the year recorded a fall of 4.80% (-170.74 points) and concluded at a value of 3,385.06.

The 12-month performance for MCWPI is illustrated below:

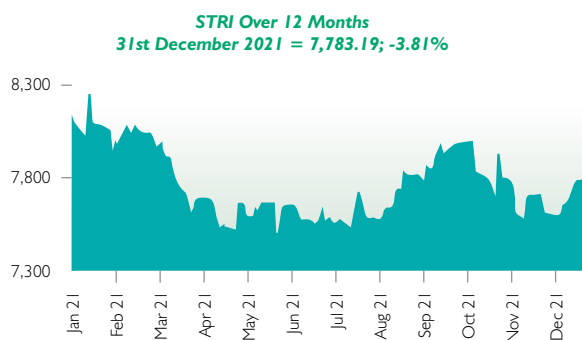


### SPX Total Return Index (STRI)

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.

Consequently, with the top four listed stocks by way of market share recording negative share price returns, the overall STRI value for the year 2021 fell by 3.81% (-308.70 points) and concluded at a value of 7,783.19.

The 12-month performance for STRI is illustrated below:



### Equal Weighted Price Index (EWPI)

In order to maintain investor confidence given the economic challenges posed by the COVID-19 pandemic, SPX maintained a proactive stance in monitoring daily market movements and closely followed the daily movements in the Equal Weighted Price Index during 2021. Any movements exceeding +/- 5% in EWPI in a trading day would trigger a temporary trading halt, however, no such instances were recorded during the year under review. Overall, unlike the market capitalisation weighted indices, the EWPI value for the year 2021 rose by 7.65% (+398.14 points) concluding at a value of 5,605.42.

The 12-month performance for EWPI is illustrated below:



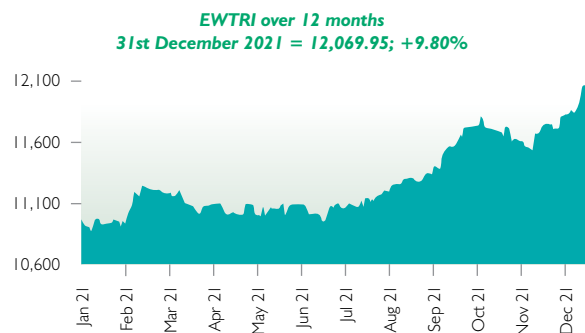
### Equal Weighted Total Return Index (EWTRI)

The Equal Weighted Total Return Index weighs all the listed stocks equally without being skewed by the heavyweights and records

both share price returns as well as dividend returns. As such, given the nature of this index where the impact of share price movements is identical irrespective of the composition of the listed entity towards the overall market value, EWTRI ended the year in a positive territory gaining 9.80% (+1,077.33 points) and concluded the year at a value of 12,069.95.

The increase in EWTRI is in line with the average total market return for 2021 which remains positive and reflects the pertinence of stock market returns over the long term.

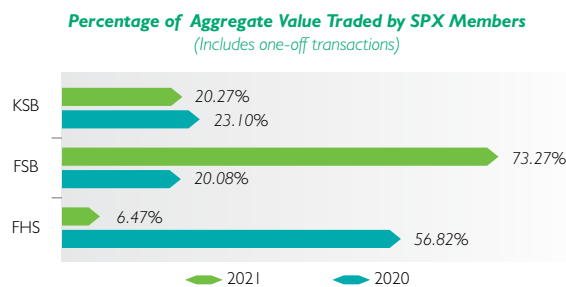
The 12-month performance for EWTRI is illustrated below:



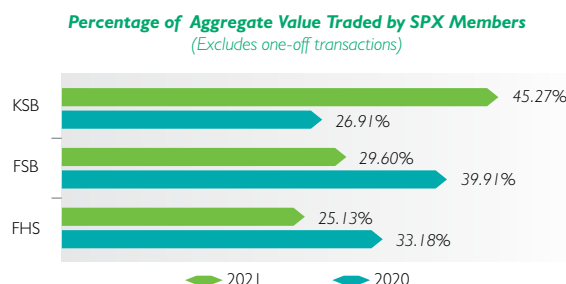
### Trading Activity by SPX Members

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 2020.

The graph below includes the one-off transactions executed on the SPX for the 2021 and 2020 comparative years:



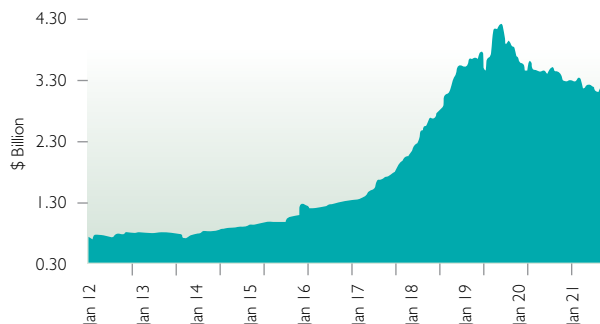
The illustration below excludes the one-off transactions executed on the SPX for both the 2021 and 2020 comparative years:



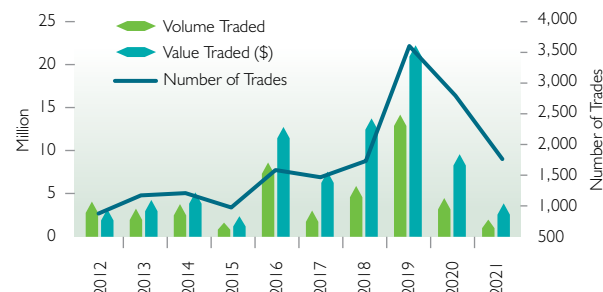
## Market Statistics

### Ten Year Key Market Indicators

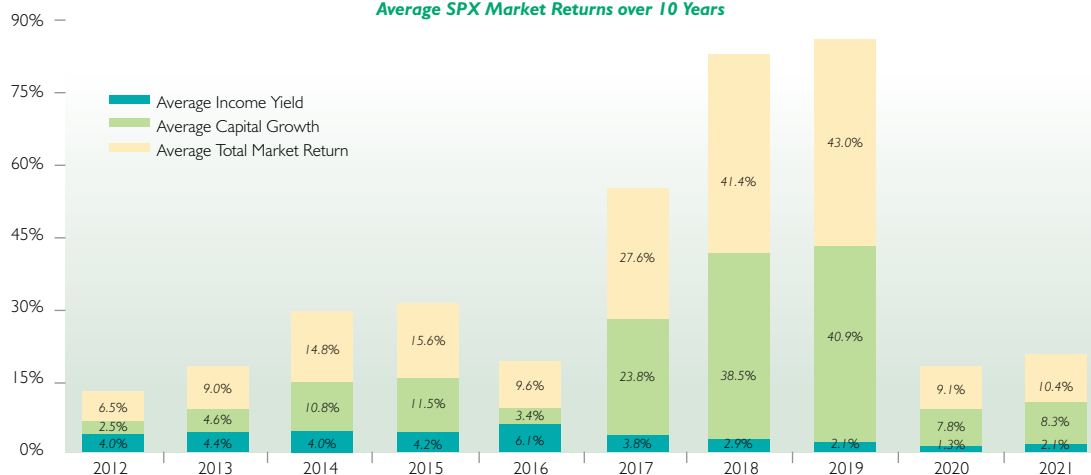
**Market Capitalisation Over 10 Years**



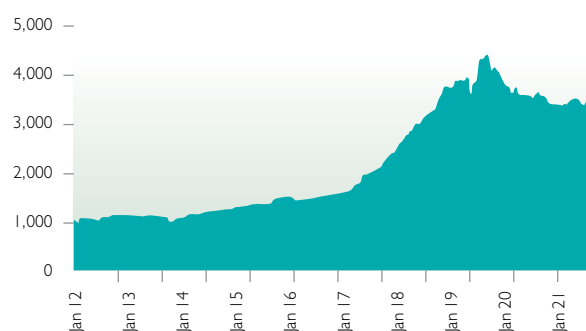
**Trading Pattern Over 10 Years**  
(Excludes one-off transactions)



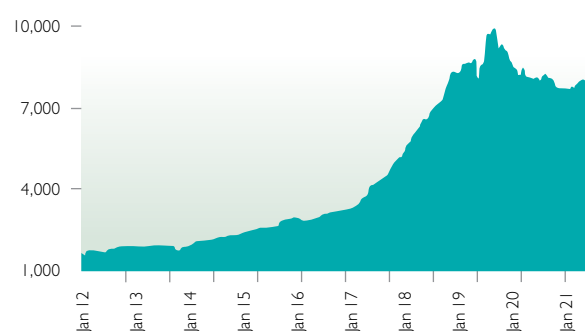
**Average SPX Market Returns over 10 Years**



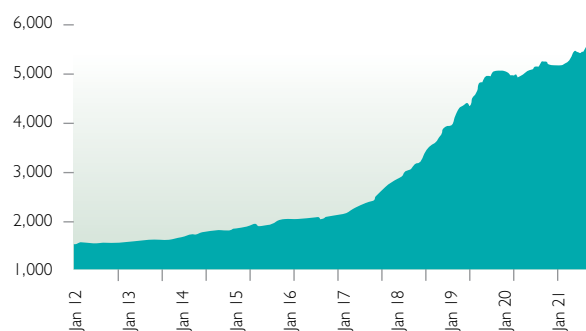
**Market Capitalisation Weighted Price Index (MCWPI) Over 10 years**



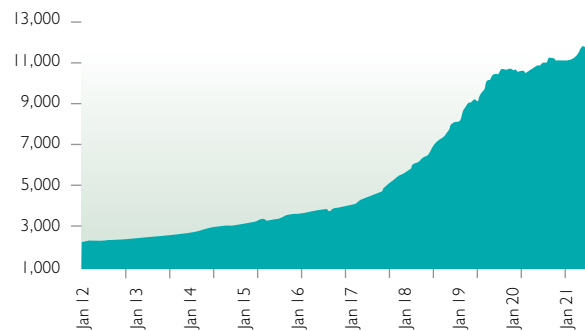
**SPX Total Return Index (STRI) Over 10 years**



