



ANNUAL REPORT 2022



OUR VISION

TO BE THE PREFERRED SECURITIES EXCHANGE IN THE SOUTH PACIFIC



OUR MISSION

WE WILL:

- ✕ Promote the Exchange as the preferred investment and capital raising option
- ✕ Achieve and maintain best international practises in the securities industry
- ✕ Maintain the fundamental principles of market integrity, investor protection and efficient discovery
- ✕ Effectively pursue strategic alliance opportunities that contributes to the shaping of a vibrant capital market industry
- ✕ Develop climate resilient stock market



OUR CORE VALUES



✕ **INTEGRITY**

Uphold integrity at all times

✕ **PROFESSIONALISM**

Maintain the highest level of ethical and professional standards, skills and competence

✕ **ACCOUNTABILITY**

Remain accountable to our stakeholders at all times

✕ **INNOVATION**

To be committed to the ongoing developments of the securities industry

✕ **PEOPLE & COMMUNITY**

To respect, value and support our people and community

ABOUT US

The South Pacific Stock Exchange (SPX) is the only licensed securities exchange operating in Fiji and is licensed under the Companies Act 2015. The SPX facilitates mobilisation of funds through capital raising in the primary market and provides an effective, fair and transparent platform for trading of securities in the secondary market.

The SPX is a private company with eight shareholders constituted by its Articles of Association and operates under the direction of its Board of Directors. The SPX shareholders are portrayed below and each shareholder owns 1 share individually or 12.5% of the business.



Fiji Development
Bank

BSP Life (Fiji)
Limited

Kontiki
Stockbroking Pte
Limited

FijiStock Brokers
Pte Limited

FHL Stockbrokers
Pte Limited

South Pacific
Investment
Company Limited

FNPF Investments
Limited

FNPF Nominees
Limited

The SPX has two wholly owned subsidiary companies; Central Share Registry Pte Limited (CSRL) and SPX Trustees Limited (SPXT).

Central Share Registry Pte Limited (CSRL)



CSRL was founded in August 2002 and is the first central share registry to be established in Fiji. It has a fully functional website: www.csr.com.fj and offers an Online Shareholder Portal to all listed entity investors.

CSRL provides share registry services to majority of the SPX listed entities as well as to certain unlisted companies in Fiji. CSRL also provides bond registry services to wholesale corporate bond issuers.

SPX Trustees Limited (SPXT)



SPXT was registered as Public Company in January 2021 and licensed as well as approved by the Reserve Bank of Fiji (RBF) in August 2021 to act as trustee in relation to borrowers that conduct bond issuances under the Companies (Wholesale Corporate Bonds) Regulations 2021.

SPXT formally started operations in December 2021; first providing trustee services for beneficiaries under Energy Fiji Limited (EFL) and in December 2022 undertook the trustee service for bonds when it was appointed by FHL to serve as a Trustee representing the interest of its bondholders.

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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, FinTech solutions and provision of computer hardware and software with technical support services through its subsidiaries; Telecom Fiji, Vodafone, FINTEL, Fiji Directories and Datec (Fiji) Pte Ltd. In previous 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 most recently constructing a greenfield mobile telecommunications network in 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 and Magic Factory (Production Unit).



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, dal (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.

**VB 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. 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. 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. Vision Energy Solutions, a growing business in the Group specialises in the sale of Energy Solutions and renewable products and solutions.

**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 specialising 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

**Mr Salvin Nand (Acting Chairperson)**

Chairperson Listing and Compliance Committee, Member Governance Committee

Mr Nand is a registered Barrister in Fiji with over 13 years of legal experience with a keen interest in Intellectual Property and Competition Policy and Law. At present, Mr Nand has his own Practice based in Lautoka in the style of S NAND Lawyers. Prior to establishing his legal practice, he was the Deputy Dean and Senior Lecturer in Law at the University of Fiji. Mr Nand has been researching and teaching Intellectual Property and Competition Law in the Pacific for the past 10 years. He holds double Master of Laws; a Master of Laws in Intellectual Property with distinction from the Queensland University of Technology jointly offered by the World Intellectual Property Organisation. He has a second Master of Laws degree from the Victoria University of Wellington. Mr Nand is a co-editor of Asia-Pacific Journal of Education, Business, and Society (APJES). Further to legal studies, he has completed a Postgraduate Diploma in Governance and Public Policy at the University of Fiji. Mr Nand has published papers in the area of Intellectual Property, Corporate Laws, public policies and small to medium enterprises issues in the Pacific and has presented various research papers at World Intellectual Property Organisation, Attorney General's Conference, Secretariat of the Pacific Community, Law Society, Fiji Competition and Consumer Commission, Director of the Public Prosecution and at various international platforms in Australia, New Zealand and India. He is also a Registered Trustee of Empower Pacific (Non-Profit Organisation).

**Mr Saiyad Hussain (Deputy Chairperson)**

Chairperson Audit and Finance Committee, Chairperson Governance Committee, Member Listing and Compliance 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 Rowena Fong**

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

Ms Fong is the General Manager of Fiji Investment Corporation Limited. 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 over 15 years' experience in the capital markets industry particularly Unit Trusts and stockbroking, properties, and finance industry. 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, Member Listing and Compliance 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 (mergers and acquisitions) & 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. Mr Rueben also has experience with other Board's and Board Sub-Committees.

Team SPX



RASHA ALI
Manager Legal
& Company Secretary



PRETESH PRASAD
Acting Chief Executive Officer



JOANA RARASEA
Team Leader Depository



ASHLY PRASAD
Markets & Financial
Analyst



SHYAMA VERMA
Listing & Compliance
Officer



RIMA PRASAD
Accounts Officer



BERENADO KELEKELE
Registry Officer



JOKAPECI MOCEVAKACA
Administration Officer



CHRISTINE KOROVOU
Registry Intern

2022 Financial and Statistical Highlights

Financial Highlights



Operating Revenue*

\$1.11 million



Operating Expenses**

\$0.82 million



Net Profit Before Tax

\$0.30 million



Net Profit After Tax

\$0.24 million



Total Assets

\$11.15 million



Net Assets

\$2.50 million

Statistical Highlights



Number of Trades

2,501



Volume Traded

6.90 million



Value Traded

\$20.90 million



Market Capitalisation

\$3.13 billion



Market Cap Weighted Price Index

3,374.73



SPX Total Return Index

7,928.20



Equal Weighted Price Index

5,494.14



Equal Weighted Total Return Index

12,069.31



Number of Shareholders

20,371

* Excludes Government Grant

** Excludes Depreciation and Amortisation



Acting Chairperson's Report

Dear Shareholders

It is a privilege to have been appointed to serve as the Acting Chairperson of the South Pacific Stock Exchange Pte Limited (SPX) and the Central Share Registry Pte Limited (CSRL) as well as an honour to serve as a board member for SPX Trustees Limited (SPXT).

On behalf of the Board of Directors and Management of the SPX Group, I take this opportunity to present to you my first report as well as the 43rd Annual Report of the SPX Group for the financial year ended 31st December 2022. This report provides an overview of the operational aspects and development initiatives undertaken by the SPX and its subsidiaries; CSRL and SPXT during the 2022 financial year.

Introduction

The global economy was clouded with uncertainty throughout 2022. The year has been pretty dismal for investors amidst concerns about persistently high inflation and associated rapidly rising interest rates which triggered continued bouts of selling putting downward pressure on share prices and market returns. Russia's invasion of Ukraine and disrupted supply chains gave investors further reasons to worry despite another year of economic recovery from the COVID-19 pandemic.

On the domestic front and as the year had begun, the Omicron variant of COVID-19 emerged, fortunately, the economic impact from this new variant was generally manageable, however, higher commodity prices coupled with demand pressures and constraints with supply chain including high freight costs resulted in the domestic inflation rate to remain

high for most of 2022. Despite these global headwinds and the real challenges that they pose to Fiji and the region, the year 2022 for the SPX Group contained good signs for continued market development and growth.

On the local equities front, given that majority of the listed entities witnessed share price falls cutting short an extended period of positive average capital growth; Fiji's stock market witnessed a -1.67% average total market return on a 12-monthly basis as at December 2022. However, a long-term analysis indicates that the 3-year and 5-year average total market return for the SPX stands at 5.93% and 20.45% respectively.

In terms of overall operational and financial performances of the SPX listed entities, it was witnessed that majority of the businesses returned to normal operations and are enroute to achieving the profitability levels recorded during the pre-pandemic era. On a positive note, 2022 witnessed an increased amount of dividends being paid to the shareholders in comparison to 2021 as majority of the listed entities returned to declaring dividends at their regular intervals, paid increased dividends, or at least maintained the same level of dividend from the previous year. A total of \$57.42 million was paid in dividends in 2022 in comparison to \$43.15 million paid in 2021, a notable increase of 33.06% (\$14.27 million). A positive trend was also noted in terms of average new order flows, aggregate number of trades, volume of transactions and value traded in comparison to 2021 on the back of active participation from both the retail and institutional investors.

Development Activities

The Board worked closely with Management to place a strong emphasis on the core operations of the SPX Group and ensured the Group remains efficient and inventive during 2022.

The key undertakings for the year are presented below:

Inaugural Wholesale Corporate Bond Listing

The first-ever wholesale corporate bond was listed on the SPX in December 2022 by Fijian Holdings Limited (FHL). FHL successfully raised \$30 million through the issuance which was offered only to eligible investors under the Companies (Wholesale Corporate Bonds) Regulations 2021. The listing of this entirely new product is precisely in line with our strategic goal of increasing the number of products offered through our capital market as such initiatives benefit both Fijian businesses by offering an alternative platform to raise capital as well as benefits investors by providing an alternative investment instrument with a predictable income stream.

The SPX urges other businesses to genuinely explore this alternative route to source funds which offers companies a platform to diversify their capital raising options and at the same time reduces dependence on a single source of funding. As an issuer, companies qualify for the tax incentives since a company whose corporate bond is listed on the SPX, shall be allowed a deduction of 150% on prescribed costs incurred for listing and additionally will be allowed a deduction of 150% on the interest payments made to the bondholders. For investors, interest income earned on corporate bonds traded on the SPX is exempt from withholding tax. This listing is labelled as a milestone for the entire capital market because since 1979 when the SPX commenced operations, it had been confined to witness only the listing of ordinary shares and convertible notes on its platform.

The two SPX subsidiary businesses also play a critical role in this issuance. CSRL is charged with the responsibility of providing bondholder registry services and facilitation of interest and principal payments while SPXT has been appointed by FHL to undertake the function of a Trustee representing the interest of its bondholders. In essence, the wholesale corporate bond issuance and the new business opportunity it has provided to the SPX Group, this is certainly a huge stride which now presents the SPX Group as an evolving, progressive and dynamic business which fundamentally elevates our significance in the overall financial market structure.

Technological Upgrades

CSRL is a business in transformation and intends to keep pace with new business requirements and processes with an aim to further improve the effectiveness of its systems. In view of this, during 2022 CSRL undertook necessary enhancements to its existing software, ShareSoft.

Firstly, required upgrades were done to the ShareSoft system to incorporate reporting of customer number in Energy Fiji Limited (EFL) related reports. Consequent to this enhancement, it now assists EFL in identifying its customers who were entitled to the free offer of shares, however, are yet to claim the same. These customers are currently being managed by SPXT where they are classified as beneficiaries.

The second major enhancement undertaken was to ensure CSRL has capability to offer additional registry related services in the form of bond registry to its clients. The existing CSRL software was tailor-made to offer only share registry services hence needed to be upgraded to accommodate bond registry as well. The new bond registry module allows CSRL to incorporate issuer and bondholder details, facilitate bond interest and maturity payments, process bond trades and generate various reports for CSRL administrators and the bondholders. This one-off enhancement now places CSRL in a better position to pursue additional business opportunities which would further ensure that we continue to maintain scalability in our operations.

Investor Awareness

The SPX continued to place great emphasis on this market development initiative all throughout the year. In a developing market such as the SPX, 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. It also allows the SPX as the frontline regulator to establish an ongoing cadence of pertinent information about the listed entities which would in turn allow investors to make informed investment decisions.

In 2022, the SPX once again focused on social media platform 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, details about upcoming Annual General Meetings to entice maximum shareholder attendance and participation, incentives available to companies to consider a public listing and/or use the SPX platform to raise capital in form of wholesale corporate bond issuance amongst others. The SPX also produced various other publications on weekly and 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 relevant investor information for greater acknowledgement amongst our intended audience. Efforts were also diverted to issue press releases by Management to publicise other market development activities undertaken throughout 2022. The SPX aims to continue aligning its investor awareness initiatives as the general understanding about the stock market amongst our populace develops moving forward.

Policy Reviews

During 2022, the SPX prioritised to commence the review of its policies under the SPX Group Governance, Risk Management and Compliance (GRC) framework. While this will continue in 2023, the following Governance policies were reviewed during the year; Market Announcements Policy, Prohibition of Insider Trading Policy, Code of Ethics and Conduct Policy and Board Charter for CSRL.

Keeping policies and procedures updated helps minimise risks, increases operational excellence, and ensures your stakeholders have access to relevant and updated information. Regular policy review and revision are an important part of all policies and procedures management plans and as such the SPX Board intends to provide necessary guidance to Management to invest time, energy, and resources to ensure this remains a progressive task in 2023 and beyond.

2023 Outlook

The SPX Group has implemented a new three-year Strategic Plan covering the 2023 – 2025 financial year. In view of this, the SPX's future is intricately linked to its ability to execute its action items under each of the strategic goals with relevant objectives and key performance indicators while overcoming the various external factors and key challenges that co-exist. Overall, the core strategic goals of the SPX Group is focused on increasing the number of listings on both the equity and the wholesale corporate bond market, increasing the multiplicity of listed products offered through the SPX platform, increasing trading activities and market liquidity, presentation of the SPX as an attractive alternative for capital raising and as the preferred option for investment as well as the diversification of the Group operations beyond the current scope.

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. Engagement with other stakeholders will also continue to help us execute our strategies, ensuring business growth and enhancement of shareholder value.

Acknowledgement

My gratitude and thank you goes to the Board members, the Acting Chief Executive Officer, Management and Staff of the SPX Group for their support, commitment and undeterred innovation towards the functioning of the Group during 2022.

My special appreciation goes to the Government of Fiji for their continued assistance in the form of the market development

grant and various tax incentives for both listing of equities as well as for wholesale corporate bonds as this commitment makes listing and investing on the SPX an attractive option to consider for capital raising and wealth creation.

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 develop a more vibrant capital market in Fiji.

Thank you.

Mr Salvin Nand
Acting Chairperson

Acting Chief Executive Officer's Report



Dear Shareholders

2022 has been a successful and an exciting year of growth opportunities for the South Pacific Stock Exchange Pte Limited (SPX) and its subsidiaries, Central Share Registry Pte Limited (CSRL) and SPX Trustees Limited (SPXT). This report reflects on our continued work to promote the Exchange as the preferred investment and capital raising option in the South Pacific and the achievements related to the strategic goals set for the year and it is therefore my absolute pleasure and a meaningful reflection opportunity to pen this Report for the financial year ended 31st December 2022.

Globally, the year 2022 has been generally marked by a bear market as high inflation, aggressive central bank policies and heightened economic and geopolitical uncertainties combined to reduce global investors' risk tolerance. 2022 was a rare year in which returns from both stocks and bonds fell sharply. All in all, a weaker global growth prediction of 3.2% for 2022 is expected as a result of the opportunity cost of risking growth to control inflation, with an increasing number of nations facing a contraction.