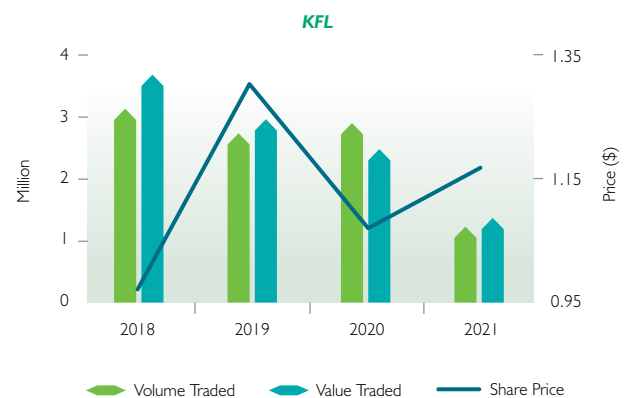
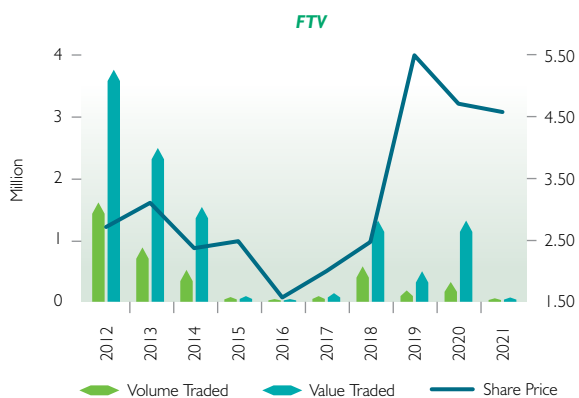
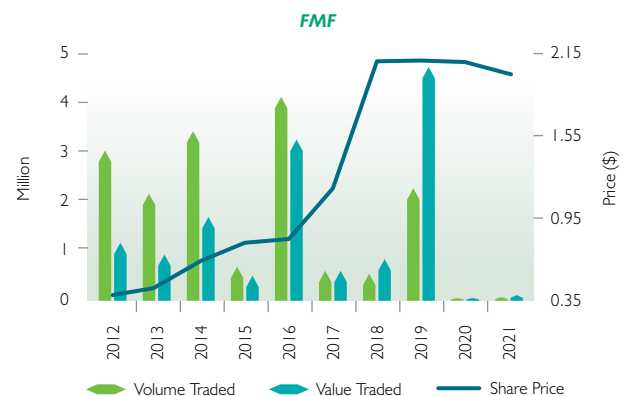
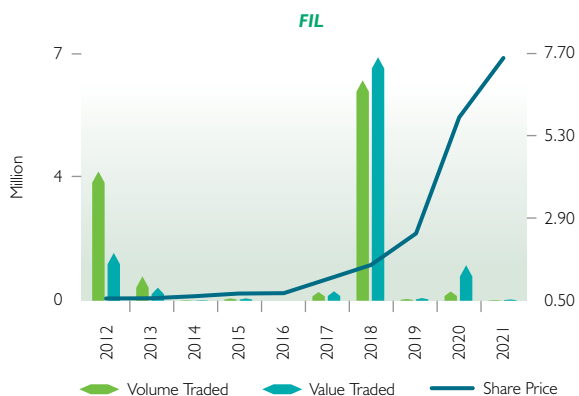
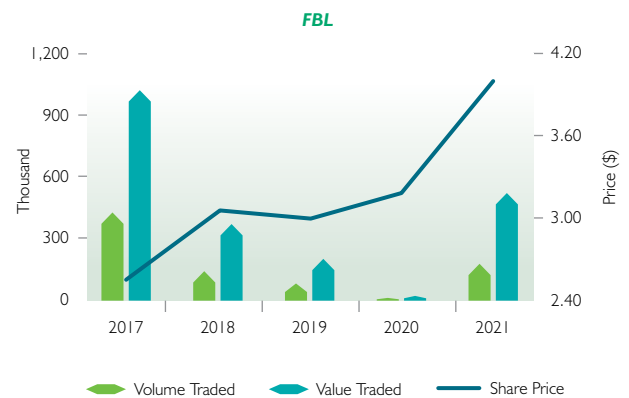
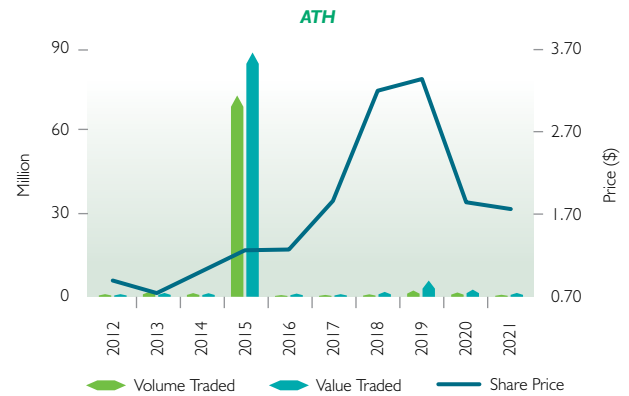
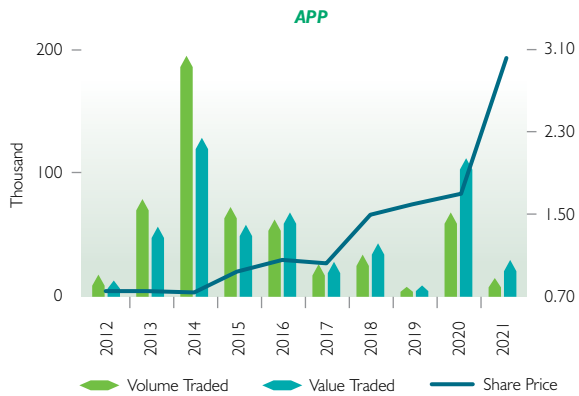
**Equal Weighted Price Index (EWPI) Over 10 Years**

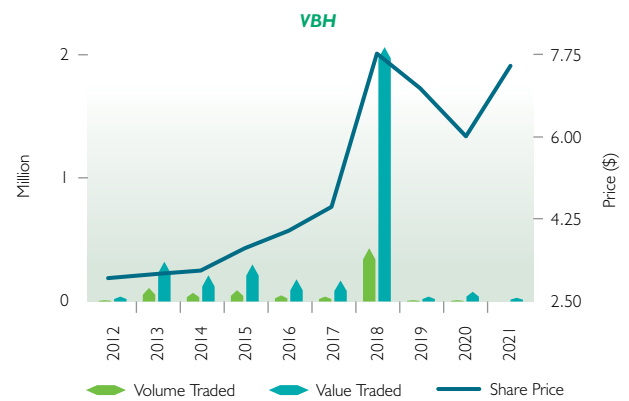
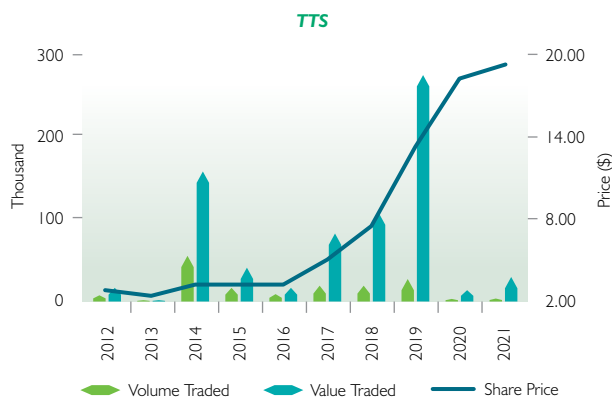
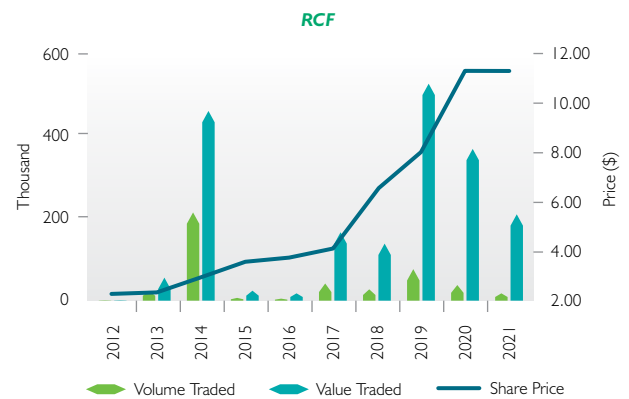
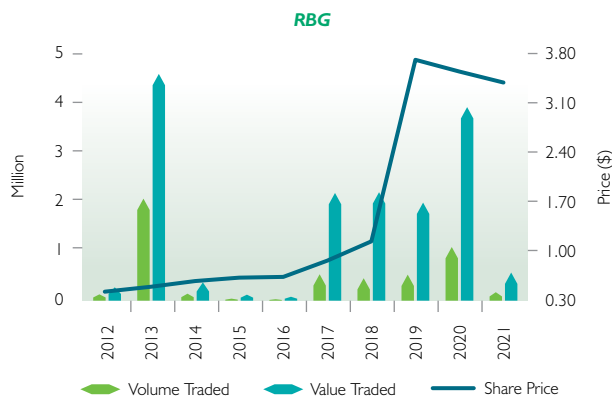
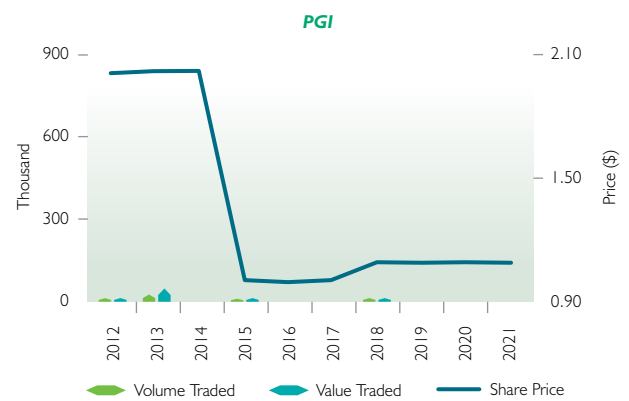
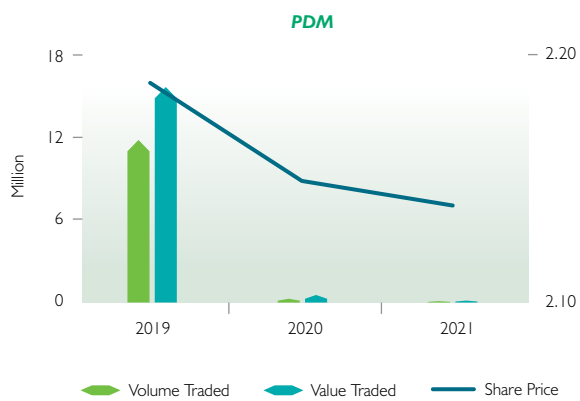
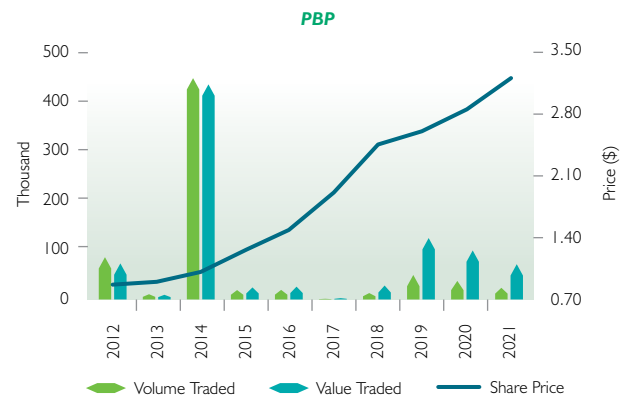
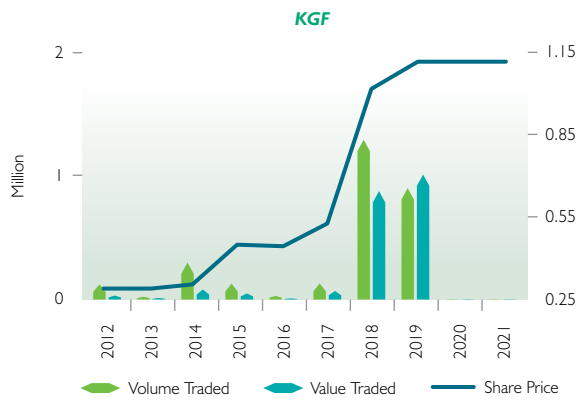