On the domestic front, the Fijian economy countered the emergence of a new wave of the COVID-19 pandemic through the Omicron variant as the year started; however, as anticipated the economic impact from this variant was relatively mild compared to the consequences of the advent of the Delta variant in 2021. For the majority of 2022, higher food and fuel prices continued to push the domestic inflation rate higher

which was linked to the evolving geopolitical situation and its impact on global commodities, supply chains, freight and other input costs. Despite these challenges, according to the statistics provided by the Reserve Bank of Fiji (RBF), a 15.6% growth in gross domestic product had been anticipated for the year 2022. The growth trajectory is essentially backed by a rebound noted in visitor arrivals and tourism earnings, recovery in employment and continuous growth in inward remittances.

Amidst these developments, 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 continued to demonstrate its responsibility to a larger vision for a brighter future by advancing on strategic initiatives earmarked for 2022.

Stock Market Performance

Overall, the total stock market return for the year 2022 ended in the negative territory at -1.67% on a 12 monthly average. While, this negative return might seem to be a downbeat end to the SPX market in 2022; in line with long-term investment strategy associated with stock market investments, the 3-year and 5-year average total market return for the SPX stands at 5.93% and 20.45% respectively. 2022 was, therefore, a year of price corrections for some stocks while other stocks continued to trade at a discount to their previous valuations, requiring evidence of long-term economic rebound to rally back to their

fair values. 2022 can also be labelled to be a year of reflection for long-term investors and particularly for those investors who continue to keep in mind the wise financial advice to buy low and sell high, a pathway which guides investors to be the winner over the long-term. While past performance is not an indicator of future market performance, the stock market as a whole has demonstrated recovery from every prior market downturn in history and has progressed to make new all-time highs.

The SPX's key market indices showed a divergent pattern during 2022 and it was apparent that an increased amount of \$57.42 million paid in dividends in 2022 contributed positively towards the index that incorporates the dividend return and is also weighed by company size. This was noted for the SPX Total Return Index (STRI) which rose by 1.86% in 2022. However, in view of the fact that a negative capital return was noted for 2022, declines were noted for the Market Capitalisation Weighted Price Index (MCWPI) which reflects only the share price returns and the Equal Weighted Price Index (EWPI) as well as the Equal Weighted Total Return Index (EWTRI), which weigh each listed entity equally irrespective of their market capitalisation weighting. MCWPI fell by 0.31% while EWPI and EWTRI fell by 1.99% and 0.01% respectively.

In view of the negative share price returns recorded by four of the top five listed stocks by way of market share, a decrease of -0.28% was noted in the aggregate market capitalisation which concluded at a value of \$3.13 billion. However, the other key trading indicators; number of trades, volume of transactions, value traded as well as the average weekly new order flow ended favourably ranking higher in comparison to 2021.

Financial Performance

During 2022, the SPX ensured close monitoring of all expenses and prudently managed the cash flows to maintain a net profit after tax for 2022. The key financial indicators from 2020 to 2022 are tabulated below:

Group Financial Performance	2022	2021	2020
Operating Revenue*	\$1,107,053	\$1,250,889	\$1,213,307
Operating Expenses**	\$821,907	\$877,865	\$898,624
Net Profit After Tax	\$236,075	\$331,521	\$288,830
Total Assets	\$11,154,616	\$6,734,376	\$6,157,769
Net Assets	\$2,496,019	\$2,259,944	\$1,928,423

* Excludes Government Grant

** Excludes Depreciation and Amortisation

Strategic Goals

The SPX placed emphasis on each of the strategic goals from the 2022 Action Plan and summarises below the key achievements in line with the Key Performance Indicators outlined for the year.

1. Increase Company and Investor Confidence

- ✕ Under the SPX Group Governance, Risk Management and Compliance (GRC) framework, the SPX took time to classify policies under each of the framework titles to identify those policies that exist, those that need review and those that need to be developed in entirety. During 2022, the following Governance policies were reviewed:
 - o Market Announcements Policy - assists Management to understand the operations, reporting obligations and the means by which a listed entity can report company announcements to the SPX and also defines the role of the compliance officer to ensure processes as defined in the SPX Listing Rules are followed;

These key stock market statistics for 2022 compared to 2021 are tabulated below:

Stock Market Statistics	2022	2021	YOY (Unit Change)	YOY (% Change)
Market Cap Weighted Price Index (MCWPI)	3,374.73	3,385.06	-10.33	-0.31%
SPX Total Return Index (STRI)	7,928.20	7,783.19	+145.01	+1.86%
Equal Weighted Price Index (EWPI)	5,494.14	5,605.42	-111.28	-1.99%
Equal Weighted Total Return Index (EWTRI)	12,069.31	12,069.95	-0.64	-0.01%
Market Capitalisation (billion)	\$3.13	\$3.14	-\$0.01	-0.28%
Average Weekly New Order Flow (million)	\$0.29	\$0.18	+\$0.11	+61.29%
Average Total Market Return	-1.67%	10.39%	N/A	N/A
Number of Trades	2,501	1,779	+722	+40.58%
Volume Traded (million)	6.90	5.62	+1.28	+22.71%
Valued Traded (million)	\$20.90	\$16.75	+\$4.16	+24.82%

- Prohibition of Insider Trading Policy - the purpose of this Policy is to define and establish the SPX's position and rules with respect to prevention of insider trading in listed securities, maintenance of confidentiality of price sensitive information relating to listed securities and adherence to the Reserve Bank of Fiji (RBF) Capital Markets Supervision Policy on Code of Conduct for Prevention of Insider Trading;
- Code of Ethics and Conduct Policy – defines the key values for the organisation, the SPX Group's working environment, ethical responsibilities on Group's business dealings, responsibilities to stakeholders and investors, reporting of unethical behaviour and, commitment to the community and environment; and
- Board Charter for CSRL – sets out the roles, responsibilities and code of conduct of the CSRL Board of Directors.
- ✕ Proper monitoring of daily market activities and detecting of misconduct through appropriate market surveillance and investigation as well as assessment and approval for one-off special crossing trades, off-market transfers and non-resident approvals continued throughout the year.
- ✕ A five-year historical financial analysis for all the listed entities as well as an assessment of relevant business continuity indicators and ratios was developed and monitored on an ongoing basis.
- ✕ Annual compliance checklists were developed for individual listed entities and were shared with their company secretaries and compliance officers to assist them in their compliance with the SPX continuing listing requirements. The SPX senior Management also carried out compliance visitations to select listed entities and where relevant carried out site visits to better understand their operations. Annual General Meetings of the listed entities were also attended to oversee shareholder participation and generally to monitor the conduct of such important shareholder gatherings.
- ✕ The SPX Board and Management regard the internal audit function as being vital and a key pillar of good governance and as such, emphasis continued to be placed on the internal audit function of the SPX Group which 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.

2. Increase the Number of Listings and Product Diversity

- ✕ As a milestone achievement during 2022, the SPX witnessed listing of the first-ever wholesale corporate bond by Fijian Holdings Limited (FHL) on its trading platform signifying a new era of development for the domestic capital market. The listing is in line with the SPX's strategic goal of increasing the range of investible products offered through the domestic capital market

which benefits both Fijian businesses by offering an alternative platform to raise capital as well as empowers investors by providing a substitute investment instrument with a predictable income stream and a mechanism to preserve capital. FHL successfully raised \$30 million through this secured fixed rate wholesale corporate bond issuance which was offered only to eligible investors under the Companies (Wholesale Corporate Bonds) Regulations 2021 for three terms of maturity.

- ✕ Dividend Reinvestment Plans (DRPs) were undertaken by Pleass Global Limited (PBP), Kontiki Finance Limited (KFL) and Free Bird Institute Limited (FBL). In aggregate, a total of \$0.81 million was reinvested into additional shares in 2022 through DRPs. The SPX is delighted with select listed entities undertaking corporate actions in the likes of a DRP and using the SPX platform as an alternative capital raising source; which is indeed in a true spirit of taking advantage of being a publicly listed entity. The SPX anticipates other listed entities to consider such plans as an encouragement and foresee the benefits by taking cue as this empowers their shareholders encouraging them for greater participation in the stock market and would enable liquidity in the listed entity shares.

3. Increase Trading and Number of Investors

- ✕ On the investor awareness front, 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. This advice seemed to have been considered by investors who realised growth opportunities available in listed entity shares over the long-term and were consequently seen to take advantage of price falls with an opportunity to buy more and also participated in Dividend Reinvestment Plans offered by certain listed entities during 2022.
- ✕ The SPX published six listed entity insight articles during 2022 while the publication of weekly newsflash report and monthly market reports and other press releases in relation to various development initiatives continued. This information is published for the benefit of existing as well as potential investors and has consistently received accolade from various stakeholders.
- ✕ A total of 140 new investors entered the Fijian stock market in 2022. Despite the uncertainties encountered around investor sentiments in 2022, the number of new investors entering the stock market remained commendable and stable. Generally, after noting the new investor trend, it is apparent that potential investors continue to face the influence of COVID-19 which is necessitating investors to reassess their financial priorities between consumption and saving/investing. In previous

years, the greatest number of new investors has been recorded when there were new listings or share splits or other corporate actions. There were no new listings or significant corporate actions during 2022, which may have constrained the number of new investors. As at 31st December 2022, a total of 20,371 investors held one or more securities listed on the SPX, a slight increase of 0.35% from 2021. The average public shareholding of the SPX listed entities as at 31st December 2022 stood at 31.56% which is also an improvement from the average public shareholding of 28.64% noted in 2021 while the average volume traded to issued shares ratio stood at 0.49%. These favourable statistics are welcomed as it will assist the SPX in its broader agenda of promoting further liquidity in listed entity shares.

4. Increase Clientele for Registry and Trustee Services

- ✧ During 2022 financial year, CSRL pursued the following enhancements to its existing software with an aim to further improve the effectiveness of its systems:
 - Inclusion of customer number in Energy Fiji Limited (EFL) reports – the customer number is a unique identifier for the EFL customers who are either shareholders or a beneficiary in relation to the free offer of non-voting shares and this enhancement was undertaken mainly to assist EFL in identifying and targeting customers who were entitled to the free offer of shares, however, are yet to claim their shares and create awareness on the same; and
 - Provision of Bond Registry Services – this enhancement allows CSRL to offer an additional service to its clients and particularly to those wholesale corporate bond issuers who wish to outsource their bond registry services to CSRL. The new bond registry module allows CSRL to incorporate issuer and bondholder details, facilitate bond interest and maturity payments, process bond trades and generate various reports for CSRL administrators and the bondholders.
- ✧ Consequent to the inaugural wholesale corporate bond issuance by FHL, CSRL was able to register its first bond registry client and currently maintains three different bond registers for FHL in line with the three terms of maturity.
- ✧ SPXT has two lines of trustee services; (i) Trustee services for EFL; and (ii) Trustee services for wholesale corporate bonds. While the service for EFL continues from past years, December 2022 was the initial trustee service for bonds when SPXT was appointed by FHL to serve as a Trustee representing the interest of its bondholders.

5. Enhance Competencies of our Staff

- ✧ The SPX places significant attention and emphasis on enhancing competencies of its staff. This includes staff attendance at networking events, enrolments at University and workshops by relevant bodies. In 2022, the SPX Group staff took opportunity as available and were part of the following:

- International Women's Day celebrations organised by Women in Business Fiji;
- Panel Discussion on Driving the Future of Business by Fiji Chamber of Commerce & Industry;
- Fiji Institute of Accountants Technical Workshop;
- Workshop on "Climate Bonds Deep Dive in Green, Social and Sustainability Bonds Issuance Process" conducted by Climate Bonds Initiative in conjunction with International Finance Corporation (IFC) and RBF;
- Webinar on "The Basics of Investing covering blue chips stocks, REITs and ETFs" organised by Singapore Stock Exchange (SGX);
- Webinar on "Environmental, Social and Governance (ESG) Disclosure Standards & Regulation" organised by IFC and PNGX;
- Webinar on "Board Gender Diversity" organised by IFC and PNGX;
- 2022 Attorney-General's Conference organised by Office of the Attorney-General; and
- Enrolment by three senior staff members at the Fiji National University for Master of Professional Accounting and Bachelor of Commerce programmes.

6. Enhance Competencies of our Market Participants

- ✧ The SPX as the frontline regulator also ensures that its market participants which mainly are the licensed stockbrokers, licensed investment advisers and the listed entity directors and company secretaries are continuously given an opportunity to participate in relevant trainings to build capacity and be equipped with the skills vital to effectively discharge their responsibilities. The SPX also needs to ensure recognition of SPX stockbrokers training associated with RBF's Continuing Professional Education (CPE) program. During 2022, the SPX organised the following capacity building opportunities for its market participants:
 - Annual Stockbroker Examination by the SPX – the target audience are the licensed stockbrokers and associate stockbroking staff; and
 - Training on "Financial Valuation: Risk, Uncertainty and Disruption" by Professor Erik Larson from Macalaster College in Minnesota, USA – through this training, the participants were able to learn the conceptual underpinnings of the valuation framework and how to derive a price per share valuation, obtain an insight into ways companies seek to build value, understand how valuation can guide decision making, gain an insight into what emerged in the COVID-19 environment and how to use risk analysis and insights from uncertainty for strategic thinking. Participants included licensed professionals as well as representatives from listed entities, institutional investors and academia.

7. Strive to reduce reliance on Government Grant

- ✧ In order to ensure progress under this strategic goal, the SPX has continuously maintained an outlook to diversify its revenue base as well as reassess its current activities

to ensure the SPX Group is adequately charging for the services it provides.

- ✕ Apart from the regular income, the SPX managed to diversify its revenue during 2022 by charging for stakeholder trainings and listed entity insight articles. Additionally, CSRL reviewed its fees to ensure it is charging sufficiently for the compilation and submission of audit confirmations and shareholder dispatch undertaken on behalf of its clients.
- ✕ During 2022, CSRL also managed to secure bond registry services for FHL while SPXT managed to secure the provision of Wholesale Corporate Bond trustee services and this has contributed positively towards the overall SPX Group revenue.

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

- ✕ The SPX continued to maintain virtual contact with Exchanges with whom there is an existing Memorandum of Understanding (MoU) for collaboration opportunities and did obtain necessary guidance and assistance where required during 2022. Some preliminary discussions have also been held with institutions with similar intent as the SPX for some collaboration opportunities and these will be explored further in 2023.

The Year Ahead

The SPX Board and Management developed a new three-year Strategic Plan covering the 2023-2025 financial year for the SPX Group. This document defines the vision, mission, values, strategies and direction for the SPX Group and better positions the organisation to undertake action items in pursuing its objectives towards achieving the key performance targets set for each of the strategic goals. The SPX recognises the importance of aligning our operations with the expectations of our key stakeholders to create sustainable value and development of a more robust and a vibrant capital market in Fiji.

The SPX will continue to play multifaceted roles, providing access to an investment platform, enabling access to funds and enhancing wealth creation through reliable, secure and regulated platforms and market surveillance activities. Our focus remains to increase the number of entities listed on our equity market, build on the success of the inaugural Wholesale Corporate Bond listing in 2022 and attract additional issuers to our debt market, increase liquidity and trading activities, entice active investor participation and attract new investors as well as explore avenues to increase the range of investible products offered through the SPX platform. Together, these initiatives will increase the public participation in economic activity and the benefits of that activity, whilst also facilitating more efficient access to necessary capital for companies.

Additionally, the SPX intends to focus on strengthening compliance which will ensure the SPX is recognised as an efficient, orderly and transparent market place. Our intention

is to position the SPX to be a better barometer of the Fijian economy. Necessary focus will also be placed on optimising digital transformation to drive efficiency and improve services which would involve embedding the use of technology across the business to drive the fundamental changes to increase efficiency, achieve greater business agility, and ultimately unlocking value for employees, listed entities, stockbrokers and other stakeholders. A key focus under this strategy is to commence with the necessary work required towards the implementation of a Delivery vs Payment mechanism to benchmark with the post-trade infrastructure and facilities of other jurisdictions as well as to mitigate the settlement risk and strengthen the overall credibility and integrity of the market.

The SPX looks forward to working with the new Government in maintaining conducive and favourable policies which would entice companies to consider the SPX platform to raise capital and for investors to consider the stock market as an alternative to other comparable investment products.

The SPX anticipates an energetic year as we work towards identifying/securing opportunities and executing strategies to achieve the same whilst at the same time promoting value for all our stakeholders.

Acknowledgement

I would like to conclude with a deep sense of gratitude towards the SPX Group Board of Directors for their valued guidance, sincere commitment, advice and unwavering support during the 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.

I also commend my team for their commitment, untiring passion and professionalism which assisted me in steering the SPX Group and attaining various transformational feats in 2022. I thank all the stakeholders of the SPX Group including the stockbrokers, listed entities and the RBF for the collaborative relationship.

May 2023 be a year of innovation and great exploits!

Thank you.



Mr Pretesh 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: 31st December 2022

Introduction

The South Pacific Stock Exchange Pte Limited (SPX) Board of Directors believes that good corporate governance is essential to ensuring its long-term success and is committed to maintaining the highest standards of governance by implementing a framework of structures and processes that it considers reflect best practice. The SPX's corporate governance policies and procedures, and its board and committee charters, document the framework and have been approved by the Board.

The direction and overall control of the company are under the SPX Board's responsibility to the company's shareholders. The SPX is dedicated to the highest level of governance designed to safeguard the interests of its shareholders and all other stakeholders while promoting the highest standards of integrity, transparency, and accountability in light of this assurance. This affirms the SPX's commitment to upholding the highest standards of corporate governance across the organisation in order to guarantee that its governance structures and procedures adhere to applicable laws and international best practice.

The integrated governance framework for the SPX is designed to ensure that it has a clear portfolio of direction that is in line with the overall vision, strategy, and objectives chosen by the Board of Directors.



Principle 1

ESTABLISH CLEAR RESPONSIBILITIES FOR BOARD OVERSIGHT

Separation of Duties

The respective SPX and Subsidiary Board and Committee Charters outline the duties and obligations of the Directors. The matters designated for the Board and those that Management has been given authority over are described in the respective Charters as well.

Board Charter

The SPX Board operates under a written Charter, which sets out the responsibilities and framework for the operation of the Board. The Board has overall responsibility for the Company, including approving and overseeing the implementation of its strategic goals, risk strategy, financial soundness, corporate governance, and corporate values. The Board is also guided by the Board Charter which includes, amongst other things:

- ✕ the protection of shareholders' interests by seeking to ensure that the SPX's strategic direction provides value for its shareholders;
- ✕ establishing goals for Management and tracking the accomplishment of those goals;
- ✕ authorising policies and supervising the strategic implementation of these policies; and
- ✕ ensuring that the SPX's internal control and reporting procedures are adequate, effective and ethical.



Principle 2

CONSTITUTE AN EFFECTIVE BOARD

Board Composition

As per the Corporate Governance Principles, the Board composition needs to be balanced with Executive and Non-Executive Directors of which 1/3rd of total number of Directors are to be Independent Directors. Additionally, as per the RBF Prudential Supervision Policy Statement No. 1 on Minimum Requirements for Corporate Governance of Licensed Entities, Boards of licensed entities must have a minimum of five (5) members at all times. The SPX Board recognises that the composition of the Board of Directors is subject to shareholder and RBF approval, hence, it should comprise of Directors with an appropriate range and mix of skills, experience, expertise and diversity that will enable the Board to function effectively. Additionally, to effectively carry out the Board's mandated role and responsibility, the RBF endorses the shareholders' nomination of the Directors after being subjected to the RBF's rigorous Fit and Proper assessment framework. For the SPX, as at 31st December 2022, the SPX Board comprised of four (4) Directors, which included one (1) Independent Director. In light of this, the SPX is continuing its efforts to seek a suitable Independent Director to ensure full complement of the Board is achieved as per the RBF requirements.

Gender Diversity

According to the Corporate Governance Principles, the Board is required to maintain a balanced mix of gender-neutral skills and experience. As such, the SPX adopted the same clauses in its Charters. As at 31st December 2022, one (1) out of the four (4) Directors serving on the SPX Board is a female. Additionally, a female serves as the SPX Board's Company Secretary.

Governance Committee

The Governance Committee supports the SPX in carrying out its responsibilities regarding the remuneration, retention, succession and recruitment of Directors, Executives, and other SPX Group employees. The Governance committee also supports and promotes opportunities for board development. The Board appoints the Directors of the SPX Group following confirmation and the conclusion of a successful due diligence process by the RBF.

Board Evaluation

The performance of the Board, its committees, and individual Directors is periodically assessed by the SPX at least annually to ascertain whether Directors collectively and individually remain

effective in discharging their assigned roles and responsibilities, and identify opportunities to improve the performance of the Board as a whole. The Board is aware of the necessity of identifying areas for improvement on a constant basis, assuring compliance with the highest standards of corporate governance and ensuring that each Director contributes appropriately to the Group's goal of delivering value to all of its stakeholders. The Company Secretary facilitates the annual performance review.

Directors Training

All Directors are expected to understand the SPX's operations and undertake training and education to enable them to effectively perform their duties. This can include; attending presentations in respect of the SPX's operations, attending presentations on changes in governance, legal and regulatory frameworks, attending technical and professional development courses and attending seminars and workshops by industry experts and regulators. Additionally, for all new Directors, upon joining the Board; they are provided with an appointment letter setting out the terms of the appointment and a Board induction pack which includes the following: Articles of Association, Board and Committee Charters, SPX Listing and Business Rules, Companies Act 2015 and its accompanying regulations along with relevant SPX policies, procedures, and guidelines.

Board Committees

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

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



Principle 3

APPOINTMENT OF CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

Chief Executive Officer (CEO)

The SPX Board's oversight duties regarding the compensation, succession and recruitment of Directors, Executives, and other SPX Group employees are supported by the Governance Committee. The CEO shall be appointed by the Board for a period of three years and the appointment shall be subject to a contract containing the terms and conditions of employment

negotiated between the Board and the CEO. The Board delegates the Management through the CEO to deliver the strategic direction and goals determined by the Board and also ensures having in place an appropriate succession plan. Currently, the CEO role is being held in an acting capacity with a substantive appointment earmarked for 2023.



Principle 4

APPOINTMENT OF A BOARD AND COMPANY SECRETARY

Company Secretary

The Shareholders are responsible for selecting the Board which is then responsible for appointing a competent Company Secretary based on the relevant qualifications and experience. The Company Secretary is directly responsible to the Board for the effective operation of the Board through the Chairperson. The Company Secretary is responsible for advising the Board

on governance matters and ensuring there is a system of corporate governance and compliance in place in the Company. The Company Secretary ensures that the SPX Board meets its statutory obligations and provides advice to Directors on matters including, but not limited to, risk management, corporate ethics, governance and compliance.



Principle 5

TIMELY AND BALANCED DISCLOSURES

Annual Reports

The Group's policy of ongoing disclosure is essential to the Shareholders' right to information about the SPX Group and its financial performance. The SPX Annual Report complies with all requirements set forth in the Companies Act 2015 and is published annually and is made widely available both in printed as well as electronic formats.

also includes information on compensation paid to key management personnel.

Payments to Directors and Senior Management

The Governance Committee supports the SPX in carrying out its oversight duties related to the compensation, succession planning, and hiring of Directors, Executives, and other SPX Group employees. At the Annual General Meeting, the shareholders must approve any modification to the Directors' remuneration. The SPX Audited Financial Statements

Continuous Disclosure

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



Principle 6

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

When conducting the SPX Group business, the SPX recognises the importance of Directors and Employees at all levels upholding the highest ethical standards on Group's business dealings, responsibilities to stakeholders and investors, reporting of unethical behaviour and, commitment to the

community and environment. In order to achieve this, the Board adopted a Code of Conduct for Directors and Employees of the SPX Group. The Code and the Corporate Mission, Objectives, and Core Values Statement establishes guidelines for all employees to follow as they carry out their individual roles within the Group on a daily basis.



Principle 7

REGISTER OF INTERESTS

Conflict of Interest and Related Party Transactions

For Directors and Employees of the SPX Group, the SPX maintains a Group Conflict of Interest and Related Party Transactions register which is updated whenever a conflict or related party transaction arises. The Group has also adopted policies on related party and conflict of interest transactions which outline the procedures for determining what constitutes a related party transaction or a conflict of interest and how to evaluate it. The Board must receive information from Directors

so it can evaluate their independence prior to appointing them as a Director. The Board takes into account a number of factors when determining a Director's independence, including if the Director is not a member of the SPX Group's executive team and is not a substantial shareholder in the SPX or otherwise associated directly or indirectly with a substantial shareholder of the SPX. The minutes of Board meetings reflect any declarations of conflicts of interest and how the conflict was managed.



Principle 8

RESPECT THE RIGHTS OF SHAREHOLDERS

Communication with Shareholders

The rights of the shareholders are entailed in the SPX Articles of Association. The SPX has only 8 shareholders and as such the SPX Board and Management is able to liaise with and attend to individual shareholder needs in an appropriate and timely manner. An Annual General Meeting (AGM) is held each year to discuss the performance of the SPX. Matters relating to finalisation of accounts, any dividend declaration, changes to Board composition or remuneration are approved by the shareholders at the AGM. All shareholders are given an opportunity to have their queries answered and be updated on the Company's performance and plans at this meeting. An Annual Report is also printed yearly for dissemination to all shareholders and is made available electronically via the SPX website. In addition to adhering to the Companies Act 2015's disclosure requirements, the SPX strives to set the bar high for best practices in terms of disclosure.

and download facilities, enhanced company search options, optimisation for smart mobile devices and different internet browsers, integration with social media platforms and an upgraded Market Announcements Platform.

Grievance Redressal Mechanisms

Any grievances or complaints is sent directly to the SPX Office or via email to info@spx.com.fj. The SPX Complaints Management Framework was used to implement the necessary Complaints Form. The SPX website also offers a way for people to file complaints.

Shareholder Complaints

No complaints have been received by the SPX Group during the 2022 financial year.

Website

For the benefit of investors, shareholders, listed entities, potential issuers, stockbrokers, media and the general public, the SPX website provides a wealth of information. The SPX website provides an inspiring experience for the SPX stakeholders through cutting-edge interactive services as well where some of the features include; interactive services with the provision of share price and market indices charting

Corporate Sustainability

The SPX Group identifies and manages its material exposures to economic, environmental and social sustainability within its Risk Management Program. The SPX 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.



Principle 9

ACCOUNTABILITY AND AUDIT

Internal Audit

The internal audit function of the SPX Group 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. The internal audit function for the SPX Group is executed on a monthly basis and a comprehensive report is tabled at every board meeting for consideration and noting by the Directors as well as to identify action items to address any critical matters.

External Audit

The SPX Group is audited annually by an independent external auditor. The SPX Group and subsidiaries accounts are prepared and audited in compliance with IFRS standards. The SPX also has policies and procedures in place to ensure that business activities are carried out as per best practices. The SPX Audit and Finance Committee is responsible for the oversight of the work of the external auditor.

Rotation of External Auditor

The external auditor is rotated every three to five years based on recommendations made at the Company's Annual General Meeting.

Audit Committee

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



Principle 10

RISK MANAGEMENT

Risk Management Framework

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

Whistle Blower Policy

As part of its commitment to fostering a culture of openness and transparency, the SPX encourages its staff, clients, and suppliers to voice any concerns they may have regarding unethical or improper behaviour as well as corruption, fraud, and misbehaviour. The Group has adopted a whistleblowing policy that is intended to support and encourage employees to report in good faith matters like; unacceptable practices, irregularities, conduct that is unlawful or in violation of the law (including non-compliance), corruption, fraud, misrepresentation of the facts, sexual harassment, abuse of delegated authority and misuse of Group assets.

Policies and Procedures

The goal of the SPX Group's policies and practices for risk management is to provide every employee with a secure workplace and to effectively manage all associated risks in their line of duty. The majority of departments and functions do involve some level of risk, and the SPX Group makes use of these organisational policies and procedures for risk management to minimise this risk for both employees and their departments.

Business Continuity Plan (BCP)

In the event of significant disasters like fires or pandemics, the SPX Business Continuity Planning (BCP) is typically intended to assist the SPX Group in continuing to operate. BCPs are distinct from disaster recovery plans, which are concerned with restoring an organisation's IT infrastructure following a crisis.

Disaster Recovery Plan (DRP)

To consistently have the organisation ready for changing emergencies and disasters, the Disaster Recovery Plan (DRP) is tested and maintained on an annual basis. The following are some of the typical components of a DRP relevant to the nature of the SPX Group operations:

- ✕ Identifying and assessing disaster risks
- ✕ Identifying crucial programs, files, and resources
- ✕ Specifying off-site storage and backup procedures; and
- ✕ Examining and keeping the DRP process relevant through testing

Succession Plan

The SPX Group has a strong succession plan in place that identifies the key roles in the company and aids in creating an action plan for people to fill those roles. It also has a rating system that assesses a candidate's readiness to assume a position. This facilitates a smooth transition for the SPX Group and lessens any adverse effects of an employee's departure on the business.

Market Report

2022 Market Highlights

Trading Activity

Market Sentiments

On the local equities front, majority of the listed entities witnessed share price falls and in view of this, Fiji's Stock Market witnessed its average total market return constrained by a negative average capital growth (fall in share prices), ultimately resulting in a -1.67% average total market return (share price return plus dividend return) on a 12-monthly basis as at December 2022. Nevertheless, a long-term analysis indicates that the 3-year and 5-year average total market return for the SPX stands at 5.93% and 20.45% respectively.

2022 witnessed an increased amount of dividends being paid to the shareholders in comparison to 2021 as majority of the listed entities returned to declaring dividends at their regular intervals, paid increased dividends, or at least maintained the same level of dividend from the previous year. A total of \$57,420,457 was paid in dividends in 2022 in comparison to \$43,154,186 paid in 2021, a notable increase of 33.06% (\$14,266,271). A positive trend was also noted in terms of average new order flows, aggregate number of trades, volume of transactions and value traded in comparison to 2021 on the back of active participation from both the retail and institutional investors.

From the perspective of market activity, while there was volatility noted in stock prices and thus the aggregate market capitalisation, there was a general uptick in trading activities during 2022. An increased demand for listed entity shares and particularly those stocks that have historically been more liquid, those with high yields and entities that had reported improved financial performances in the recent period, was visible. A strong 'Hold' and/or 'Accumulate' desire for listed securities was also observed for those entities with long-term prospects and potential for future capital growth. From the market sentiments noted, it is obvious that a company which has attractive prospects and future growth potential and has been contemplating floating its shares on the market will find a ready base of investors willing to take up the share offer. With this optimistic sentiment, it is certainly an ideal time for

all those companies to proceed with their plans to consult a licensed investment adviser to further their interests to go Public and list their company on the SPX platform.

Further, noting the realities on the ground with instances of high volatility resulting in concentrated sell-offs for certain listed stocks ultimately causing downward pressure in share prices, the 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 in a trading day would trigger a temporary trading halt, however, no such instances were recorded during 2022.

Given the above sentiments, the overall capitalisation of the market, which is the total dollar value of all the SPX listed entities, recorded a marginal fall of 0.28% concluding the year at a value of \$3,134,863,404 while the SPX Equal Weighted Price Index and the SPX Equal Weighted Total Return Index fell by 1.99% and 0.01% respectively. Leading all market measures, the SPX Total Return Index (STRI) rose by 1.86% on the back of increased total dividend paid in 2022 which also to some extent curtailed the negative impact from the unfavourable capital growth noted during the year. The STRI reflects the total value of all listed entities and the increase in STRI shows that even though share prices fell for majority of the stocks, with the dividend return added-in and considering the listed stocks on an individual basis, some listed entities ended 2022 having earned investors a net positive return.