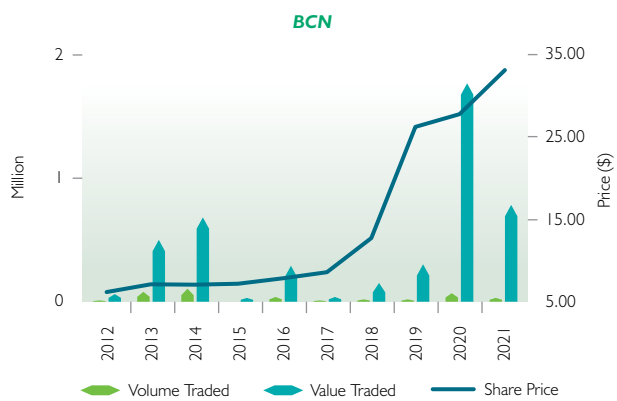
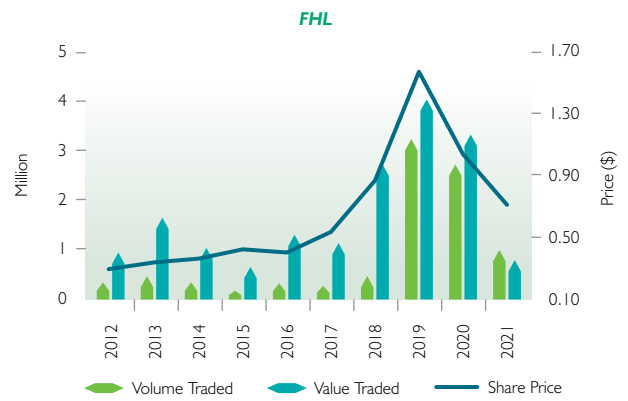
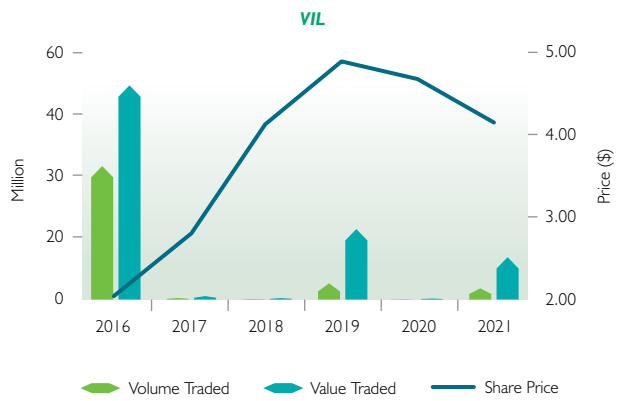
**Equal Weighted Total Return Index (EWTRI) Over 10 Years**



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



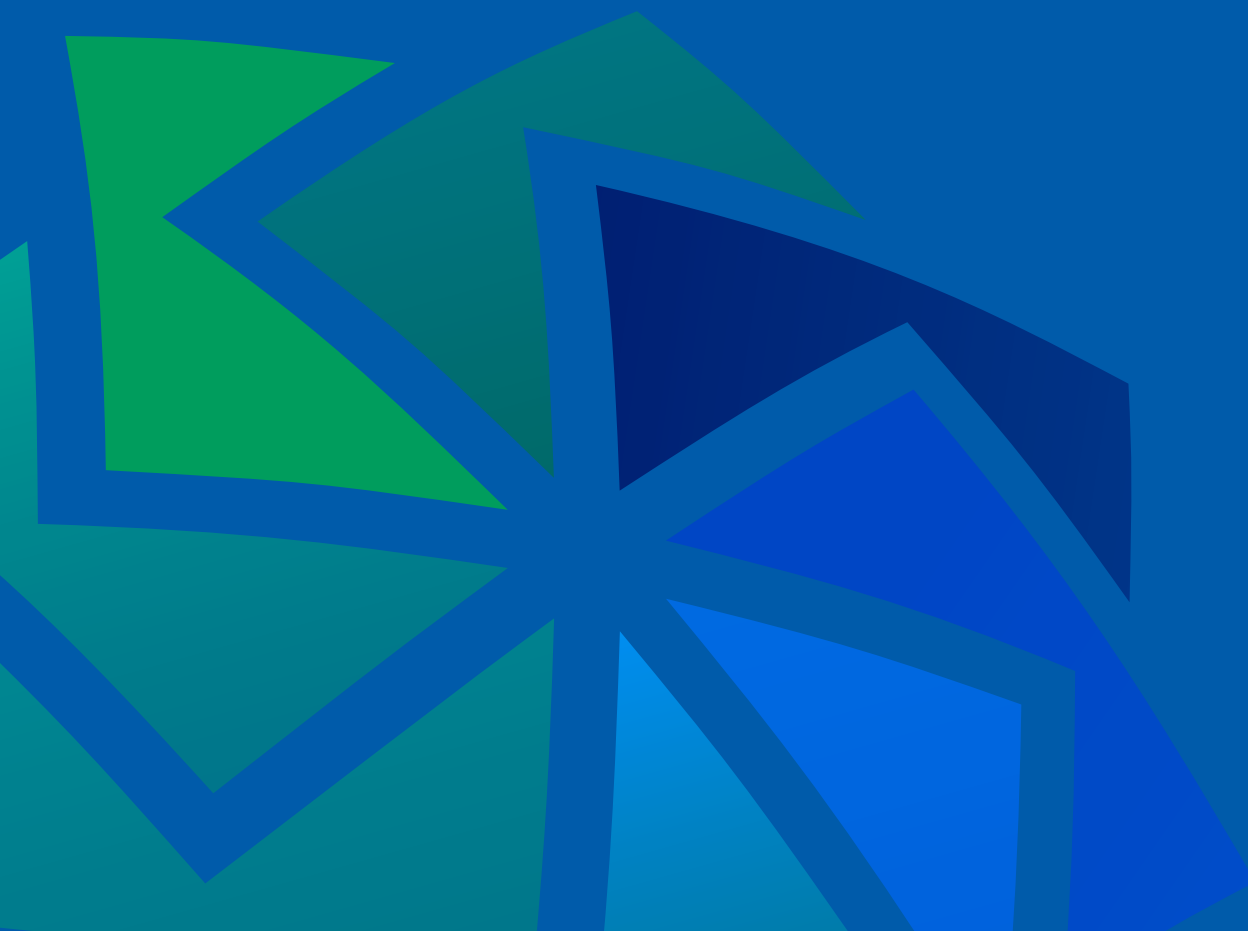








# Investor Profile



## 2021 Security Holders

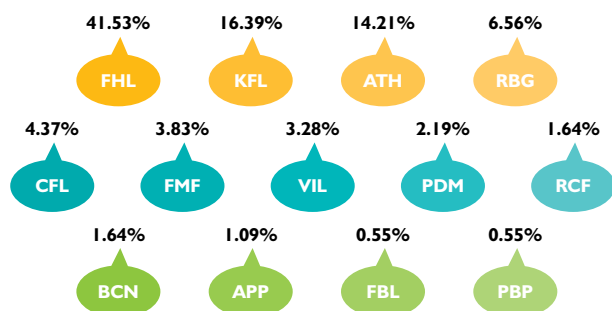
### New Investors

A total of 183 new investors entered the Fijian stock market in 2021. While the new investor numbers entering the stock market remained steady in the midst of challenges noted during the year, it stands lower by 29.62% in comparison to the same period last year. The lower number of new investors recorded is owing to the emergence of the second wave of COVID -19 pandemic which asserted a greater degree of impact on investor confidence in terms of them re-evaluating their savings and investment priorities in comparison to the first wave in 2020. Additionally, with no new listings and no corporate actions such as Share Split being recorded during the year, which historically have been the two key factors contributing positively to the new investor statistics, the new investor numbers for 2021 remained lower.

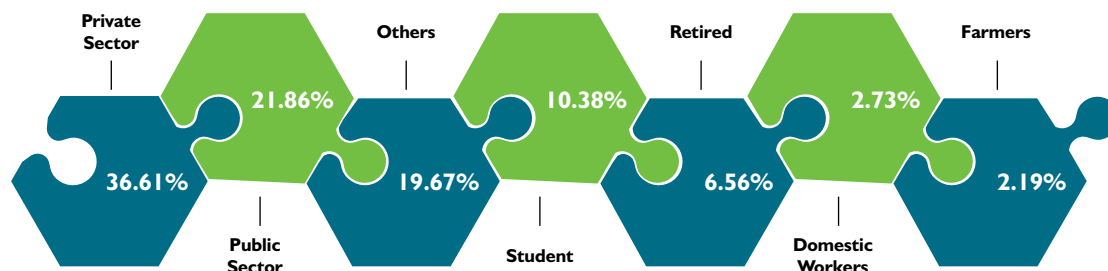
Despite the lower new investor statistics for 2021, considering the nature and investment trends of these new investors, it is apparent that investors do realise the long-term prospects of investing their savings in the stock market despite the downturn induced by the COVID-19 pandemic and its impact on decision by investors to prioritise and balance their financial commitments.

In terms of new investor preference, it was noted that majority of the new investors were recorded for Fijian Holdings Limited (FHL) followed by Kontiki Finance Limited (KFL) and Amalgamated Telecom Holdings Limited (ATH).

*The number of new investors (expressed as a percentage of total number of new investors) recorded per listed entity is illustrated below:*



*A detailed illustration of new investors by type is portrayed below:*



In aggregate, these new investors yielded 501 transactions and contributed 965,000 shares in volume traded and accumulated \$1,481,618 in value traded.

As a percentage of the aggregate trading statistics for 2021, the new investors accounted for 28.16% of the overall number of trades, 17.16% of the overall volume traded and 8.85% of the overall value traded.

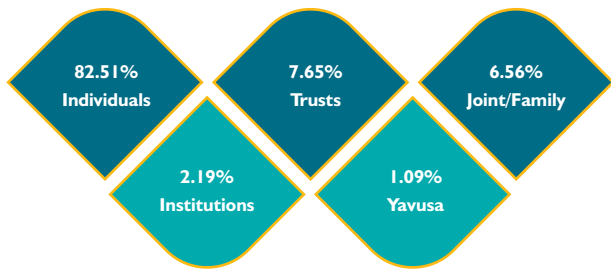
Majority of the new shareholders that invested in the listed entities during 2021 were individuals and represented 82.51% of the overall new investment by investor type.

*Key statistics contributed by the new investors as a percentage of overall trading statistics in 2021 is illustrated below:*



A study of the new investors by occupation indicated that majority of the new investors recorded during 2021 were those employed in the private sector. This is followed by those represented by public sector employees. Closely followed and ranked third is Others (includes a mixture of investors who are minors, institutions and self-employed amongst others).

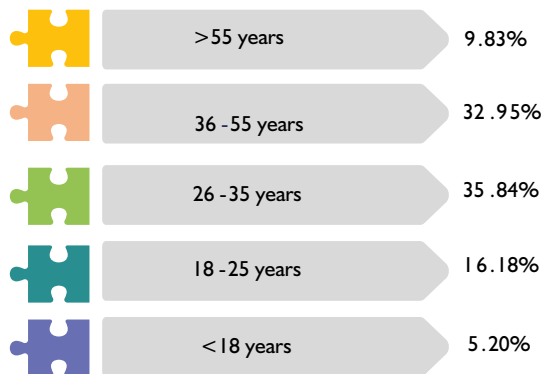
A detailed illustration of new investors by occupation is portrayed below:



An analysis of new investors entering the market in 2021 by age classification showed that majority of the new investors fall between the age range of 26 years to 35 years which is followed by investors in the age range of 36 years to 55 years.

A welcome trend noted is that 57.22% of the new investors recorded were below the age of 35 years. Additionally, over the past year, it was apparent that new investors below the age of 18 years now occupy a notable portion of the new investor statistics which historically has been below 1%.

A detailed illustration of new investors by age range is portrayed below:

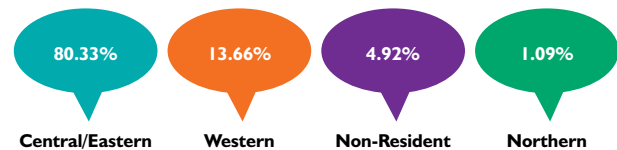


As for the new investors by geographical location, it was noted that majority of the new investors in 2021 were residents and were largely from the Central/Eastern division. However, it is commendable to note new investors emerging from the Western and Northern divisions as well. New non-resident investors were also recorded in 2021.

SPX with the three licensed stockbroking firms is 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, television and newspaper articles. The central division also houses the density of businesses and predominantly contributes to higher employment numbers resulting in the higher concentration of the new investors from the central division.

Nevertheless, the SPX is encouraged to note investors from other divisions and strongly urges all those investors who are located outside of Suva to communicate their investment interests to the SPX via telephone, email or Facebook messages and our team will surely assist you in getting started with your investment journey.

A detailed illustration of new investors by geographical location is portrayed below:



## Distribution of Security Holding &amp; 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	18	72	14	10	3	0	0	3	4	1	125
ATH	302	942	123	47	15	6	9	16	5	11	1,476
CFL	47	94	7	2	4	2	0	2	4	1	163
FBL	70	23	5	1	2	1	1	2	3	1	109
FIL*	13,277	50	8	7	5	0	0	3	4	1	13,355
FMF	33	112	67	72	40	17	22	33	44	9	449
FTV	207	201	8	4	1	0	0	0	3	2	426
KFL	47	96	27	22	10	10	6	24	53	23	318
KGF	2	71	15	14	5	3	1	4	6	1	122
PBP	24	44	12	5	1	1	0	2	3	2	94
PDM	208	331	56	25	3	6	3	7	4	3	646
PGI	16	29	0	2	1	1	0	1	3	3	56
RBG	58	153	36	35	30	3	20	13	15	9	372
RCF	47	77	6	7	3	2	0	1	3	1	147
TTS	103	40	4	2	0	1	0	1	1	2	154
VBH	47	52	7	3	1	0	3	2	5	0	120
VIL	65	162	58	19	5	1	3	3	9	9	334
FHL	184	590	312	227	79	50	41	72	128	19	1,702
BCN	60	53	3	0	0	3	3	3	5	1	131
<b>TOTAL</b>	<b>14,815</b>	<b>3,192</b>	<b>768</b>	<b>504</b>	<b>208</b>	<b>107</b>	<b>112</b>	<b>192</b>	<b>302</b>	<b>99</b>	<b>20,299</b>

\* 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	116	9
ATH	1,388	88
CFL	144	19
FBL	80	29
FIL	13,344	11
FMF	358	91
FTV	386	40
KFL	249	69
KGF	111	11
PBP	92	2
PDM	616	30
PGI	47	9
RBG	351	21
RCF	133	14
TTS	88	66
VBH	100	20
VIL	326	8
FHL	1,676	26
BCN	127	4
<b>TOTAL</b>	<b>19,732</b>	<b>567</b>

Percentage of Public & Non-Public  
Security Holding

Security	Public Holding	Non - Public Holding
APP	26.13%	73.87%
ATH	12.04%	87.96%
CFL	29.16%	70.84%
FBL	29.23%	70.77%
FIL	22.13%	77.87%
FMF	29.25%	70.75%
FTV	17.90%	82.10%
KFL	57.65%	42.51%
KGF	77.94%	22.06%
PBP	26.22%	73.78%
PDM	29.48%	70.52%
PGI	6.38%	93.62%
RBG	28.66%	71.34%
RCF	17.82%	82.18%
TTS	20.32%	79.68%
VBH	22.38%	77.62%
VIL	22.36%	77.64%
FHL	31.35%	68.65%
BCN	37.80%	62.20%
<b>AVERAGE</b>	<b>28.64%</b>	<b>71.37%</b>

## 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	20.12%	0.82%	0.03%	78.22%	99.18%	0.82%
ATH	478.59	1.38%	0.31%	0.03%	95.55%	97.28%	2.72%
CFL	3.56	23.39%	0.57%	0.00%	73.50%	97.46%	2.54%
FBL	2.38	1.93%	8.70%	0.00%	13.05%	23.68%	76.32%
FIL	8.61	6.43%	0.15%	0.01%	92.14%	98.73%	1.27%
FMF	150.00	7.94%	2.94%	0.28%	86.03%	97.19%	2.81%
FTV	10.30	2.29%	1.15%	0.11%	95.96%	99.52%	0.48%
KFL	92.88	16.92%	0.88%	0.02%	39.67%	57.49%	42.51%
KGF	3.82	17.72%	1.31%	0.42%	63.53%	82.98%	17.02%
PBP	6.80	55.83%	0.29%	0.00%	43.74%	99.85%	0.15%
PDM	40.00	2.66%	1.17%	0.08%	25.02%	28.92%	71.08%
PGI	7.62	0.82%	0.58%	0.00%	87.98%	89.37%	10.63%
RBG	150.00	6.08%	4.63%	0.11%	89.00%	99.81%	0.19%
RCF	6.00	4.18%	0.76%	0.23%	94.30%	99.47%	0.53%
TTS	14.03	0.42%	0.04%	0.01%	19.61%	20.07%	79.93%
VBH	2.14	65.05%	0.33%	0.09%	21.33%	86.80%	13.20%
VIL	103.77	3.32%	0.57%	0.01%	93.00%	96.89%	3.11%
FHL	304.65	6.75%	0.63%	0.22%	91.97%	99.57%	0.43%
BCN	3.06	4.08%	0.35%	0.05%	95.15%	99.63%	0.37%

## 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	4.09%	89.30%	5.61%	0.46%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%
ATH	0.79%	96.74%	2.20%	0.12%	0.03%	0.02%	0.00%	0.10%	0.00%	0.00%
CFL	9.96%	74.57%	13.07%	2.27%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
FBL	19.53%	68.42%	10.65%	1.06%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%
FIL	5.89%	92.34%	0.82%	0.40%	0.28%	0.00%	0.00%	0.26%	0.00%	0.00%
FMF	11.47%	86.06%	2.01%	0.44%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
FTV	3.26%	87.11%	8.79%	0.65%	0.03%	0.13%	0.02%	0.00%	0.00%	0.00%
KFL	40.84%	47.48%	5.43%	4.97%	0.00%	1.28%	0.00%	0.00%	0.00%	0.00%
KGF	17.50%	79.24%	0.08%	3.10%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%
PBP	55.89%	27.49%	16.26%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PDM	3.88%	94.75%	0.88%	0.44%	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	6.92%	75.74%	16.64%	0.33%	0.01%	0.00%	0.04%	0.00%	0.33%	0.00%
RCF	3.73%	94.35%	1.02%	0.69%	0.04%	0.17%	0.00%	0.00%	0.00%	0.00%
TTS	0.44%	99.32%	0.14%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VBH	61.48%	23.88%	14.39%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
VIL	1.18%	93.00%	2.28%	0.41%	0.01%	3.09%	0.01%	0.02%	0.00%	0.00%
FHL	5.66%	79.50%	2.20%	2.40%	0.82%	2.27%	0.98%	5.01%	0.83%	0.34%
BCN	4.23%	90.35%	3.83%	0.27%	0.02%	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														
					Ba	Bua	Cakaudrove	Kadavu	Lau	Lomaiviti	Macuata	Nadroga-Navosa	Naitasiri	Namosi	Ra	Rewa	Serua	Tailevu	Rotuma
Number of Investors by Location	Resident Investors	Individual	Male	11,180	2,055	2	30	87	3	11	90	104	462	59	27	7,989	4	257	0
			Female	3,141	559	2	8	82	1	2	11	33	170	23	4	2,156	0	90	0
		Trust		251	34	31	0	6	1	2	1	2	2	20	2	1	165	0	18
		Corporate		479	101	87	0	13	4	4	1	2	10	20	3	1	317	0	17
		Mataqali		62	10	8	0	1	0	0	0	2	3	1	3	0	33	1	10
		Joint Account		584	112	105	0	9	4	2	1	17	14	48	7	4	331	0	42
		Others		194	14	14	0	26	2	7	0	12	3	14	7	4	73	2	30
		Unknown (FIL shareholders)*		3,841	2	2	0	0	0	0	0	0	1	0	0	0	3,838	0	0
		Total		19,732															
		Non-Resident Investors	Non-Resident Investors	Individual	Male	330	94	85	22	11	20	0	0	19	32	47			
	Female			83	37	17	10	4	3	1	0	4	5	2					
Trust				11	6	5	2	2	0	0	0	0	0	2					
Corporate				73	41	42	18	0	0	0	0	0	2	4					
Joint Account				67	24	22	17	10	3	11	0	0	0	2					
Others				3	0	0	1	1	0	0	0	0	0	1					
Total				567															
TOTAL				20,299															

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

Despite the various challenges and uncertainties that existed during the course of the year, the SPX continued to evolve with a long-term focus to develop a vibrant capital market in Fiji. As such, key consideration was enthusiastically placed on the planned action items for the year where relevant adjustments were made accordingly as demanded by the business environment of 2021.

Key development areas of where attention was placed included; investor awareness, enhancement of competencies for staff and stockbrokers, substantial progress towards implementation of a regulatory manuscript which outlines the processes associated with the issuance and listing of Wholesale Corporate Bonds, upgrade of operational dynamics of the SPX group business through full establishment of new subsidiary company – SPX Trustees Limited, upgrade of internal systems for greater efficiency in the day to day running of the business, and market supervision.

Notwithstanding the effects of the pandemic, the SPX managed to undertake and execute the following business development activities during 2021.

### Investor Awareness

During the year, SPX continued its vigorous pursuit of investor awareness initiatives, mainly through digital and social media platforms. Once again, SPX in partnership with its digital advertising agency, C&C Solutions undertook lead generation campaigns as a process to collate contact details of all those social media users who were eager to further explore investment options in the stock market. In partnership with the stockbrokers, these potential investor databases were then shared with the licensed stockbrokers to seek investor interest and convert them into actual investments.

SPX also continued to work closely with its listed entities to compile and publish key investor information in the form of Listed Entity Insight articles for the benefit of existing as well as potential investors. These publications were mainly focused on providing an overview of the business and its subsidiaries, directors, share price trend, dividend payment history, its financial performance as well as access to relevant social media and company information pages for additional details about the listed entity.

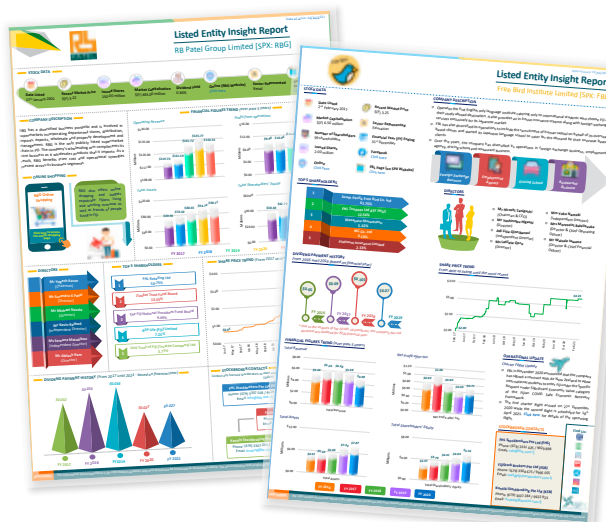
In essence to keep existing as well as potential investors familiar on the latest trends and developments at the SPX, the publication of weekly newflash summaries and monthly stock market trading reports continued during the year. Moreover, SPX in partnership with HFC Bank continued to provide weekly stock market updates through FBC TV's business segment on the first business day of each week.