Overall Trading Pattern

On a consolidated basis and considering all ordinary trades as well as the one-off transactions for the year 2022, the three key trading indicators; number of trades, volume of transactions and value traded, stood noticeably higher in comparison to the 2021 financial year. In aggregate, the number of trades for 2022 stood at 2,501 (+40.58%) with a total volume traded of 6,899,190 shares (+22.71%) accumulating a total consideration value of \$20,904,020 (+24.82%). Higher trading statistics were also recorded after excluding the one-off transactions for both comparable periods.

The key market indicators including and excluding one-off transactions recorded in 2022 in comparison to 2021 period is tabulated below:

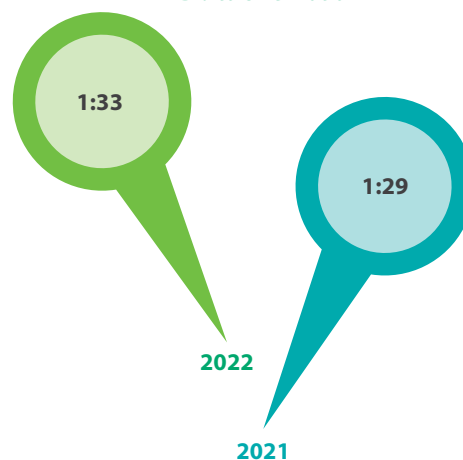
Particulars	Includes One-Off Transactions			Excludes One-Off Transactions		
	2022	2021	% Change	2022	2021	% Change
Number of Trades	2,501	1,779	+40.58%	2,485	1,762	+41.03%
Volume Traded	6,899,190	5,622,571	+22.71%	2,961,120	1,836,576	+61.23%
Value Traded (\$)	20,904,020	16,747,851	+24.82%	5,557,271	3,691,519	+50.54%

New Order Flows

The average weekly new order flow for 2022 recorded on the e-trading platform stood at \$292,637, an increase of 61.29% in comparison to 2021 which is in line with the higher aggregate trading statistics noted during 2022. However, while there was an overall increase noted in the average new order flow, it was apparent that more sell orders were recorded as opposed to buy orders in 2022 (71.40% of sell orders vs 28.60% of buy orders). This justifies the downward pressure recorded in share prices thus a negative average capital/share price growth ultimately noted for the year 2022.

The average bid to offer ratio over a 12-month period stood at 1:33 in 2022 as opposed to 1:29 in 2021, reaffirming that there were more sell orders entering the market than buy orders.

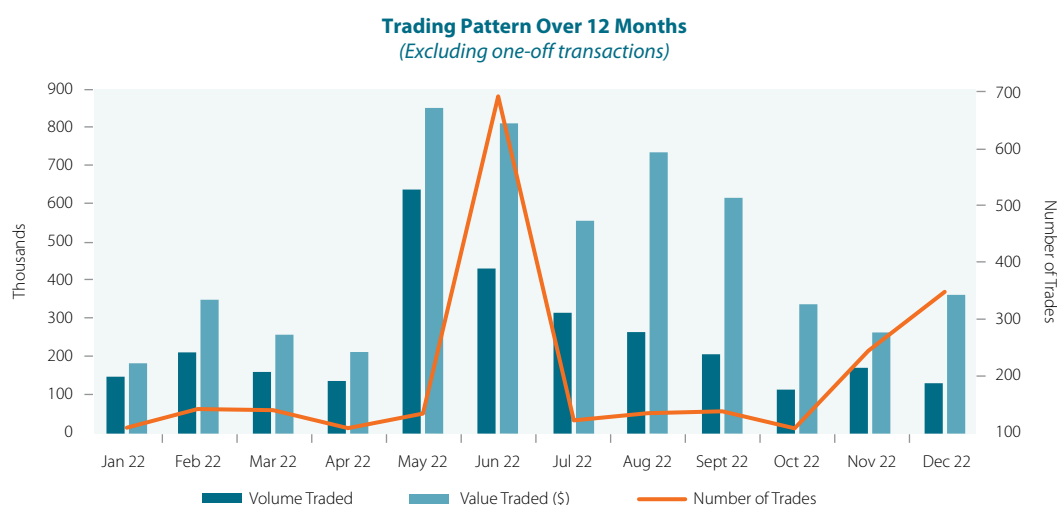
Bid to Offer Ratio



Monthly Trading Trend and Key Events

JAN	As the new year began, emergence of the Omicron variant gave rise to the third wave of the pandemic triggering a reversion to the early days of the pandemic. However, given the vaccination rates already achieved with continuing administration of booster shots, there remained hope for investor confidence and economic recovery. As for market activities, while trading remained akin to previous months, the market capitalisation and the market indices concluded the month on a positive level. Optimism was also noted in the new investor trend as investors aligned their investments with their plans for the new year.
FEB	With an increase in buying interest as opposed to investors willing to sell, a slight improvement in trading was noted. FHL contributed significantly towards the number of transactions as well as volume traded while FIL contributed highly towards the value traded. February also recorded the highest number of new investors for the year on a monthly basis.
MAR	Negotiated deal transactions were recorded in VIL resulting in the volume and value traded to peak. The SPX e-trading platform also recorded an additional quotation of 107,620 shares by KFL as part of its Dividend Reinvestment Plan. Slight improvements were also noted in the market value of listed entities as well as in the market indices. New investor entry into the market also continued.
APR	Market activities as well as the number of new investors per month stalled with a marginal drop also recorded in the market capitalisation. The bid to offer ratio also increased signalling high presence of sellers as opposed to buyers which also put a downward pressure on share prices.
MAY	High-volume private transfer transactions as well as various high-volume ordinary transactions were recorded in FMF and FHL securities respectively. This ultimately contributed positively to the overall trading statistics, including the market value and market capitalisation weighted indices. New investors also showed a slight pickup.
JUN	The full execution of FHL's market-based dividend reinvestment trades originating from the interim dividend declared in April 2022 contributed to the spike in the number of trades for the month. Additional high-volume private transfer transactions being recorded in FMF as well as high-volume transactions recorded in RBG contributed positively towards the volume and value traded for the month. The market also recorded additional quotation of 35,563 shares by PBP as part of its Dividend Reinvestment Plan. June was also the month to record the highest number of trades for the year.
JUL	Trading picked further pace on the back of a negotiated deal transaction in FMF as well as spate of private transfer transactions also recorded in FMF, ATH, RBG and RCF shares. However, given the influx in sell orders which caused a downward pressure on share prices for various stocks, the overall market capitalisation and the market indices recorded negative returns for the month. The number of new investors continued at similar trend as the previous months.
AUG	Trading continued at healthy levels and certain listed entities also managed to gain favourable traction in their share prices resulting in slight increase in the aggregate market value as well as in the market capitalisation weighted indices. A dwindling new investor interest was recorded in comparison to the trend noted so far in 2022.
SEPT	Negotiated deal transactions in RBG, KFL and PDM added positively to market activities leading September to record the highest transaction volume for 2022. The market also recorded additional quotation of 62,676 shares by PBP as part of its Dividend Reinvestment Plan. Unfavorable share price movements during the month in certain listed entities resulted in a decrease in overall market value by 6.11%, the highest monthly market value decline for the year.
OCT	October recorded the highest monthly market capitalisation increase for the year, an upswing of 6.59% as price falls from the previous month recouped. The market also recorded additional quotation of 259,688 shares by KFL as part of its Dividend Reinvestment Plan. There was also a slight pickup noted in the number of new investors from previous month.
NOV	The partial execution of FHL's dividend reinvestment trades from the second interim dividend declared in October 2022 once again contributed to the high number of trades for the month. Negotiated deal transactions in KFL and PDM contributed positively towards the volume and value traded. A downward pressure on share prices was noted resulting in a lower aggregate market value and market indices.
DEC	This was the highlight month for the year as the SPX witnessed the listing of the first-ever Wholesale Corporate Bond on its trading platform by FHL. A high-volume negotiated deal transaction in TTS and continuation of the execution of market-based dividend reinvestment trades in FHL were also noted. These activities ultimately contributed positively to the overall trading statistics. The market value saw some recovery and noted an increase of 2.65% and concluded at \$3.13 billion for the year. December also recorded the highest value of trades for 2022 on the back of the TTS one-off trade.

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



Trade by Security

Analysing the market statistics generated by each listed entity in 2022, Kontiki Finance Limited (KFL) shares dominated the aggregate volume by 24.02% while Toyota Tsusho (South Sea) Limited (TTS) shares dominated the aggregate value traded by 39.86%. The main contributing factor to the high volume and value traded in KFL and TTS shares are due to the execution of negotiated deal transactions in each security. These transactions were executed between institutional investors and high net-worth individuals.

In terms of number of trades, the restricted security, FHL stood as the most active stock. FHL accounted for 57.90% of the total number of trades in 2022. These number of trades for FHL stood approximately 6.9 times higher than the second most active security and were underpinned by FHL's market-based dividend re-investment option for shareholders, which accounted for 39.02% of the aggregate number of trades in 2022 and specifically, 67.40% of all FHL trades in 2022.

On an assenting note, 2022 saw all the listed stocks recording market activities after a lapse of 9 years as such trading behaviour was last witnessed in the year 2013.

Liquidity

The total volume traded for the year 2022 encompassing all trades accounted for 0.49% of the issued securities quoted on the trading platform in comparison to 0.40% noted in 2021. Amongst these securities, 15 listed stocks witnessed an exchange of less than 1% of their issued securities while 4 listed stocks recorded an exchange of greater than 1% but less than 5% of their issued securities.

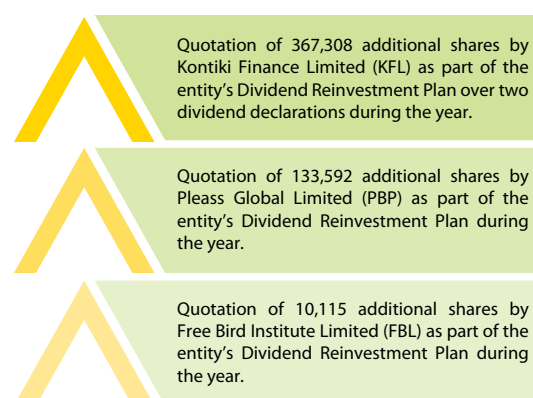
Including all ordinary as well as the one-off transactions, the average volume and value of trades per transaction for the market in 2022 was 2,759 shares and \$8,358 respectively. However, once the one-off transactions are excluded, the

average volume and value of trades per transaction for the market in 2022 stood at 1,192 shares and \$2,237 respectively.

Changes in Issued Securities

The total number of securities on issue as at 31st December 2022 stood at 1.40 billion which depicts a slight increase of 0.04% in comparison to 2021. The increase is owing to additional quotation of shares arising from corporate actions in the form of Dividend Reinvestment Plans by Kontiki Finance Limited (KFL), Pleass Global Limited (PBP) and Free Bird Institute Limited (FBL).

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



Private Transfers

To ensure that private transfer transactions are carried out effectively, these transactions are carried out on the e-trading platform via negotiated deal transaction mechanism. Given that the participants to such transactions are predetermined and, in essence, no consideration is exchanged between the trading parties, the negotiated deal transaction technique has

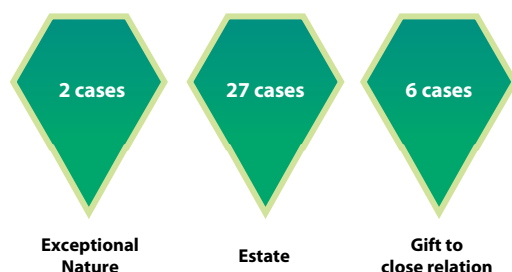
The trade analysis by each security for 2022 is tabulated below:

Security	Share Price as at 31/12/22 (\$)	Number of Trades	Volume Traded	Value Traded (\$)	Issued Securities	Volume Traded to Issued Securities Ratio	Market Capitalisation (\$)
APP	3.40	28	13,550	42,794	8,000,000	0.17%	27,200,000
ATH	2.00	211	240,518	437,800	478,590,099	0.05%	957,180,198
CFL	6.90	20	7,952	54,271	3,558,000	0.22%	24,550,200
FBL	3.49	36	23,606	78,165	2,385,413	0.99%	8,325,091
FIL	9.25	196	173,748	1,295,107	8,607,742	2.02%	79,621,614
FMF	1.89	48	790,455	1,483,733	150,000,000	0.53%	283,500,000
FTV	2.25	6	2,400	7,880	10,300,000	0.02%	23,175,000
KFL	1.00	107	1,657,270	1,536,181	93,244,386	1.78%	93,244,386
KGF	1.12	5	19,680	21,752	3,821,210	0.52%	4,279,755
PBP	3.30	13	15,396	47,942	6,935,652	0.22%	22,887,652
PDM	2.14	63	445,681	858,570	40,000,000	1.11%	85,600,000
PGI	1.08	1	500	540	7,619,234	0.01%	8,228,773
RBG	3.24	123	630,405	1,868,258	150,000,000	0.42%	486,000,000
RCF	10.50	44	4,907	53,703	6,000,000	0.08%	63,000,000
TTS	15.83	18	584,511	8,331,769	14,032,202	4.17%	222,129,758
VBH	7.50	8	4,680	35,100	2,137,403	0.22%	16,030,523
VIL	4.11	43	899,057	3,429,117	103,769,425	0.87%	426,492,337
FHL	0.67	1,448	1,373,873	969,496	304,646,500	0.45%	204,113,155
BCN	32.40	83	11,001	351,843	3,064,968	0.36%	99,304,963
TOTAL		2,501	6,899,190	20,904,020	1,396,712,234	0.49%	3,134,863,404

been adopted to ensure that the security's last traded price remains unchanged.

Overall, there were a total of 35 private transfer transactions in 9 listed securities in 2022. These transactions totalled 0.77 million shares in volume and \$1.36 million in value.

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



FMF shares dominated the private transfer statistics in all three aspects of number of private transfer transactions, volume and value of transactions during 2022.

The table below portrays the volume and value of private transfers by the individual listed securities in 2022:

Security	Number of Trades	Volume Traded	Value Traded (\$)
ATH	3	19,752	35,438
FMF	14	447,723	884,013
FTV	1	1,000	4,500
KFL	2	162,105	178,042
RBG	1	25,000	81,000
RCF	6	5,500	61,015
VIL	1	10,000	41,500
FHL	6	97,720	67,220
BCN	1	191	6,761
TOTAL	35	768,991	1,359,490

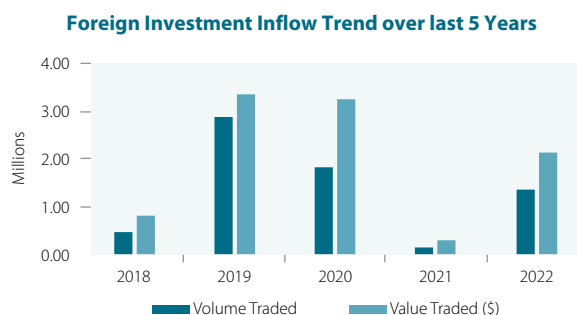
Foreign Investment Flows

The total of new foreign investment inflows into the stock market by way of volume and value exchanged ended at 1.36 million shares and \$2.13 million respectively in 2022, showing a significant increase from the previous year.

FijiCare Insurance Limited (FIL) dominated the foreign investment trading statistics in terms of number of transactions and value traded while Kontiki Finance Limited (KFL) dominated

the volume traded statistics. A total of 12 non-resident investors were observed to maintain an active trading pattern in SPX listed entities throughout the year.

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

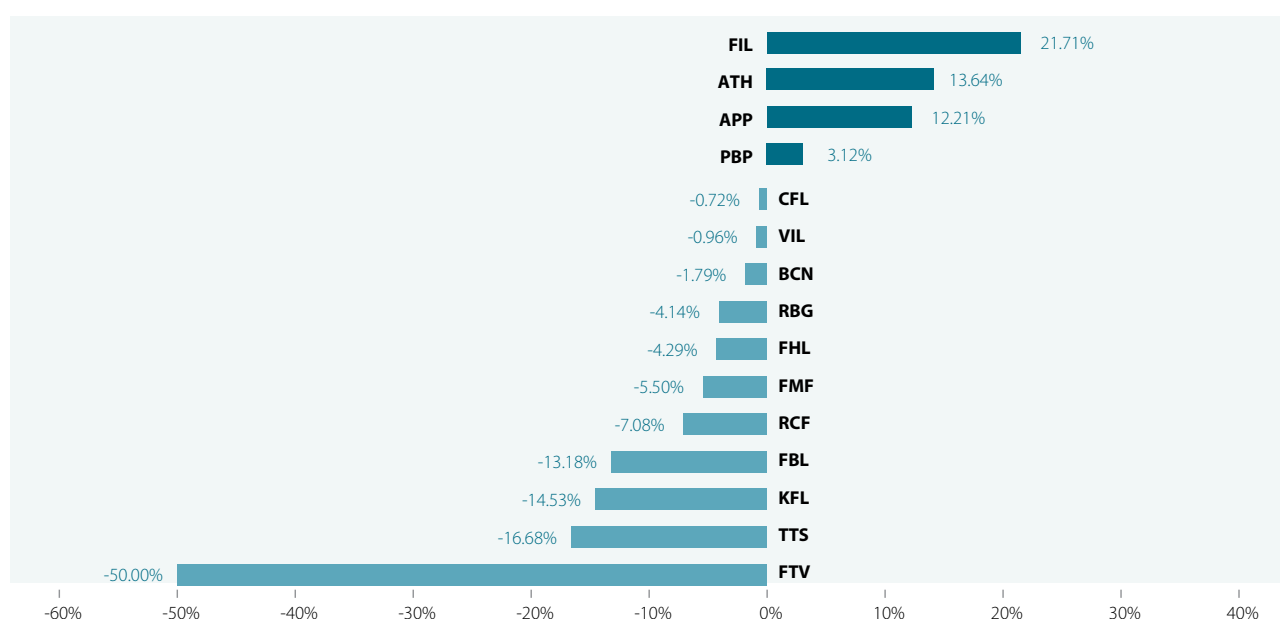


Market Returns

Capital Growth

The SPX e-trading platform concluded the year 2022 with 4 out of the 19 listed securities recording increased share prices while 11 listed stocks recorded a fall in their share prices against the same period last year¹. Additionally, the share prices for four securities did not change during the period under review. Amongst the price gainers, two listed stocks, namely; FijiCare Insurance Limited (FIL) and Pleass Global Limited (PBP) concluded at their all-time high share prices while Kinetic Growth Fund Limited (KGF), despite not recording any price changes, continues to trade at its all-time high share price.

Share price movements recorded per listed entity during 2022 is illustrated below:



Evidenced by a higher selling interest which triggered a downward pressure on share prices for majority of the listed stocks, the overall average share price/capital growth for 2022 recorded a decrease in comparison to year 2021 and stood at -3.59% in 2022.

Dividend Yield

For 2022, the average tax-free income yield for the market stood at 1.92%. Considering each of the listed stocks on an individual basis, nine out of the 19 listed stocks paid increased dividends to their shareholders in comparison to the prior year while five listed entities maintained the same level of dividend payments from 2021. One entity paid a lower dividend in 2022 while four listed entities did not declare any dividends during the period under review.

Overall, during 2022 an increased value of \$57,420,457 million was paid out in dividends in comparison to a total of \$43,154,186 million paid out in 2021, a notable increase of \$14,266,271.

Total Market Return

At an aggregate level, the total market return to investors in listed entities encompasses the capital gain and the dividend yield from listed stocks as such the average total market return for 2022 stood at -1.67%. It is apparent that while the dividend yield remained stable, the negative capital growth generated by majority of the listed entities reduced the average total market return.

¹ Share prices for four listed stocks, namely; KGF, PDM, PGI and VBH remained constant during the 2022 period

Additionally, at individual investor level, it may be wise to consider returns generated by specific listed entities as the year also recorded positive total market return (share price gain plus dividend return) for at least eight listed stocks.

Details of price movements and dividend returns per listed entity as at 31st December 2022 is tabulated below:

Security	Share Price (\$)		Capital Growth	Dividend Yield	Total Market Return
	2022	2021			
APP	3.40	3.03	12.21%	1.62%	13.83%
ATH	2.00	1.76	13.64%	1.00%	14.64%
CFL	6.90	6.95	-0.72%	1.16%	0.44%
FBL	3.49	4.02	-13.18%	3.44%	-9.75%
FIL	9.25	7.60	21.71%	1.08%	22.79%
FMF	1.89	2.00	-5.50%	1.59%	-3.91%
FTV	2.25	4.50	-50.00%	0.00%	-50.00%
KFL	1.00	1.17	-14.53%	5.00%	-9.53%
KGF	1.12	1.12	0.00%	0.00%	0.00%
PBP	3.30	3.20	3.12%	1.52%	4.64%
PDM	2.14	2.14	0.00%	0.00%	0.00%
PGI	1.08	1.08	0.00%	0.00%	0.00%
RBG	3.24	3.38	-4.14%	1.45%	-2.69%
RCF	10.50	11.30	-7.08%	3.33%	-3.75%
TTS	15.83	19.00	-16.68%	6.57%	-10.11%
VBH	7.50	7.50	0.00%	2.80%	2.80%
VIL	4.11	4.15	-0.96%	1.46%	0.50%
FHL	0.67	0.70	-4.29%	1.49%	-2.79%
BCN	32.40	32.99	-1.79%	3.04%	1.26%
AVERAGE			-3.59%	1.92%	-1.67%

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

The average Earnings per Share (EPS) and Price Earnings (PE) ratio from the market in 2022 stood at 22.45 cents and 21.60 times (or a 4.63% earnings yield) respectively.

The EPS and the PE ratio comparisons per security between 2022 and 2021 is tabulated on right.

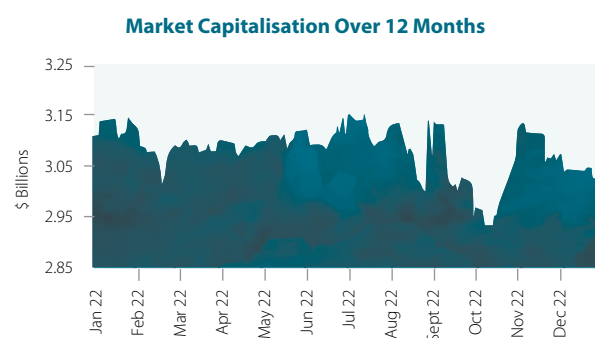
Market Capitalisation

For the SPX market, the largest company by way of market share accounts for around 30% of the total market capitalisation while the smallest company by way of market share accounts for less than 0.15% only. As such, the movements in share prices of heavyweight stocks renders greater changes in the aggregate market value due to the uneven composition of individual listed entities and their contribution towards the total market value.

Security	Earnings Per Share (Cents)		Price Earnings Ratio (Times)	
	2022	2021	2022	2021
APP	12.84	26.81	26.48	11.30
ATH	11.67	8.64	17.14	20.36
CFL	22.41	23.17	30.79	30.00
FBL	17.19	29.91	20.30	13.44
FIL	70.61	18.56	13.10	40.96
FMF	6.61	6.13	28.61	32.62
FTV	-4.67	-22.79	-48.23	-19.74
KFL	7.74	4.59	12.92	25.46
KGF	-5.34	-0.99	-20.97	-112.85
PBP	16.13	15.59	20.46	20.53
PDM	15.58	-14.56	13.74	-14.70
PGI	5.01	3.82	21.55	28.26
RBG	7.31	5.71	44.34	59.15
RCF	10.02	35.70	104.83	31.65
TTS	98.40	39.81	16.09	47.73
VBH	33.44	65.49	22.43	11.45
VIL	11.74	6.76	35.02	61.41
FHL	4.89	-5.78	13.70	-12.12
BCN	84.98	85.05	38.12	38.79
AVERAGE	22.45	17.45	21.60	16.51

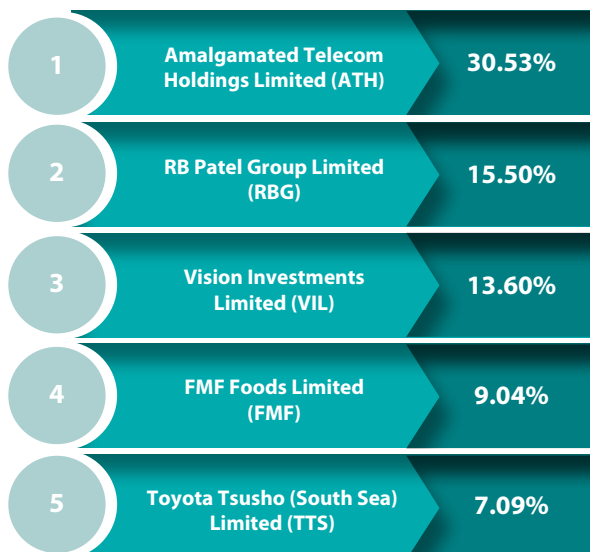
As such, negative share price returns recorded by four of the top five SPX listed stocks by way of market share in 2022 resulted in the overall market value to witness a decrease of \$8,733,427 (-0.28%) and conclude at a value of \$3,134,863,404 (\$3.13 billion).

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



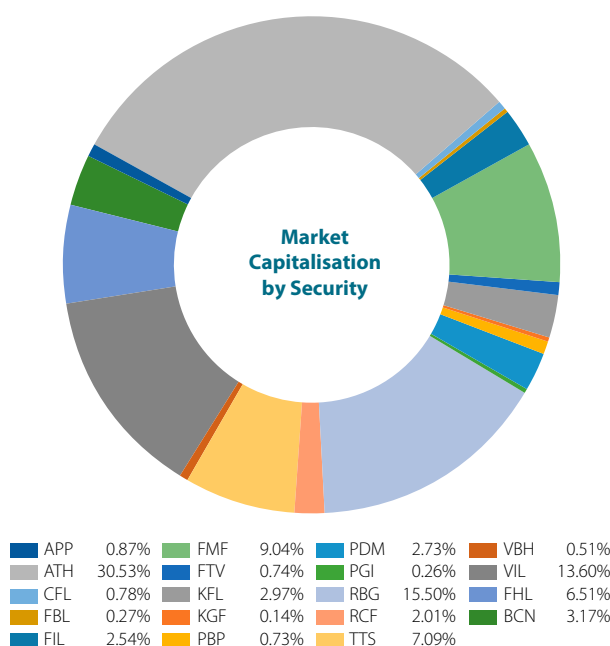
The top five listed securities in terms of market capitalisation represented 75.77% of the overall market value as at 31st December 2022.

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

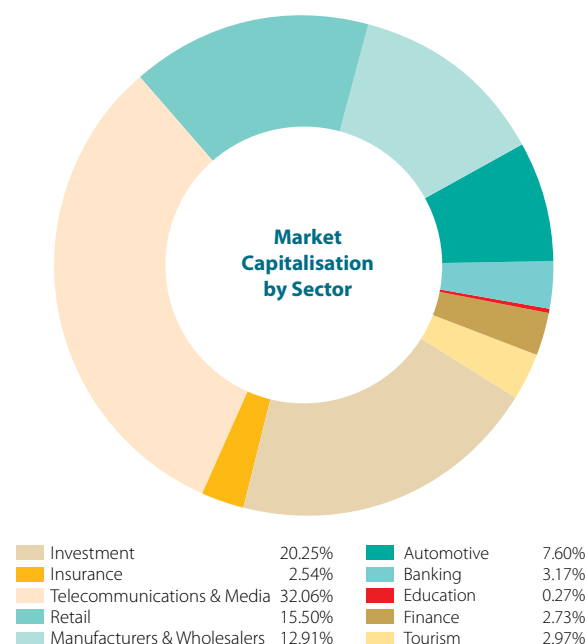


The Telecommunications & Media sector, with a sectorial representation of 32.06% held the largest share of the total market value. With a 20.25% occupancy, the Investment sector was second in line while the Retail sector stood third with a 15.50% occupancy. The Manufacturers & Wholesalers sector came in at number four with a composition of 12.91% while the Automotive sector stood fifth with an occupancy of 7.60%. The Banking sector, which includes BCN shares, was at 3.17% while the Tourism sector was ranked at 2.97%. At the end of 2022, the Finance industry had an occupancy rate of 2.73%, while the Insurance sector, which was entirely represented by FIL shares, had a contribution rate of 2.54%. Lastly, FBL comprised 0.27% of the Education sector.

Details of contribution of each listed entity towards the overall market capitalisation as at end of 2022 is illustrated below:



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



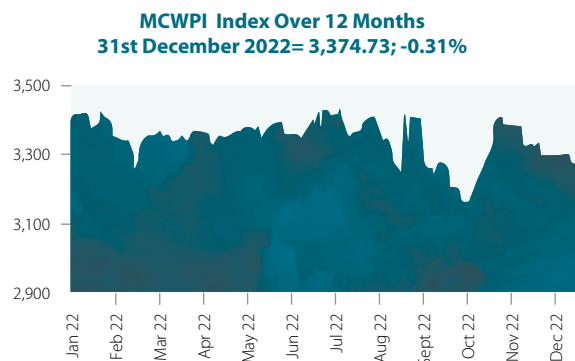
Market Indices

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 0.31% (-10.33 points) and concluded at a value of 3,374.73.

The 12-month performance for MCWPI is illustrated below:

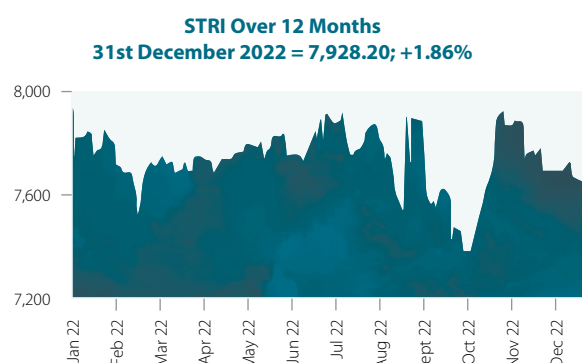


SPX Total Return Index (STRI)

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.

Therefore; while on average, a negative capital return was noted, a high amount of dividend paid to the shareholders during 2022 abridged the unfavourable share price return to some extent which resulted in the overall STRI value to increase by 1.86% (+145.01 points) and conclude at a value of 7,928.20.

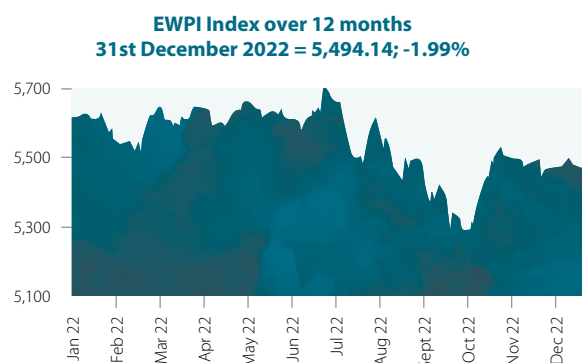
The 12-month performance for STRI is illustrated below:



Equal Weighted Price Index (EWPI)

The SPX Equal Weighted Price Index (EWPI) which only accommodates share price changes while weighing all listed entities equally, fell by 1.99% (-111.28 points) concluding at a value of 5,494.14 for the year 2022. In order to maintain investor confidence and in line with the SPX's market surveillance guidelines, the SPX maintained a proactive stance in monitoring market movements and closely followed the daily movements in the Equal Weighted Price Index during 2022. 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.