Overall and due to the unpredictable impact on business operations during the current crisis, SPX enhanced its emphasis for investors to consider a long-term approach to investing and to keep in mind the wise financial advice to buy low and sell high, a pathway which can help the investors generate greater returns over the long-term.

*Some of social media advertising content is illustrated below:*



*Snapshots of listed entity Insight articles are illustrated below:*



### Education & Training for Market Players

The ability of industry stakeholders to obtain and retain competitive edge is crucial to the stipulated industry's overall performance and success. Relevant trainings give stakeholders a great chance to actively adapt to changes in the industry they work in.

Despite the restrictions that ensued associated with social gatherings disallowing for the usual face to face engagement with the stakeholders for most of the year, the SPX where possible either participated in sessions to enhance the competencies of its staff and/or convened sessions to assist the stockbrokers to upskill their understanding of the market.

The SPX staff participated in select networking sessions organised by Women In Business (Fiji), attended workshops organised by the Fiji Institute of Accountants and the Office of the Attorney-General as well as select courses run by The University of the South Pacific and The Fiji National University. The yearly Stockbroker Examination was successfully executed to assist the stockbrokers to refresh their understanding of the stock market operations and the recent developments in the industry.

### Rule Book for issuance and listing of Wholesale Corporate Bonds

Continuing from the previous year, SPX with technical assistance from the International Finance Corporation (IFC) finally managed to formulate, seek relevant approvals from the RBF and implement the Listing and Trading Rule Book for Wholesale Corporate Bonds. The Listing and Trading Rule Book lays out the rules and procedures of SPX that apply to companies wanting to issue and list their wholesale corporate bonds on the SPX platform under the Companies (Wholesale Corporate Bonds) Regulations 2021.

### Full Establishment of SPX Trustees Limited (SPXT)

As an advancement to the implementation of the Rule Book for Wholesale Corporate Bonds, it also facilitated the establishment of the SPXT which now presents the SPX Group as an evolving, progressive, and dynamic business that will elevate its significance in the overall financial market structure. The SPXT has been approved by the RBF to undertake the function of a Trustee in relation to borrowers that conduct bond issuances under the Companies (Wholesale Corporate Bonds) Regulations 2021 and also take charge towards the provision of trustee services for beneficiaries under Energy Fiji Limited.



### ShareSoft Enhancements

During the year, the Central Share Registry (CSR) pursued various technological changes to its existing software with an aim to further improve the effectiveness of its systems. These enhancements included; the introduction of a new alert system on the Stockbroker portal page to easily identify any shareholdings under Lien, the introduction of an option to electronically spot shareholders who have registered instructions to hold their dividend payments, and an option to digitally maintain and manage records of shareholders who opt for electronic correspondence of company notices and publications.

### Market Supervision

A well-developed and appropriate regulatory and supervisory framework is needed to ensure the successful operation of a stock market and to balance the quest for financial stability with the imperatives of financial development and broader financial inclusion and as such, the initiatives of the SPX in terms of its supervisory role during the year were linked to the continued efforts of the Exchange focusing on facilitating the orderly, efficient, transparent and timely trading of securities as well as maintaining an orderly market, safeguarding the integrity of the industry and ensuring adequate protection for the investors.

Similar to 2020 and as a means to ease the burden on listed entities in fulfilling their ongoing listing requirements due to the unprecedented impact arising out of COVID-19, SPX once again announced regulatory relief measures for listed entities which offered them additional time to publish their audited financial statements and annual reports. SPX also considered the challenges faced by the stockbroking firms and further assisted them by maintaining flexibility in terms of their continuing broking member obligations as well.

The following table provides the market supervision highlights for 2021.

Particulars	Description
Number of Market Surveillance queries lodged with licensed stockbroking members	7 market surveillances were triggered by the SPX in 2021 consequent to share price movements of greater than +/- 10% within a particular day. However, post surveillance it was concluded that there was sufficient justification for the share price movements and that the trades were executed appropriately.
Number of trading halts/suspensions	<p>During the year, the SPX approved voluntary trading suspensions in the following securities:</p> <ul style="list-style-type: none"> <li>✕ Fijian Holdings Limited (FHL) shares were suspended in accordance with Section 73.2 of the SPX Listing Rules. This decision was made due to FHL being the parent company for Fiji Television Limited (FTV), a listed entity on the SPX, for which the requirement to recall and re-issue its financial statements for the financial year ended 30th June 2020 was needed. As such, FHL also anticipated a delay in the release of its half year financial results as at 31st December 2020 and believed that a voluntary suspension in trading of its shares will prevent unnecessary speculation and will ensure that investors only transact on up-to-date information. Subsequent to release of the half year accounts, the suspension in trading of FHL shares was uplifted.</li> <li>✕ In accordance with Section 71.1 (viii) of the SPX Listing Rules, trading in Fiji Television Limited (FTV) shares had been suspended. Initially, the suspension was initiated in light of the on-going process that FTV had been engaged in related to the implementation of necessary controls of the entity's systems and procedures and the disclosures noted consequent to the recall and re-issue of FTV's 2020 Audited Financial Statements and the re-statement of financial figures for the years 2018 and 2019. Consequent to the assessment of FTV's progress in terms of the implementation of the entity's 5-year Strategic Plan, the SPX while noting that there are feasible opportunities for the entity to improve its financial standing going forward, FTV shares have been kept suspended, however, is consistently reviewed through ongoing assessment of the entity's monthly financial performance.</li> </ul>
Listed entities fined for non-compliance with SPX Listing Rules	No fines were levied during the year.
Conduct of Stockbrokers	While none of the Stockbroking firms were fined during 2021, there were instances where they were cautioned regarding their conduct on the Electronic Trading Platform (ETP) and in terms of their ongoing broking member obligations.



**South Pacific Stock Exchange Pte Limited  
And Subsidiary Companies  
Financial Statements  
For The Year Ended 31 December 2021**

## **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 2021, 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:

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

### **Principal Activities**

The principal activities of the Company and the subsidiaries during the year were that of provision of stock exchange and share registry services to listed companies and to unlisted 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 \$110,177 (2020: \$26,736) after providing for income tax expense of \$21,382 (2020: income tax benefit of \$1,309).

The consolidated profit after income tax attributable to the members of the Company for the financial year was \$331,521 (2020: \$288,830) after providing for income tax expense of \$74,863 (2020: \$64,255).

### **Dividends**

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

### **Basis of Accounting - Going Concern**

Notwithstanding recent novel coronavirus (COVID-19) global outbreak and significant economic uncertainties resulting there from, the financial statements of the Company and the Group have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we 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. As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for impairment loss in the Company and Group, inadequate to any substantial extent.

### **Current and Non-Current Assets**

Prior to the completion of the financial statements of the Company and the Group, the Directors took reasonable steps to ascertain whether any current and non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company and the Group. Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise. As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to current and non-current assets in the Company's and the Group's financial statements misleading.

### **Unusual Transactions**

In the opinion of the Directors, other than the impact on the business activities resulting from novel coronavirus outbreak, the results of the operations of the Company and the Group during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the Directors, to affect substantially the results of the operations of the Company and the Group in the current financial year.

## **DIRECTORS' REPORT (CONT'D)**

### **Significant Events During the Year**

1. The South Pacific Stock Exchange Pte Limited has established a new subsidiary company, SPX Trustees Limited (SPXT) on 8th January 2021. The subsidiary company has been formed to perform trustee services for beneficiaries under Energy Fiji Limited which was previously handled by Central Share Registry Pte Limited and to also undertake the function of a Trustee in relation to borrowers that conduct bond issuances under the Companies (Wholesale Corporate Bonds) Regulations 2021.
2. The coronavirus disease (COVID-19) outbreak has developed rapidly, bringing a significant health impact globally. Measures taken to contain the virus continue to have a significant impact on global markets and economic activity. Fiji is also feeling the impact with business disruption and levels of activity already reducing in several market sectors. The Company and Group have remained operational since the declaration of COVID-19 as a pandemic and continues to engage in its principal activities. We have not seen a significant impact on our business to date. The Directors and Management are carefully considering the impact of the COVID-19 outbreak on the Company and the Group and assessing future operational options.

The Directors and Management believe the Company and the Group have sufficient financial resources together with arrangements with their customers and suppliers to be able to successfully manage their business risks despite the current uncertain economic outlook due to the COVID-19 outbreak. At this stage, the financial statements do not reflect uncertain financial implications, if any, that may potentially arise from this situation.

3. Being observant of the health and safety concerns of potential attendees, ongoing international travel restrictions imposed on many countries world-wide and the closure of international borders, the SPX in consultation with Terrapinn Holdings Limited, the international event manager for the 2020 World Exchange Congress (Congress) event announced the cancellation of the Congress in July 2021.

### **Events Subsequent to Balance Date**

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company and the Group, the results of those operations, or the state of affairs of the Company and the Group in future financial years.

### **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.

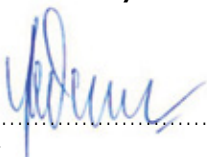
As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's and the Group's financial statements which would make adherence to the existing method of valuation of assets or liabilities of the Company and the 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 28th day of March 2022.**

  
.....  
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 2021:
  - 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 2021 and of the performance and cash flows of the Company and the Group for the year ended 31 December 2021; 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 28th day of March 2022.**



.....  
Director



.....  
Director

## **AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARIES**

As auditor for the audit of South Pacific Stock Exchange Pte Limited and Subsidiaries for the financial year ended 31 December 2021, 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.

This declaration is in respect of South Pacific Stock Exchange Pte Limited and Subsidiaries.



**Ernst & Young**  
**Chartered Accountants**



**Steven Pickering**  
**Partner**  
**Suva, Fiji**

**28 March 2022**

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of South Pacific Stock Exchange Pte Limited and Subsidiaries.

#### 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 its Subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement 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 the Group as at 31 December 2021, and 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 (ISAs). 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 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 Directors and Management are responsible for the other information. The other information comprises the Directors' Report and the detailed statement of profit or loss 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 identified above 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 upon 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 Those Charged with Governance for the Financial Statements

The Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 Directors and Management are responsible for assessing the Company's and the 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.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT (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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism 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 the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Directors;
- 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 the 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 those charged with governance 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 those charged with governance 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 Group has kept financial records sufficient to enable the financial statements to be prepared and audited.