The 12-month performance for EWPI is illustrated below:

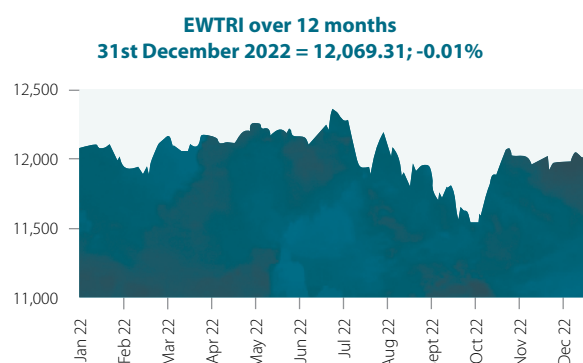


Equal Weighted Total Return Index (EWTRI)

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.

The EWTRI for 2022 fell marginally by 0.01% (-0.64 points) and concluded the year at a value of 12,069.31 and in tandem with the negative average total market return for the year.

The 12-month performance for EWTRI is illustrated below:

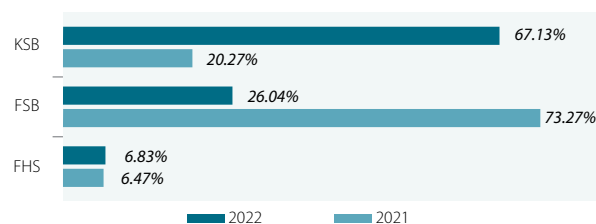


Trading Activity by SPX Members

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 2021.

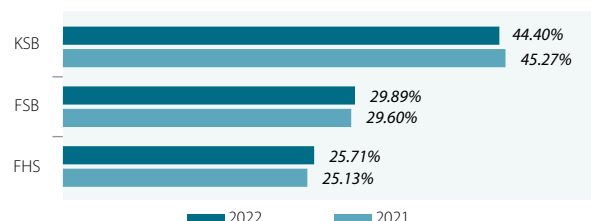
The graph below includes the one-off transactions executed on the SPX for the 2022 and 2021 comparative years:

Percentage of Aggregate Value Traded by SPX Members (Includes one-off transactions)



The illustration below excludes the one-off transactions executed on the SPX for both the 2022 and 2021 comparative years:

Percentage of Aggregate Value Traded by SPX Members (Excludes one-off transactions)



Wholesale Corporate Bonds

Wholesale Corporate Bonds are bonds issued by companies under the Companies (Wholesale Corporate Bonds) Regulations 2021 of the Reserve Bank of Fiji (RBF), which facilitates issuances of corporate bonds to eligible wholesale investors under s283(4)(d) of the Companies Act 2015.

The SPX Listing and Trading Rule Book lays out the rules and procedures of the SPX that apply to companies wanting to issue and list their Wholesale Corporate Bonds on the SPX.

This new product offering is anticipated to 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. To encourage issuance of Wholesale Corporate Bonds on the SPX, the following incentives apply:

Incentives

A company whose corporate bond is listed on the SPX, shall be allowed deduction of 150% on prescribed costs incurred for listing the bonds

A company whose corporate bond is listed for trading on the SPX, will be allowed deduction of 150% on the interest payments made by it to bondholders under the terms of issue of the corporate bond

Interest income earned on corporate bonds traded on the SPX is exempt from withholding tax in the hands of the bondholder

SPX Trustees Limited (SPXT) was established by the SPX in 2021 and 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 Central Share Registry Pte Limited (CSRL), is also equipped to provide bond registry services for the Wholesale Corporate Bond issuers.

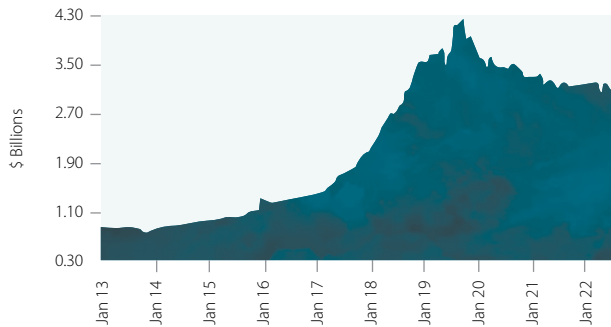
Fijian Holdings Limited (FHL), is the first entity to issue and list its Wholesale Corporate Bonds on the SPX on 7th December 2022. Please refer below for details:

Issuer Name	Bond Identifier	Issue Date	Offer Amount	Coupon Rate	Term (months)	Maturity Date
Fijian Holdings Limited	FHLWCB30112025	30/11/2022	\$15,200,000	3.00%	36	30/11/2025
Fijian Holdings Limited	FHLWCB30112027	30/11/2022	\$10,800,000	3.50%	60	30/11/2027
Fijian Holdings Limited	FHLWCB30112029	30/11/2022	\$4,000,000	3.75%	84	30/11/2029

Market Statistics

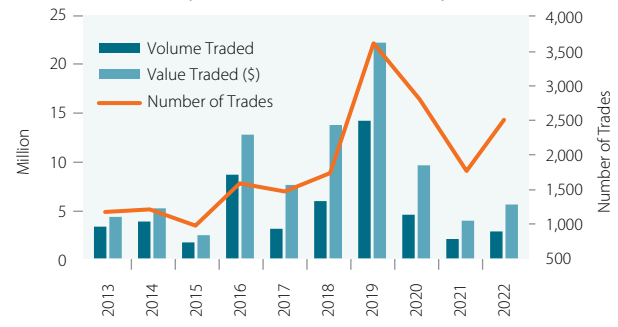
Ten Year Key Market Indicators

Market Capitalisation Over 10 Years

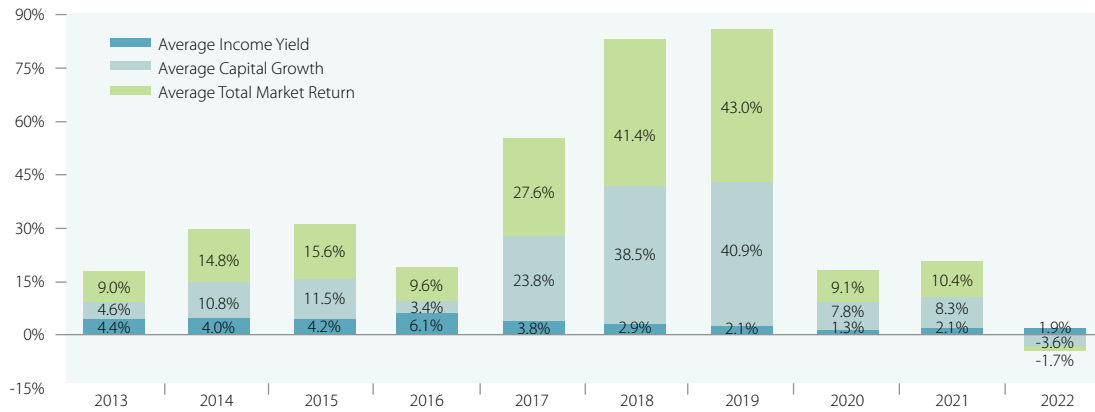


Trading Pattern Over 10 Years

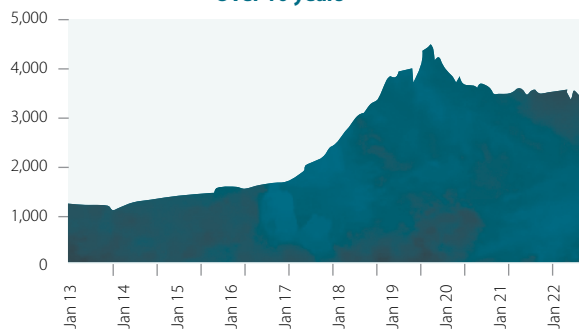
(Excludes one-off transactions)



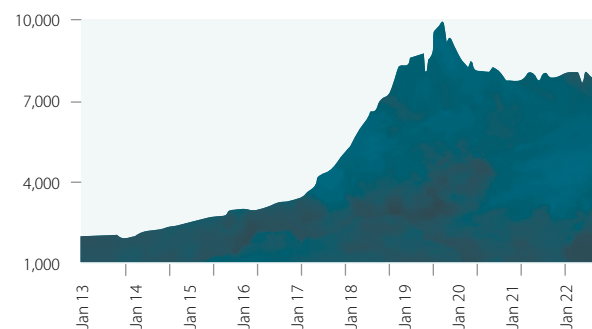
Average SPX Market Returns over 10 Years



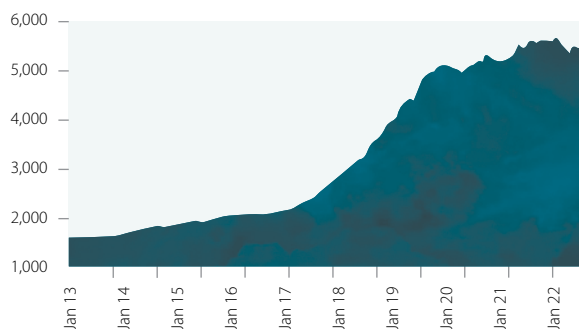
**Market Capitalisation Weighted Price Index (MCWPI)
Over 10 years**



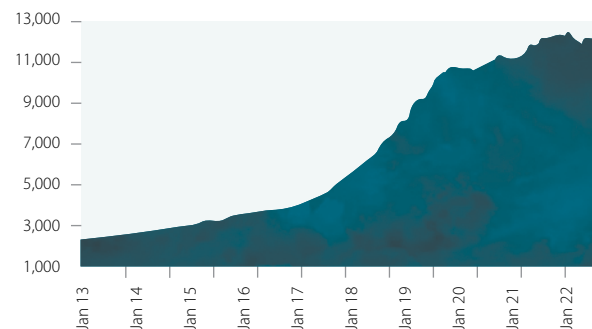
SPX Total Return Index (STRI) Over 10 years



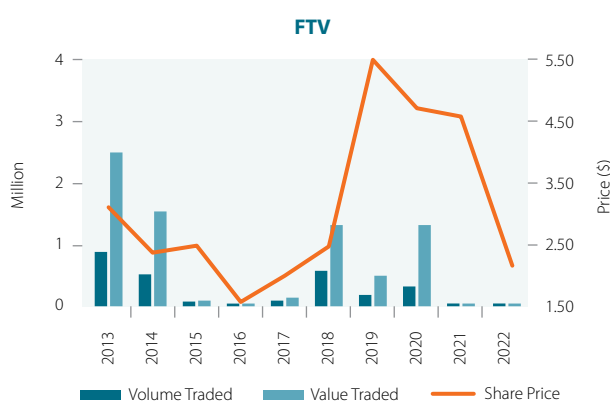
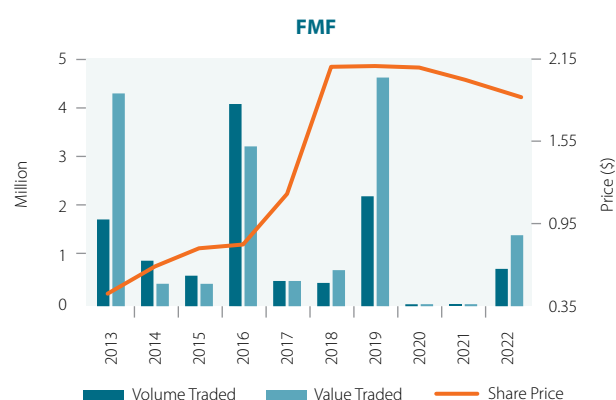
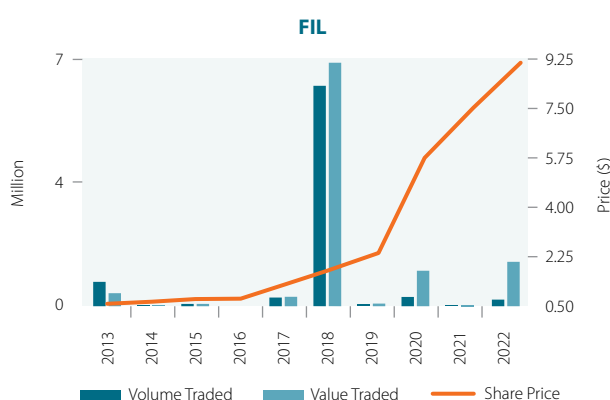
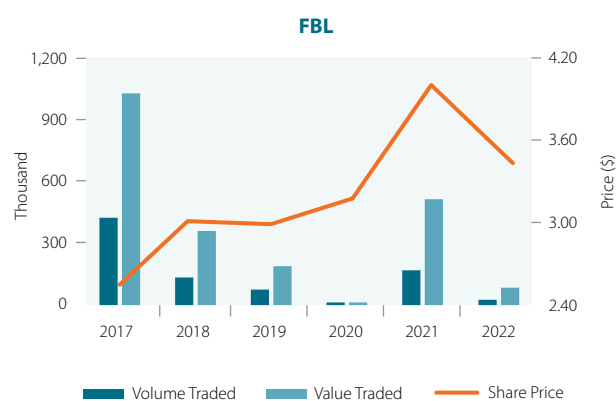
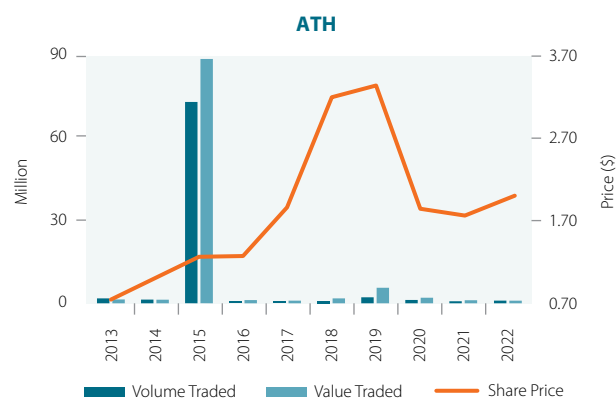
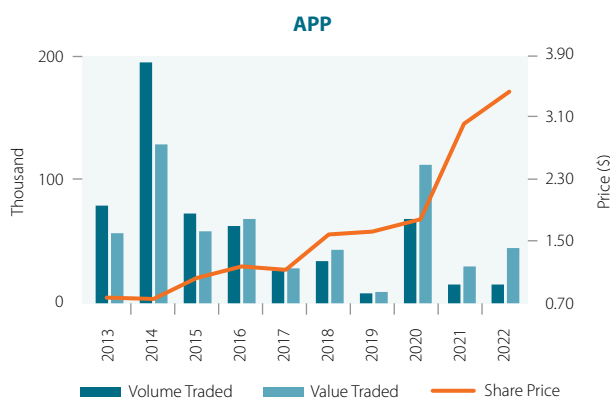
Equal Weighted Price Index (EWPI) Over 10 Years

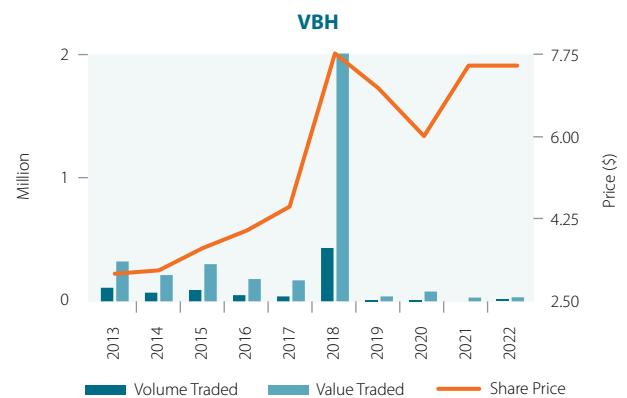
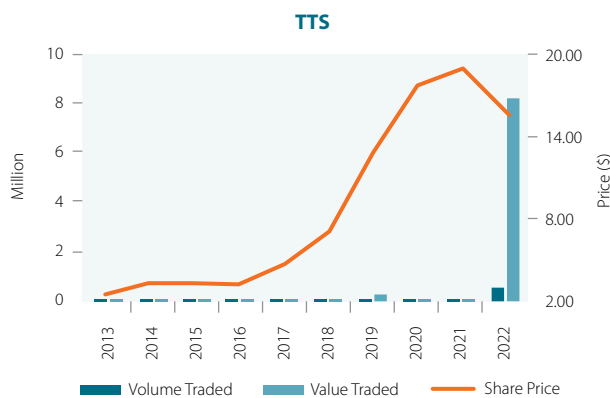
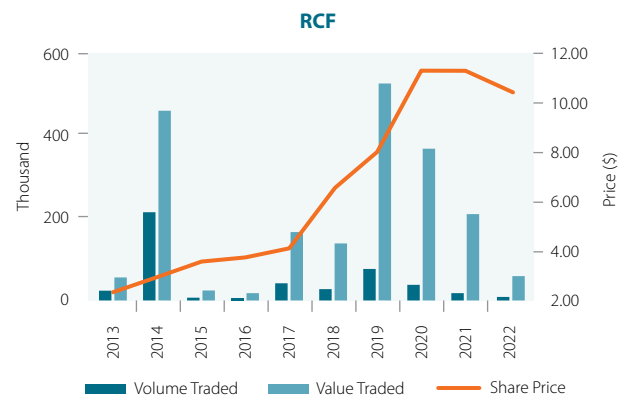
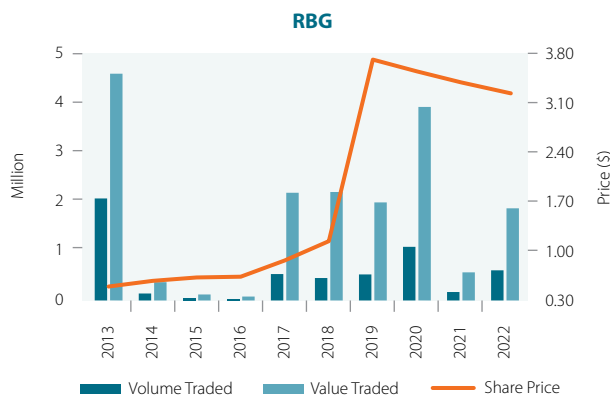
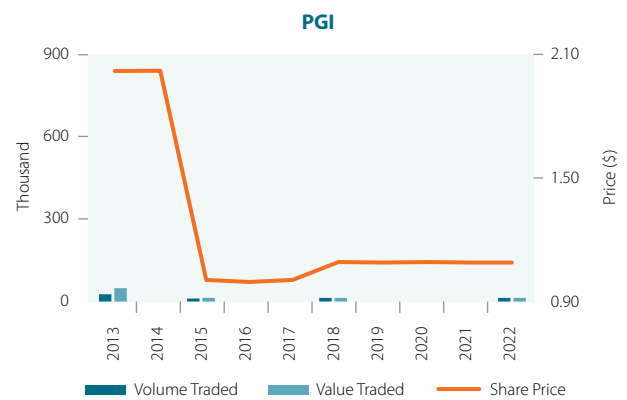
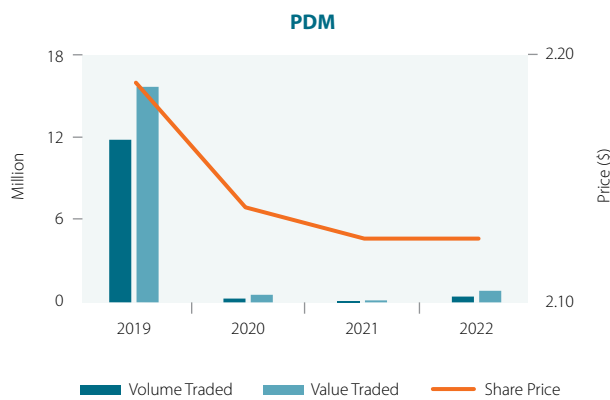
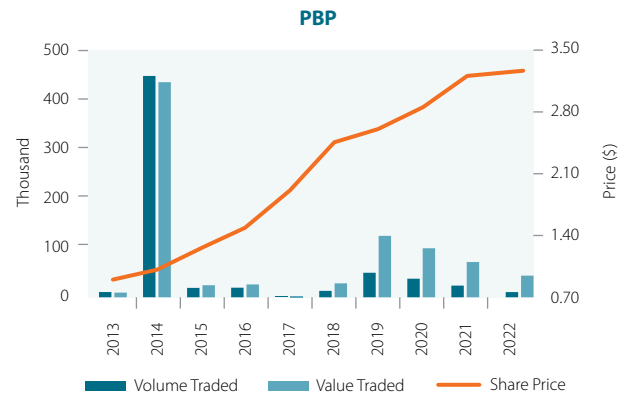
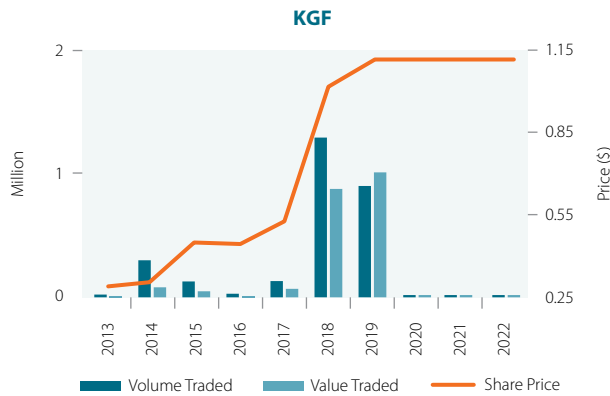


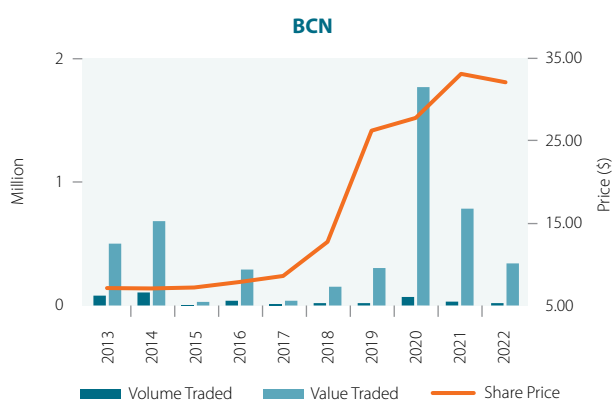
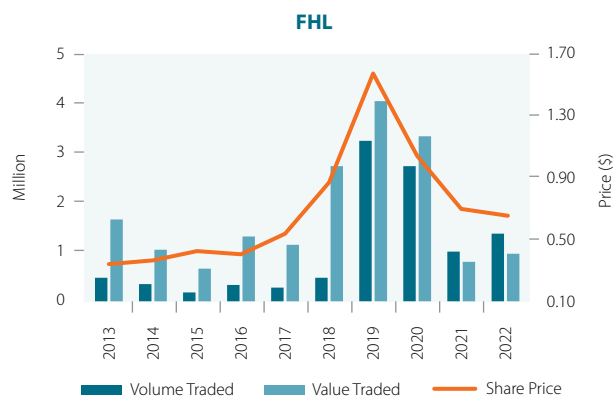
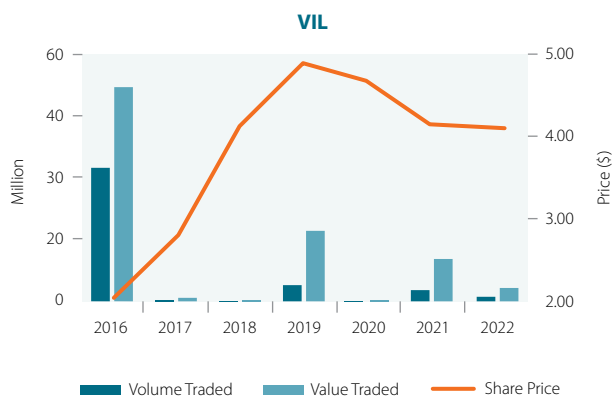
Equal Weighted Total Return Index (EWTRI) Over 10 Years



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







Investor Profile

2022 Security Holders

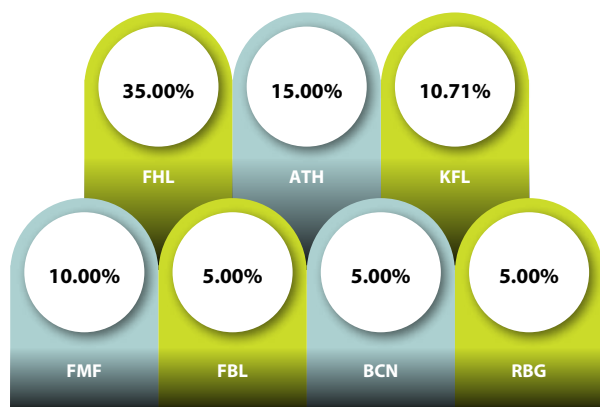
New Investors

A total of 140 new investors entered the Fijian stock market in 2022 which is lower by 23.50% in comparison to the same period last year. Despite the uncertainties encountered around investor sentiments in 2022, the number of new investors entering the stock market remained commendable and stable. Generally, after noting the new investor trend, it is apparent that potential investors continue to face the influence of COVID-19 which is necessitating investors to reassess their financial priorities between consumption, and saving/investing. The new investors also remained lower as no new listings and corporate actions such as Share Split were noted during 2022, which in the past have been the two key positive contributors towards the new investor statistics.

Even though the number of new investors decreased, the aggregate number of investors in the stock market increased. Additionally, after observing the investment trends and behaviour of these new investors, it is evident that investors are aware of and realise the long-term benefits of investing in the stock market.

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

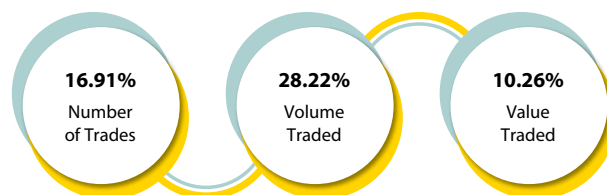
Preferred listed securities in which new investors invested in (expressed as a percentage of total number of new investors) is illustrated below:



In total, these new investors yielded 423 transactions and contributed a higher 1,946,855 shares in volume traded and accumulated \$2,144,354 in value traded.

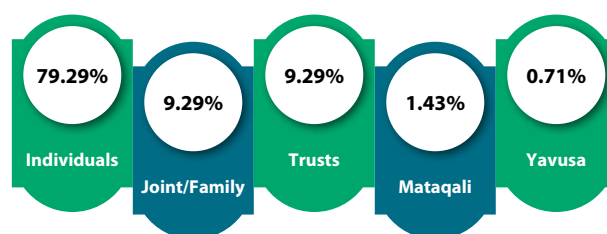
As a percentage of the aggregate trading statistics for 2022, the new investors accounted for 16.91% of the overall number of trades, 28.22% of the overall volume traded and 10.26% of the overall value traded.

Key statistics contributed by the new investors as a percentage of overall trading statistics in 2022 is illustrated below:



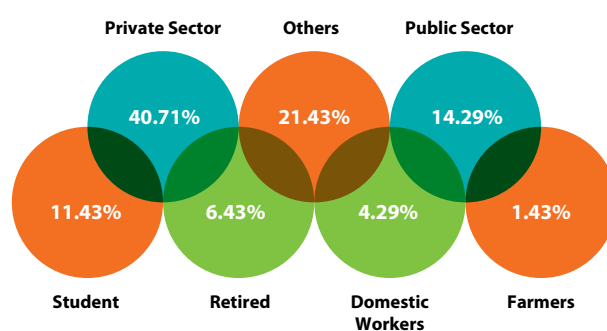
In 2022, individuals made up a majority of the new shareholders who invested in the listed entities, accounting for 79.29% of the overall new investments by investor type.

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



As per an analysis of new investors by occupation, it is evident that majority of the new investors were those working in the private sector. Those represented by "Others" are ranked second (this includes self-employed investors, Trust, Mataqali and Yavusa).

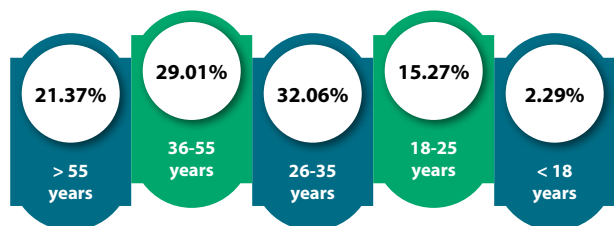
A detailed illustration of new investors by occupation is portrayed below:



According to a review of new investors entering the market in 2022 by age group, the majority of the new investors fall between the age range of 26 years to 35 years, with investors between the age range of 36 years and 55 years ranking second. With majority of Fiji's population below 40 years, this is a welcome trend as more young people are now considering the long-term benefits of investing in shares and are using shares as part of their investment portfolio to meet their future financial needs.

A positive trend noted is that 49.62% of the new investors recorded were below the age of 35 years. Furthermore, it became evident during 2022 that new investors below the age of 18 years now make up a notable amount of the statistics towards new investors, compared to their historical percentage of less than 1%.

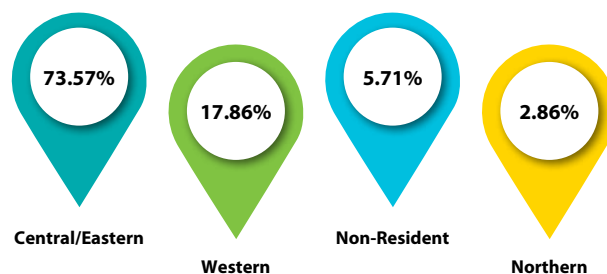
A detailed illustration of new investors by age range is portrayed below:



According to data on new investors by geographic location, majority of the new investors in 2022 were residents and primarily from the Central/Eastern division. However, it is encouraging to see new investors emerging from the Western and Northern divisions. Additionally, new non-resident investors were also noted in 2022. The central division also has a high business density and is largely responsible for the higher employment rates, which leads to a higher concentration of new investors from the central division.

The SPX together with the three licensed stockbroking firms is located in Suva which understandably makes it easier for investors from the Central division to access our services with more convenience as well, however, to ensure the SPX continues to empower the investors from other divisions of the country, we continue to disseminate all pertinent information about investing in shares through other mediums such as the SPX website, social media platforms, television, and newspaper articles. The SPX is encouraged to take note of investors from other divisions and strongly urges all investors who are based outside of Suva to communicate their investment interests to the SPX via phone, email or Facebook messages. Our team will surely assist you in starting with your investment journey.