**Ernst & Young**  
**Chartered Accountants**



**Steven Pickering**  
**Partner**  
**Suva, Fiji**  
**28 March 2022**

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
Revenue	5.1	1,066,148	1,066,017	453,036	429,518
Other operating income	5.2	441,651	439,923	684,560	670,651
<b>Total revenue</b>		<b>1,507,799</b>	<b>1,505,940</b>	<b>1,137,596</b>	<b>1,100,169</b>
Loss on disposal of fixed assets		(68,577)	-	(68,577)	-
Impairment loss on plant and equipment		-	(108,240)	-	(108,240)
Depreciation and amortisation		(223,550)	(254,231)	(193,361)	(223,287)
Staff and employee benefits	5.3	(345,005)	(395,284)	(342,505)	(395,284)
Operating expenses	5.4	(406,484)	(333,522)	(343,795)	(286,353)
Finance costs		(57,799)	(61,578)	(57,799)	(61,578)
<b>Profit before income tax</b>		<b>406,384</b>	<b>353,085</b>	<b>131,559</b>	<b>25,427</b>
Income tax (expense) / benefit	6.1	(74,863)	(64,255)	(21,382)	1,309
<b>Net profit after income tax</b>		<b>331,521</b>	<b>288,830</b>	<b>110,177</b>	<b>26,736</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>331,521</b>	<b>288,830</b>	<b>110,177</b>	<b>26,736</b>

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

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Accumulated Profits</b>					
Balance at the beginning of the year		1,808,423	1,519,593	1,181,655	1,154,919
Net profit after tax		<u>331,521</u>	<u>288,830</u>	<u>110,177</u>	<u>26,736</u>
Balance at the end of the year		<u>2,139,944</u>	<u>1,808,423</u>	<u>1,291,832</u>	<u>1,181,655</u>
<b>Share capital</b>					
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>
<b>Total shareholders' equity</b>		<b><u>2,259,944</u></b>	<b><u>1,928,423</u></b>	<b><u>1,411,832</u></b>	<b><u>1,301,655</u></b>

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



**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Notes	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash at bank	7	1,226,774	866,592	246,691	197,134
Cash in dividend account	8(a)	995,649	750,733	-	-
Cash in trust account	9(a)	1,987,156	1,543,822	-	-
Trade and other receivables	10.1	83,221	56,631	108,105	46,188
Other investments	11.1	535,791	335,688	435,791	235,688
Units in Unit Trust of Fiji	12.1	400,000	400,000	-	-
Current tax asset	6.3	12,635	-	6,145	13,846
Prepayments	10.2	68,290	458,848	67,325	457,243
Total current assets		<u>5,309,516</u>	<u>4,412,314</u>	<u>864,057</u>	<u>950,099</u>
<b>NON-CURRENT ASSETS</b>					
Units in Unit Trust of Fiji	12.2	194,580	188,420	194,580	188,420
Other investments	11.2	200,000	400,000	200,000	400,000
Investment in subsidiaries	13	-	-	100,000	50,000
Plant and equipment	14	193,367	287,358	189,900	284,598
Intangibles	15	72,570	103,169	28,442	31,625
Right-of-use assets	19	721,262	718,321	721,262	718,321
Deferred tax asset	6.2	43,081	48,187	35,337	48,187
Total non-current assets		<u>1,424,860</u>	<u>1,745,455</u>	<u>1,469,521</u>	<u>1,721,151</u>
<b>TOTAL ASSETS</b>		<b><u>6,734,376</u></b>	<b><u>6,157,769</u></b>	<b><u>2,333,578</u></b>	<b><u>2,671,250</u></b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	16.1	207,128	223,681	37,262	54,355
Deferred income	18	44,897	509,992	44,897	509,992
Current tax liability	6.3	-	721	-	-
Funds for dividend payable	8(b)	1,395,649	1,150,733	-	-
Funds for trust payable	9(b)	1,987,171	1,538,971	-	-
Lease liability	19	62,718	61,539	62,718	61,539
Employee benefit liability	17	4,578	4,984	4,578	4,984
Total current liabilities		<u>3,702,141</u>	<u>3,490,621</u>	<u>149,455</u>	<u>630,870</u>
<b>NON-CURRENT LIABILITIES</b>					
Lease liability	19	772,291	738,725	772,291	738,725
Total non-current liabilities		<u>772,291</u>	<u>738,725</u>	<u>772,291</u>	<u>738,725</u>
<b>TOTAL LIABILITIES</b>		<b><u>4,474,432</u></b>	<b><u>4,229,346</u></b>	<b><u>921,746</u></b>	<b><u>1,369,595</u></b>
<b>NET ASSETS</b>		<b><u>2,259,944</u></b>	<b><u>1,928,423</u></b>	<b><u>1,411,832</u></b>	<b><u>1,301,655</u></b>
<b>SHAREHOLDERS' FUNDS</b>					
Share capital	20	120,000	120,000	120,000	120,000
Accumulated profits		<u>2,139,944</u>	<u>1,808,423</u>	<u>1,291,832</u>	<u>1,181,655</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>2,259,944</u></b>	<b><u>1,928,423</u></b>	<b><u>1,411,832</u></b>	<b><u>1,301,655</u></b>

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

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Group</b>		<b>Company</b>	
<b>Note</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>				
Receipts from customers	1,124,658	1,608,432	788,119	874,740
Government grant	245,620	108,948	245,620	108,948
	1,370,278	1,717,380	1,033,739	983,688
Payments to suppliers and employees	(433,121)	(1,220,053)	(439,921)	(918,763)
Government grant refund	(453,805)	-	(453,805)	-
Income tax paid	(83,112)	(186,259)	(831)	(91,193)
<b>Net cash flows provided by / (used in) operating activities</b>	<b>400,240</b>	<b>311,068</b>	<b>139,182</b>	<b>(26,268)</b>
<b>Investing activities</b>				
Payment for plant and equipment	(2,611)	(38,621)	(2,611)	(38,621)
Acquisition of intangible asset	(4,959)	(19,580)	(1,480)	(18,500)
Payments for investments	-	(200,000)	-	(200,000)
Interest received	27,433	28,133	24,387	23,610
<b>Net cash flows provide by/ (used in) investing activities</b>	<b>19,863</b>	<b>(230,068)</b>	<b>20,296</b>	<b>(233,511)</b>
<b>Financing activities</b>				
Proceeds from related party advances	-	-	-	26,439
Investment in subsidiary	-	-	(50,000)	-
Payment of lease liability	(59,921)	(56,142)	(59,921)	(56,142)
<b>Net cash flows (used in) financing activities</b>	<b>(59,921)</b>	<b>(56,142)</b>	<b>(109,921)</b>	<b>(29,703)</b>
Net increase / (decrease) in cash and cash equivalents	360,182	24,858	49,557	(289,482)
Cash and cash equivalents at the beginning of the year	866,592	841,734	197,134	486,616
<b>Cash and cash equivalents at the end of the year</b>	<b>1,226,774</b>	<b>866,592</b>	<b>246,691</b>	<b>197,134</b>

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

## **I. GENERAL INFORMATION**

### **a) Corporate Information**

The South Pacific Stock Exchange Pte Limited is a limited liability Company incorporated and domiciled in Fiji. The Company's registered office is located at Shop 1 and 11, Sabrina Building, Victoria Parade, Suva. 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 companies for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 28th March 2022.

### **b) 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.

## **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 and all values are rounded to the nearest dollar except where otherwise indicated.

### **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 companies, Central Share Registry Pte Limited and SPX Trustees 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 companies occurs when the Holding Company is determined to exert control over the subsidiary companies and ceases when the holding Company is determined not to be able to exert control over the subsidiary companies.

## **2. BASIS OF PREPARATION (CONT'D)**

### **c) Basis of consolidation (cont'd)**

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.

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**

#### **Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Company.

<b>New standards and amendments</b>	<b>Effective date</b>
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (including Amendment to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued in July 2020)	1 January 2023
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022

## **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 and Management 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 (f) – Impairment of plant and equipment

Note (l) – Deferred tax

Note (o) – Leases

#### **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 and these policies adopted are in accordance with IFRS, and unless stated otherwise are consistent with those applied in the prior year.

##### **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: 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.

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

##### **a) Financial Instruments (cont'd)**

##### **(iii) Derecognition (continued)**

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

##### **Financial liabilities**

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

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

##### **(iv) Modifications of financial assets**

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

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.

##### **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 account which is recorded as an asset "Cash in trust account".

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

##### **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 statement of profit or loss.

##### **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.



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

##### **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.

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.

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

##### **l) Taxes (cont'd)**

###### ***Value Added Tax (VAT)***

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

- 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
- 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 recognises revenue from selling services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those services. Revenue is recognised at an amount that reflects the consideration that the Group is expected to be entitled to in exchange for transferring 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 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 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).

##### **n) Comparatives**

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

##### **o) Leases**

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.

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

##### **o) Leases (cont'd)**

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.

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.

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

**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.

**s) Current versus non-current classification**

The Company and the Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company and the Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>5. OPERATING PROFIT</b>				
<b>5.1 Revenue</b>				
Annual listing fees	239,733	243,663	239,733	243,663
Distribution fees	54,402	72,721	-	-
Registry maintenance fees	308,710	313,778	-	-
Membership fees	20,000	20,000	20,000	20,000
Subsequent listing	14,000	10,000	14,000	10,000
SPX facility fee	169,303	147,355	169,303	147,355
Fines and penalties	-	8,500	-	8,500
Trust Service Income	250,000	250,000	-	-
Delisting fees	10,000	-	10,000	-
	<u>1,066,148</u>	<u>1,066,017</u>	<u>453,036</u>	<u>429,518</u>
<b>5.2 Other operating income</b>				
Annual government grant	256,910	292,632	256,910	292,632
Management fees	-	-	283,355	261,066
Interest earned	27,536	28,234	24,490	23,711
Dividend earned	6,160	5,619	6,160	5,619
Training income	-	13,200	-	13,200
Miscellaneous income	151,045	100,238	113,645	74,423
	<u>441,651</u>	<u>439,923</u>	<u>684,560</u>	<u>670,651</u>
<b>5.3 Staff and employee benefits</b>				
Directors' fees	44,167	41,340	41,667	41,340
Salaries and wages	250,164	300,496	250,164	300,496
FNPF contribution	12,528	20,322	12,528	20,322
FNU contribution	2,922	3,687	2,922	3,687
Insurance	15,439	16,346	15,439	16,346
Training and development	17,039	10,169	17,039	10,169
Travelling expenses	2,746	2,924	2,746	2,924
	<u>345,005</u>	<u>395,284</u>	<u>342,505</u>	<u>395,284</u>
<b>5.4 Operating expenses</b>				
Auditor's remuneration	16,663	18,427	9,435	12,350
IT Expense	44,988	47,153	28,082	30,863
Electricity	7,767	9,918	7,767	9,918
Investor education program	139,437	55,840	139,437	55,840
RBF licence	7,854	6,158	6,159	6,158
Sub-licensing fee	99,708	98,181	99,708	98,181
Other operating expenses	90,067	97,845	53,207	73,043
	<u>406,484</u>	<u>333,522</u>	<u>343,795</u>	<u>286,353</u>

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**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 2021 and 2020 is as follows:

Accounting profit before income tax	406,384	353,085	131,559	25,427
Prima facie tax expense thereon at 20%	81,276	70,617	26,312	5,085
Tax losses not recognised	990	-	-	-
Future income tax benefit	(4,266)	-	-	-
Over/under provision of income tax in prior year	2,556	(4,324)	132	(2,070)
Permanent differences in current year	(5,693)	(2,038)	(5,061)	(4,324)
Income tax expense / (benefit)	74,863	64,255	21,382	(1,309)

**6.2 Deferred tax asset**

Opening balance	48,187	19,834	48,187	19,834
Tax effect of increase (decrease) in timing differences arising in the current year	(13,167)	28,579	(13,167)	28,579
Under/(over) provision from prior year caused by variation in timing difference	7,744	(226)	-	(226)
Other	317	-	317	-
Balance at the end of the year	43,081	48,187	35,337	48,187

**6.3 Current tax asset / (liability)**

Movements during the year were as follows:

Balance at the beginning of the year	(721)	(94,372)	13,846	(50,303)
Income tax paid	83,112	186,259	831	91,193
Under provision of deferred tax in prior year	10,857	226	12,851	226
Under provision of income tax in prior year	-	2,038	-	2,070
Tax liability for the current year	(80,613)	(94,872)	(21,383)	(29,340)
Balance at the end of the year	12,635	(721)	6,145	13,846

**7. CASH AND CASH EQUIVALENTS**

Cash at bank	1,224,501	794,313	244,418	124,855
Cash in project account	1,973	71,979	1,973	71,979
Cash on hand	300	300	300	300
	1,226,774	866,592	246,691	197,134

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>8. DIVIDEND ACCOUNT</b>				
a) Cash in dividend account	995,649	750,733	-	-
b) Dividend payable				
Cash balance	995,649	750,733	-	-
Investment at Unit Trust of Fiji	400,000	400,000	-	-
	<u>1,395,649</u>	<u>1,150,733</u>	<u>-</u>	<u>-</u>

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.

**9. TRUST ACCOUNT**

a) Cash in trust account	1,987,156	1,543,822	-	-
b) Trust payable	1,987,171	1,538,971	-	-

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, August 2020 and June 2021 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 SPX Trustees Limited	-	-	34,669	-
Accrued revenue	12,422	21,241	3,588	11,839
Allowance for impairment loss	-	-	-	-
Other receivables	70,799	35,390	69,848	34,349
	<u>83,221</u>	<u>56,631</u>	<u>108,105</u>	<u>46,188</u>

**10.2. Prepayments**

Prepayments	68,290	458,848	67,325	457,243
-------------	--------	---------	--------	---------

**11. FINANCIAL ASSETS**

**11.1 Current**

Term deposits (a)	535,791	335,688	435,791	235,688
-------------------	---------	---------	---------	---------

**11.2 Non- Current**

Investment in government Viti bonds (b)	200,000	400,000	200,000	400,000
---	---------	---------	---------	---------

(a) Term deposits are placed at Merchant Finance Limited, Kontiki Finance Limited, Fiji Development and Westpac Banking Corporation and earn interest at 2.75% to 5%. The deposits are typically held for 12-month term.

(b) Government Viti bonds are held for 10 years term maturing on 2 June 2030 and earns interest at a rate of 5%.



**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**12. UNITS IN UNIT TRUST OF FIJI**

**12.1. Current**

400,000 units @ \$1 each (Income Fund (a))	400,000	400,000	-	-
--	---------	---------	---	---

- a) 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.

**12.2. Non - Current**

Units in Trust of Fiji (Income Fund)	194,580	188,420	194,580	188,420
--------------------------------------	---------	---------	---------	---------

**13. INVESTMENT IN SUBSIDIARY**

Investment in Central Share Registry Pte Limited & SPX Trustees Limited	-	-	100,000	50,000
---	---	---	---------	--------

The Company holds 100% shares in Central Share Registry Pte Limited and SPX Trustees Limited.

**14. PLANT AND EQUIPMENT**

	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group</b>						
<b>Cost:</b>						
At 1 January 2021	57,000	344,522	6,593	285,174	4,587	697,876
Additions	-	-	-	2,611	2,640	5,251
Transfer to intangible assets	-	-	-	-	(4,587)	(4,587)
Reclassification of asset	-	-	-	(2,500)	-	(2,500)
Disposals	-	-	-	(176,000)	-	(176,000)
<b>At 31 December 2021</b>	<b>57,000</b>	<b>344,522</b>	<b>6,593</b>	<b>109,285</b>	<b>2,640</b>	<b>520,040</b>
<b>Accumulated Depreciation:</b>						
At 1 January 2021	22,800	121,742	5,494	152,242	-	302,278
Depreciation for the year	11,400	68,437	150	14,668	-	94,655
Reclassification of asset	-	-	-	(2,500)	-	(2,500)
Disposal	-	-	-	(67,760)	-	(67,760)
<b>At 31 December 2021</b>	<b>34,200</b>	<b>190,179</b>	<b>5,644</b>	<b>96,650</b>	<b>-</b>	<b>326,673</b>
<b>Accumulated Impairment Allowance</b>						
<b>At 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,240</b>	<b>-</b>	<b>108,240</b>
Reversals	-	-	-	(108,240)	-	(108,240)
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net written down value:						
<b>At 31 December 2021</b>	<b>22,800</b>	<b>154,343</b>	<b>949</b>	<b>12,635</b>	<b>2,640</b>	<b>193,367</b>
<b>At 1 January 2021</b>	<b>34,200</b>	<b>222,780</b>	<b>1,099</b>	<b>24,692</b>	<b>4,587</b>	<b>287,358</b>

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. PLANT AND EQUIPMENT (CONT'D)**

	Motor vehicles \$	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Work in Progress \$	Total \$
<b>Company</b>						
<b>Cost:</b>						
At 1 January 2021	57,000	341,572	5,455	277,886	4,587	686,500
Additions	-	-	-	2,611	-	2,611
Transfer to intangible assets	-	-	-	-	(4,587)	(4,587)
Reclassification of asset	-	-	-	(2,500)	-	(2,500)
Disposals	-	-	-	(176,000)	-	(176,000)
<b>At 31 December 2021</b>	<b>57,000</b>	<b>341,572</b>	<b>5,455</b>	<b>101,997</b>	<b>-</b>	<b>506,024</b>
<b>Accumulated Depreciation:</b>						
At 1 January 2021	22,800	119,973	4,356	146,533	-	293,662
Depreciation for the year	11,400	68,083	150	13,089	-	92,722
Reclassification of asset	-	-	-	(2,500)	-	(2,500)
Disposals	-	-	-	(67,760)	-	(67,760)
<b>At 31 December 2021</b>	<b>34,200</b>	<b>188,056</b>	<b>4,506</b>	<b>89,362</b>	<b>-</b>	<b>316,124</b>
Net written down value:						
<b>Accumulated Impairment allowance</b>						
<b>At 31 December 2020</b>	-	-	-	108,240	-	108,240
Disposals	-	-	-	(108,240)	-	(108,240)
<b>At 31 December 2021</b>	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>22,800</b>	<b>153,516</b>	<b>949</b>	<b>12,635</b>	<b>-</b>	<b>189,900</b>
<b>At 1 January 2021</b>	<b>34,200</b>	<b>221,599</b>	<b>1,099</b>	<b>23,113</b>	<b>4,587</b>	<b>284,598</b>

**15. INTANGIBLE ASSETS**

	Group \$	Company \$
<b>Cost:</b>		
At 1 January 2021	473,560	284,510
Additions	2,320	1,480
Transfers	4,587	4,587
Reclassification of asset	2,500	2,500
Disposals	(1,000)	(1,000)
<b>At 31 December 2021</b>	<b>481,967</b>	<b>292,077</b>
<b>Accumulated amortisation</b>		
At 1 January 2021	370,391	252,885
Reclassification of asset	2,500	2,500
Amortisation charge for the year	37,506	9,250
Disposals	(1,000)	(1,000)
<b>At 31 December 2021</b>	<b>409,397</b>	<b>263,635</b>
Net written down value:		
<b>At 31 December 2021</b>	<b>72,570</b>	<b>28,442</b>
<b>At 1 January 2021</b>	<b>103,169</b>	<b>31,625</b>

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>16. TRADE AND OTHER PAYABLES</b>				
<b>16.1 Current</b>				
Accrued expenditure	59,458	61,540	36,544	51,987
Dividend payable	-	36,285	-	-
Income received in advance	68,433	68,125	-	-
VAT payable	53,917	55,363	-	-
Sundry creditor	25,320	2,368	718	2,368
	<u>207,128</u>	<u>223,681</u>	<u>37,262</u>	<u>54,355</u>

**17. EMPLOYEE BENEFIT LIABILITY**

Annual leave entitlements

Balance at 1 January	4,984	6,309	4,984	6,309
Arising during the year	11,500	13,781	11,500	13,781
Utilised	<u>(11,906)</u>	<u>(15,106)</u>	<u>(11,906)</u>	<u>(15,106)</u>
Balance at 31 December	<u>4,578</u>	<u>4,984</u>	<u>4,578</u>	<u>4,984</u>

**18. DEFERRED INCOME**

Grant income

Balance at 1 January	509,992	693,676	509,992	693,676
Grant received during the year	245,620	108,948	245,620	108,948
WEC Grant refund	(453,805)	-	(453,805)	-
Release to statement of profit or loss	<u>(256,910)</u>	<u>(292,632)</u>	<u>(256,910)</u>	<u>(292,632)</u>
Balance at 31 December	<u>44,897</u>	<u>509,992</u>	<u>44,897</u>	<u>509,992</u>

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. Income amounting to \$453,805 relates to the World Exchange Congress grant that has been refunded to the Government due to the cancellation of World Exchange Congress event.

**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:

<b>Right-of-use assets</b>	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January	718,321	809,931	718,321	809,931
Contract modification	94,666	-	94,666	-
Depreciation charge for the year	<u>(91,725)</u>	<u>(91,610)</u>	<u>(91,725)</u>	<u>(91,610)</u>
Balance at 31 December	<u>721,262</u>	<u>718,321</u>	<u>721,262</u>	<u>718,321</u>

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONT'D)	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$

**Lease liabilities**

**Maturity analysis – contractual undiscounted cash flows**

Less than one year	118,810	118,810	118,810	118,810
One to five years	704,140	527,560	704,140	527,560
More than five years	275,770	426,190	275,770	426,190
Total undiscounted lease liabilities at 31 December	<u>1,098,720</u>	<u>1,072,560</u>	<u>1,098,720</u>	<u>1,072,560</u>

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

Current	62,718	61,539	62,718	61,539
Non-current	<u>772,291</u>	<u>738,725</u>	<u>772,291</u>	<u>738,725</u>
Total lease liabilities	<u>835,009</u>	<u>800,264</u>	<u>835,009</u>	<u>800,264</u>

**Amounts recognised in profit or loss**

Interest on lease liabilities	57,799	61,578	57,799	61,578
	<u>57,799</u>	<u>61,578</u>	<u>57,799</u>	<u>61,578</u>

**Amounts recognised in the statement of cash flows**

Total cash outflow for leases	<u>(59,921)</u>	<u>(56,142)</u>	<u>(59,921)</u>	<u>(56,142)</u>
-------------------------------	-----------------	-----------------	-----------------	-----------------

**Real estate leases**

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.

**Reconciliation of movement of liabilities to cash flows from financing activities**

	Lease liabilities (\$)	Total (\$)
Balance at 1 January 2021	800,264	800,264
<b>Changes from financing cash flows:</b>		
Payment of lease liabilities	<u>(59,921)</u>	<u>(59,921)</u>
<b>Total changes from financing cash flows</b>	<u>(59,921)</u>	<u>(59,921)</u>
<b>Other changes – liability related</b>		
Interest expense	57,799	57,799
Interest paid	<u>(57,799)</u>	<u>(57,799)</u>
Contract modification	94,666	94,666
<b>Total liability related other changes</b>	<u>94,666</u>	<u>94,666</u>
<b>Balance 31 December 2021</b>	<u>835,009</u>	<u>835,009</u>

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$

**20. SHARE CAPITAL**

Issued and Paid-up Capital

8 ordinary shares	120,000	120,000	120,000	120,000
-------------------	---------	---------	---------	---------

**21. CAPITAL COMMITMENTS**

Approved and committed	-	5,160	-	5,160
Approved but not committed	58,516	46,110	43,516	46,110

Capital expenditure commitment mainly relates to purchase of computer equipment and enhancement of the system.

**22. MANAGEMENT FEE COMMITMENT**

Management fees are charged on a quarterly basis to the subsidiary companies, Central Share Registry Pte Limited and SPX Trustees Limited for management services provided by the Company.

**23. RELATED PARTY TRANSACTIONS**

**2021**  
**\$**

**2020**  
**\$**

**23.1 Net owing by related companies**

Owing by SPX Trustees Limited	34,669	-
-------------------------------	--------	---

**23.2 Transactions with related parties**

The transactions between the Company and its subsidiaries during the year were:

Income

Management fees	283,355	261,066
-----------------	---------	---------

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, Central Share Registry Pte Limited and SPX Trustees Limited during the year were:

Dr Nur Bano Ali – Chairperson (Resigned: 31st October, 2021 as SPX Chairperson)  
Mr Saiyad Hussain  
Ms Rowena Fong  
Mr Gyanesh Rueben  
Ms Janice Nand

**SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**23. RELATED PARTY TRANSACTIONS (CONT'D)**

Group		Company	
2021	2020	2021	2020
\$	\$	\$	\$

**23.4 Directors (cont'd)**

Directors' fees and allowance	41,667	41,340	41,667	41,340
-------------------------------	--------	--------	--------	--------

**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, Acting Chief Executive Officer and Manager Legal and Company Secretary (2020: Acting Chief Executive Officer and Manager Legal and Company Secretary) were identified as key management personnel.

Compensation paid to key management personnel during the year ended 31 December 2021 and 2020 was:

Salaries and other short-term employee's benefits	104,056	142,881
---	---------	---------

**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.

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

### **24.1 Financial risk factors (cont'd)**

#### **(b) Credit risk (cont'd)**

##### ***Cash on hand and at bank***

The Group held cash of \$1,226,774 (2020: \$866,592), cash in dividend account of \$995,649 (2020: \$750,733) and cash in trust account \$1,987,156 (2020: \$1,543,822), 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.

The Group did not have any debt securities that were past due but not impaired at 31 December 2021. An impairment allowance of Nil (2020: \$Nil) in respect of debt securities at amortised cost (2020: held at amortised cost) 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. SIGNIFICANT EVENTS DURING THE YEAR**

- 25.1** The South Pacific Stock Exchange Pte Limited has established a new subsidiary company, SPX Trustees Limited (SPXT) on 8th January 2021. The subsidiary company has been formed to perform trustee services for beneficiaries under Energy Fiji Limited which was previously handled by Central Share Registry Pte Limited and to also undertake the function of a Trustee in relation to borrowers that conduct bond issuances under the Companies (Wholesale Corporate Bonds) Regulations 2021.
- 25.2** The coronavirus disease (COVID-19) outbreak has developed rapidly, bringing a significant health impact globally. Measures taken to contain the virus continue to have a significant impact on global markets and economic activity. Fiji is also feeling the impact with business disruption and levels of activity already reducing in several market sectors.
- 25.3** The Company and Group have remained operational since this declaration and continues to engage in its principal activities. We have not seen a significant impact on our business to date. The Directors and Management are carefully considering the impact of the COVID-19 outbreak on the Company and the Group and assessing future operational options.

The Directors and Management believe the Company and the Group have sufficient financial resources together with arrangements with their customers and suppliers to be able to successfully manage their business risks despite the current uncertain economic outlook due to the COVID-19 outbreak. At this stage, the financial statements do not reflect uncertain financial implications, if any, that may potentially arise from this situation.

- 25.4** Being observant of the health and safety concerns of potential attendees, ongoing international travel restrictions imposed on many countries world-wide and the closure of international borders, the SPX in consultation with Terrapinn Holdings Limited, the international event manager for the 2020 World Exchange Congress (Congress) event announced the cancellation of the Congress in July 2021.

## **26. EVENTS SUBSEQUENT TO BALANCE DATE**

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company and the Group, the results of those operations, or the state of affairs of the Company and the Group in future financial years.

## **27. 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 and the Group has no beneficial interest in these funds and, accordingly, such funds are not recorded in the statements of financial position.

## **28. COMPANY DETAILS**

### **Company Incorporation**

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

Number of employees at the end of the year: 8 (2020: 10).

### **Registered office**

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

## **29. PRINCIPAL ACTIVITY**

The principal activities of the Company and the subsidiaries during the year were that of provision of stock exchange and share registry services to listed companies and to unlisted companies and trustee services.

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

## LICENSED STOCKBROKERS

Name	Address/Contact	Licensed Stockbroker Representatives	Services Provided
<b>FHL STOCKBROKERS PTE LIMITED</b> 	Shop 1A & 1B Level 1, Vanua House 77 Victoria Parade, Suva, Fiji  PO Box 2110 Government Buildings Suva, Fiji  Phone: (679) 3307 018/9929 898 Fax: (679) 3317 153  Email: info@fhls.com.fj Web: www.fhlstockbrokers.com.fj	1) Mr Simone Vitiarai 2) Mr Epeli Vakatawa	<ul style="list-style-type: none"> <li>Stockbroking for entities listed on SPX</li> <li>Overseas Trading Facility</li> <li>Over the Counter trading for unlisted stocks</li> <li>Dealing in Bonds issued in Fiji for individuals &amp; institutions</li> <li>Comprehensive financial planning</li> <li>Investment advisory services for investors</li> </ul>
<b>FIJISTOCK BROKERS PTE LIMITED</b> 	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji  PO Box 16355 Suva, Fiji  Phone: (679) 3304 675/9995 055 Fax: (679) 3304 679  Email: mail@fijistockbrokers.com.fj Web: www.fijistockbrokers.com.fj	1) Mr Esrom Immanu'el 2) Ms Elenoa Qalotaki 3) Ms Shireen Devi 4) Mr Pranesh Kumar 5) Mr Steven Pritchard 6) Mr Brett Hall 7) Mr Enzo Pirillo	<ul style="list-style-type: none"> <li>Stockbroking for entities listed on SPX</li> <li>Bond broking for individual and institutions on bonds issued in Fiji</li> <li>Overseas Trading Facility – on any shares listed on any recognized overseas Stock Exchange</li> <li>Corporate finance and advisory services</li> <li>Expatriate investment advisory services</li> </ul>
<b>KONTIKI STOCKBROKING PTE LIMITED</b> 	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji  PO Box 17904 Suva, Fiji  Phone: (679) 3307 284/9922 923 Fax: (679) 3307 241  Email: broking@kontiki.com.fj Web: www.kontikicapital.com.fj	1) Ms Neezarat Ali 2) Ms Raghni Khatri 3) Mr David Oliver	<ul style="list-style-type: none"> <li>Stockbroking services – on listed and unlisted equity securities in Fiji</li> <li>Debt securities trading for individual and institutions in Fiji</li> <li>Overseas Trading Facility</li> <li>Over the counter trades</li> <li>Customised dealing execution and selected market making</li> <li>Research Reports</li> <li>Underwriting</li> </ul>

## LICENSED INVESTMENT ADVISERS

### FHL STOCKBROKERS PTE LTD

Shop 1A & 1B  
 Level 1, Vanua House  
 77 Victoria Parade, Suva  
 PO Box 2110, Government Buildings, Suva, Fiji  
 Phone: (679) 3307 018  
 Fax: (679) 3317 153  
 Email: info@fhls.com.fj  
 Web: www.fhlstockbrokers.com.fj  
 Licensed Investment Adviser Representative  
 1) Mr Abilash Ram

### FIJISTOCK BROKERS PTE LTD

Level 2, Provident Plaza 1,  
 33 Ellery Street, Suva, Fiji  
 PO Box 16355, Suva Fiji  
 Phone: (679) 3304 675  
 Fax: (679) 3304 679  
 Email: mail@fijistockbrokers.com.fj  
 Web: www.fijistockbrokers.com.fj  
 Licensed Investment Adviser Representatives  
 1) Mr Esrom Immanu'el  
 2) Mr Steven Pritchard  
 3) Mr Brett Hall  
 4) Mr Enzo Pirillo

### KONTIKI CAPITAL PTE LTD

Level 2, Provident Plaza 1,  
 33 Ellery Street, Suva, Fiji  
 PO Box 17904, Suva, Fiji  
 Phone: (679) 3307 284  
 Fax: (679) 3307 241  
 Email: infodesk@kontiki.com.fj  
 Web: www.kontikicapital.com.fj  
 Licensed Investment Adviser Representatives  
 1) Mr Griffon Emose  
 2) Mr David Oliver  
 3) Mr Jack Lowenstein  
 4) Mr Jignesh Pala

### BDO CORPORATE FINANCE (FIJI) PTE LTD

BDO, Level 10 FNPF Place,  
 Victoria Parade, Suva, Fiji  
 GPO Box 855, Suva, Fiji  
 Phone: (679) 3314 300  
 Fax: (679) 3301 841  
 Email: nalin.patel@bdo.fiji.com  
 pradeep.patel@bdo.fiji.com  
 Licensed Investment Adviser Representatives  
 1) Mr Nalin Patel  
 2) Mr Pradeep Patel

### KPMG ADVISORY (FIJI) PTE LTD

KPMG, Level 10, Suva Central Bldg, Renwick  
 Road, Suva, Fiji  
 PO Box 32, Suva, Fiji  
 Phone: (679) 3301 155  
 Fax: (679) 3301 312  
 Licensed Investment Adviser Representatives  
 1) Ms Lisa Apted  
 2) Mr Michael Yee Joy  
 3) Mr Steven Nutley

### PACIFIC LEGAL NETWORK (PLN) ADVISORY PTY LTD

**Fiji**  
 Level 1, East Wing, PO Box GC 36  
 Garden City Business Park, Raiwai, Suva, Fiji  
**Australia**  
 Level 11, 65 York Street, Sydney, NSW 2000  
 Phone (Aust): +61 466 811 562  
 Phone (Fiji): (679) 3275 160  
 E-mail: j.ridgway@pln.com.au  
 Licensed Investment Adviser Representative  
 1) Mr John Ridgway

### PRICEWATERHOUSECOOPERS ADVISORY PTE LTD

PricewaterhouseCoopers, 8th Floor Civic Tower,  
 Victoria Parade, Suva, Fiji  
 PO Box 200, Suva, Fiji  
 Phone: (679) 3313 955/3315 199  
 Fax: (679) 3300 981/3300 947  
 Licensed Investment Adviser Representatives  
 1) Mr Jerome Kado  
 2) Mr Nitin Ghandhi  
 3) Mr Kaushick Chandra

### MR DEVEN MAGAN

53 Augustus Street, Toorak, Suva  
 PO Box 238, Suva  
 Phone: (679) 9995 822  
 Email: devenmagan@gmail.com

### MR NAPOLIONI BATIMALA

228 Stoddart Street, Muaniakau  
 PO Box 14213, Suva, Fiji  
 Phone: (679) 9999 412  
 Email: nbatimala@gmail.com

### MR PRAFUL PATEL

101 Vitogo Parade, Lautoka  
 PO Box 170, Lautoka  
 Phone: (679) 6650 806  
 Email: patels@patelandassociates.com.au



**Shop I and II, Sabrina Building,  
Victoria Parade, Suva  
GPO Box 11689, Suva, Fiji  
Phone: (679) 3304 130, (679) 3313 764  
Email: [info@spx.com.fj](mailto:info@spx.com.fj)  
Online: [spx.com.fj](http://spx.com.fj)**