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



Distribution of Security Holding & Number of Security Holders

Security	Less than or equal to 500	501 to 5,000	5,001 to 10,000	10,001 to 20,000	20,001 to 30,000	30,001 to 40,000	40,001 to 50,000	50,001 to 100,000	100,001 to 1,000,000	Over 1,000,001	Total
APP	28	73	13	10	3	0	0	3	4	1	135
ATH	314	935	120	46	17	6	9	15	5	11	1,478
CFL	50	97	7	2	4	2	0	2	4	1	169
FBL	75	27	4	3	2	1	1	2	3	1	119
FIL*	13,289	49	9	6	5	1	0	3	4	1	13,367
FMF	37	119	66	71	42	17	21	34	42	9	458
FTV	207	203	8	4	1	0	0	0	3	2	428
KFL	52	106	23	22	10	9	8	20	57	22	329
KGF	2	69	14	14	5	3	1	4	6	1	119
PBP	25	42	14	6	1	1	0	2	3	2	96
PDM	212	324	55	23	2	7	3	6	4	3	639
PGI	16	29	0	2	1	1	0	1	3	3	56
RBG	65	150	32	37	30	3	20	12	14	9	372
RCF	58	78	6	7	3	2	0	1	3	1	159
TTS	109	39	4	2	0	1	0	1	0	2	158
VBH	47	52	7	3	1	0	3	2	5	0	120
VIL	72	156	57	20	5	1	3	3	9	9	335
FHL	190	596	305	215	81	49	37	72	131	19	1,695
BCN	70	51	3	0	0	3	3	3	5	1	139
TOTAL	14,918	3,195	747	493	213	107	109	186	305	98	20,371

*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	126	9
ATH	1,386	92
CFL	148	21
FBL	91	28
FIL	13,354	13
FMF	367	91
FTV	388	40
KFL	259	70
KGF	109	10
PBP	93	3
PDM	609	30
PGI	47	9
RBG	348	24
RCF	144	15
TTS	93	65
VBH	100	20
VIL	327	8
FHL	1,666	29
BCN	134	5
TOTAL	19,789	582

Percentage of Public & Non-Public
Security Holding

Security	Public Holding	Non - Public Holding
APP	36.77%	63.23%
ATH	12.04%	87.96%
CFL	29.32%	70.68%
FBL	31.47%	68.53%
FIL	22.33%	77.67%
FMF	29.05%	70.95%
FTV	17.90%	82.10%
KFL	51.81%	48.19%
KGF	85.31%	14.69%
PBP	25.98%	74.02%
PDM	29.38%	70.62%
PGI	30.03%	69.77%
RBG	28.27%	71.73%
RCF	23.40%	76.60%
TTS	20.32%	79.68%
VBH	34.25%	65.75%
VIL	23.16%	76.84%
FHL	31.36%	68.64%
BCN	37.51%	62.49%
AVERAGE	31.56%	68.44%

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	20.18%	0.77%	0.01%	78.22%	99.18%	0.82%
ATH	478.59	1.36%	0.31%	0.03%	95.57%	97.27%	2.73%
CFL	3.56	23.46%	0.57%	0.00%	73.36%	97.39%	2.61%
FBL	2.39	2.13%	8.37%	0.00%	13.59%	24.09%	75.91%
FIL	8.61	6.79%	0.16%	0.01%	91.77%	98.73%	1.27%
FMF	150.00	7.40%	3.39%	0.28%	86.28%	97.35%	2.65%
FTV	10.30	2.28%	1.16%	0.11%	95.97%	99.52%	0.48%
KFL	93.24	17.12%	0.88%	0.02%	38.23%	56.24%	43.76%
KGF	3.82	17.60%	1.18%	0.42%	64.04%	83.24%	16.76%
PBP	6.94	55.95%	0.29%	0.00%	43.48%	99.71%	0.29%
PDM	40.00	2.59%	1.15%	0.06%	25.14%	28.94%	71.06%
PGI	7.62	0.82%	0.57%	0.00%	87.98%	89.37%	10.63%
RBG	150.00	5.70%	4.62%	0.11%	89.37%	99.79%	0.21%
RCF	6.00	4.12%	0.76%	0.23%	94.31%	99.41%	0.59%
TTS	14.03	0.42%	0.04%	0.01%	19.61%	20.08%	79.92%
VBH	2.14	65.05%	0.33%	0.09%	21.33%	86.80%	13.20%
VIL	103.77	3.31%	0.57%	0.01%	93.00%	96.89%	3.11%
FHL	304.65	6.76%	0.61%	0.20%	91.94%	99.51%	0.49%
BCN	3.06	7.81%	0.33%	0.04%	91.45%	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	3.99%	89.41%	5.61%	0.45%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%
ATH	0.78%	96.76%	2.18%	0.13%	0.03%	0.02%	0.00%	0.10%	0.00%	0.00%
CFL	10.06%	74.47%	13.07%	2.27%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
FBL	19.24%	68.73%	10.60%	1.09%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%
FIL	6.26%	91.98%	0.82%	0.40%	0.28%	0.00%	0.00%	0.26%	0.00%	0.00%
FMF	10.78%	86.31%	2.46%	0.43%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
FTV	3.26%	87.11%	8.80%	0.64%	0.03%	0.13%	0.02%	0.00%	0.00%	0.00%
KFL	42.16%	45.91%	5.48%	5.18%	0.00%	1.27%	0.01%	0.00%	0.00%	0.00%
KGF	16.99%	79.75%	0.08%	3.10%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%
PBP	56.00%	27.46%	16.03%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PDM	3.78%	94.61%	1.14%	0.43%	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	6.54%	76.11%	16.64%	0.33%	0.01%	0.00%	0.04%	0.00%	0.33%	0.00%
RCF	3.72%	94.36%	1.02%	0.70%	0.04%	0.17%	0.00%	0.00%	0.00%	0.00%
TTS	0.44%	99.33%	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	1.17%	93.01%	2.28%	0.41%	0.01%	3.09%	0.01%	0.02%	0.00%	0.00%
FHL	5.70%	79.51%	2.24%	2.33%	0.80%	2.25%	0.98%	5.03%	0.83%	0.33%
BCN	4.12%	91.76%	3.83%	0.27%	0.02%	0.00%	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	
Resident Investors	Individual	Male		11,181	2,057	2	29	87	3	10	89	106	465	57	25	7,987	5	259	0	
		Female		3,167	567	2	8	82	1	1	11	33	173	24	4	2,176	-	85	0	
	Trust			251	271	33	-	6	-	2	2	2	2	24	2	1	175	-	22	
		Corporate		479	482	92	-	13	4	3	1	2	10	20	4	1	315	-	17	
	Mataqali			62	74	12	-	1	-	-	-	2	2	2	3	-	40	1	11	
		Joint Account		584	582	105	-	9	4	2	1	17	15	47	8	2	331	-	41	
	Others			194	191	13	-	26	2	7	-	-	12	3	14	7	4	70	2	31
		Unknown (FIL shareholders)*		3,841		2	-	-	-	-	-	-	-	1	-	-	-	3,838	-	-
	Number of Investors by Location	Total			19,789															
						Australia	New Zealand	USA	UK	Canada	China	India	Japan	Pacific Island Countries	Others					
Non-Resident Investors	Individual	Male		336	94	91	23	11	20	-	-	18	33	46						
		Female		88	35	17	17	3	3	1	-	4	5	3						
	Trust			11	12	5	2	3	-	-	-	-	-	2						
		Corporate		73	74	43	18	-	-	-	-	-	2	4						
	Joint Account			67	69	23	17	11	3	11	-	-	-	2						
		Others		3	3	-	1	1	-	-	-	-	-	1						
	Total			582																
	TOTAL			20,371																

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

With core operations given priority, the SPX together with its two wholly owned subsidiaries; Central Share Registry Pte Limited (CSRL) and SPX Trustees Limited (SPXT) managed to undertake and successfully execute the following business development activities during 2022:

Inaugural Wholesale Corporate Bond Listing

In line with the SPX's strategic goal of increasing the multiplicity of investible products available through the domestic capital market, the SPX witnessed listing of the first-ever wholesale corporate bond in December 2022 by Fijian Holdings Limited (FHL). At the close of the offer period, FHL successfully raised \$30,000,000 through the secured fixed rate wholesale corporate bond issuance which was offered only to eligible investors under the Companies (Wholesale Corporate Bonds) Regulations 2021 for three terms of maturity and will pay interest rates of 3.00% per annum for 3 years bond, 3.50% per annum for 5 years bond and 3.75% per annum for 7 years bond. The proceeds from the wholesale corporate bond offer is intended to assist in financing construction of the 18 storey FHL Tower, repay a portion of FHL's existing drawn bank debt providing some level of diversification of funding sources and tenor, as well as for related entity advances and for general corporate purposes.

CSRL and SPXT also play a critical role in this issuance as CSRL is charged with the responsibility of providing bondholder registry services and facilitation of interest and principal payments while SPXT has been appointed by FHL to undertake the function of a Trustee representing the interest of its bondholders.



Overall, this first-ever wholesale corporate bond listing provides the SPX Group impetus for future growth not only on the listing front but also to be able to provide bond registry as well as bond trustee services. This development fundamentally elevates our significance in the overall financial market structure.

Investor Awareness

The SPX continued to aggressively pursue various investor awareness initiatives throughout the year, primarily through digital and social media platforms. Investor awareness is critical for a developing market such as the SPX as it is a medium that allows us to promote investor confidence, impart pertinent investment information and fosters investor engagement towards financial planning with a long-term view towards wealth creation and establishing a secure financial future.

The year 2022 once again witnessed the SPX engaging C&C Solutions, a digital advertising agency, to assume a lead role in promoting the stock market for both existing shareholders and potential investors as well as for businesses wanting to pursue the stock market platform for capital raising. Artworks published by C&C Solutions included; advantages of starting to invest early and young, using share investments to hedge against inflation, how to diversify your savings using the stock market, how to align your investment goals with your investment objectives, what to consider before investing in shares, process of buying shares in SPX listed stocks, and incentives and benefits available to both investors and companies. In between these publications by C&C Solutions, the SPX markets team also published additional artworks on dividend payments by listed entities, upcoming Annual General Meetings (AGM's) and congratulatory messages for entities celebrating their listing anniversaries on the SPX.

The SPX markets team also undertook time to compile and publish regular Insight Articles on listed entities. During 2022, six articles were published on behalf of listed entities. These articles are mini versions of comprehensive research reports and provides potential investors a good overview of a listed entity and assists them in making informed investment decisions.

In addition to the above, the SPX also diverted and engaged resources to compile weekly newflash reports, monthly trading reports, market development press releases and a yearly stock market update. These reports are widely disseminated to ensure pertinent information about stock market performance and other developments is available to all stakeholders. Moreover, the 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.

Some of social media advertising content is illustrated below:



Snapshots of listed entity Insight articles are illustrated below:



Education & Training for Market Players

In order to achieve a competitive advantage while at the same time ensuring that our staff and key stakeholders are continuously given an opportunity to participate in relevant trainings to build capacity and be equipped with the skills vital to effectively discharge their responsibilities, the following opportunities were provided to the SPX Group staff members; International Women's Day celebrations organised by Women in Business Fiji, Panel discussion on Driving the Future of Business by Fiji Chamber of Commerce & Industry, Fiji Institute of Accountants Technical Workshop, Workshop on "Climate Bonds Deep Dive in Green, Social and Sustainability Bonds Issuance Process" conducted by Climate Bonds Initiative in conjunction with International Finance Corporation (IFC) and RBF, Webinar on "The Basics of Investing covering blue chips stocks, REITS and ETFs" organised by Singapore Stock Exchange (SGX), Webinar on "Environmental, Social and Governance (ESG) Disclosure Standards & Regulation" organised by IFC and PNGX, Webinar on "Board Gender Diversity" organised by IFC and PNGX, 2022 Attorney-General's Conference organised by Office of the Attorney-General and enrolment by three senior staff members at the Fiji National University for Master of Professional Accounting and Bachelor of Commerce programmes.

In addition to the above, and for the benefit of the licensed stockbrokers and investment advisers, the SPX held a comprehensive one-day training on Financial Valuation: Risk, Uncertainty and Disruption during the year which was facilitated by Professor Erik Larson from Macalaster College in Minnesota, USA. Participants in this training managed to learn the conceptual foundations of the valuation framework, how to calculate a price per share valuation, obtain an insight into ways companies seek to build value, understand how valuation can guide decision making, gain an insight into what emerged in the COVID-19 environment and how to use risk analysis and insights from uncertainty for strategic thinking. The SPX also

conducted the yearly stockbroker examination in which topics covered included the daily conduct of stockbrokers, managing clients, understanding stock market operations including the understanding of trading and settlement process as well as provisions of the SPX Business Rules.

Snapshots from the Financial Valuation: Risk, Uncertainty and Disruption training is illustrated below:



Technological Upgrades

To further employ efficiency in its operations, CSRL pursued a number of technological upgrades to its current software during the year. Necessary upgrades were done to the ShareSoft system to incorporate reporting of customer number in Energy Fiji Limited (EFL) related reports generated by ShareSoft to assist EFL in identifying its customers who were entitled to the free offer of shares, however, are yet to claim the same. The second major enhancement undertaken was to ensure CSRL has capability to offer additional registry related services in the form of bond registry to its clients. The existing CSRL software needed to be upgraded to accommodate bond registry as well. The new bond registry module allows CSRL to incorporate issuer and bondholder details, facilitate bond interest and maturity payments, process bond trades and generate various reports for CSRL administrators and the bondholders. This one-off enhancement now places CSRL in a better position to pursue additional business opportunities which would further ensure that we continue to maintain scalability in our operations.

On the SPX end, the existing mailing system used for the electronic dispatch of daily market statistics and trading data as well as the market announcements was upgraded to the latest version with new widgets and features. This allows the SPX to offer an efficient stock market news mailing to all its subscribers, including potential investors, existing shareholders, licensed stockbrokers, investment advisers, analysts, regulators and media amongst other stakeholders.

Corporate Social Responsibility

Every year in October, countries all around the world celebrate National Breast Cancer Awareness Month, called "Pinktober." In Fiji, there are many campaigns held by women's health charities and community organisations that shed light on the prevailing issue. This year, the SPX hosted the Fiji Cancer Society to celebrate survivors and remember those who lost their lives to the disease and provided some financial support to the Fiji Cancer Society to assist them in the work they do.

Snapshots from the SPX Pinktober event:



Market Supervision

An inventive market supervision framework is necessary to ensure the successful operation of a stock market and as such, the initiatives of the Exchange in terms of its supervisory role during the year were linked to the continued efforts of the SPX focusing on facilitating the orderly, efficient, transparent and timely trading of securities as well as maintaining an orderly market, safeguarding the integrity of the market and ensuring adequate protection for the investors.

The following table provides the market supervision highlights for 2022:

Particulars	Description
Number of Market Surveillance queries lodged with licensed stockbroking members	8 market surveillances were triggered by the SPX in 2022 consequent to share price movements of greater than +/- 10% in a trading day. Post surveillance, it was concluded that there was sufficient justification provided supporting legitimacy of the transactions.
Number of trading halts/suspensions	The trading suspension in FTV shares initially placed in April 2021 amidst the ongoing processes that FTV was engaged in relation 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 restatement of financial figures for the years 2018 and 2019, was uplifted on 1st July 2022. No other trading halts/suspensions was initiated during 2022.
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 2022, 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 2022

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 2022, 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 Salvin Nand - Acting Chairperson
Mr Saiyad Hussain
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.

During the year, Central Share Registry Pte Limited commenced providing bond registry services for wholesale corporate bond issuers.

Results

The profit after income tax of the Company for the year was \$164,676 (2021: \$110,177) after providing for income tax expense of \$38,643 (2021: \$21,382).

The consolidated profit after income tax attributable to the members of the Company for the financial year was \$236,075 (2021: \$331,521) after providing for income tax expense of \$65,791 (2021: \$74,863).

Dividends

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

Basis of Accounting - Going Concern

The financial statements of the Company and the Group have been prepared on a going concern basis. 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.

DIRECTORS' REPORT [CONT'D]

Unusual Transactions

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

Significant Events During the Year

The South Pacific Stock Exchange Pte Limited witnessed listing of the first-ever wholesale corporate bond by Fijian Holdings Limited (FHL) on its trading platform on 7th December 2022 whereby FHL successfully raised \$30 million. This listing resulted in the SPX increasing the range of investible products offered through its platform.

Events Subsequent to Balance Date

No Significant 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.

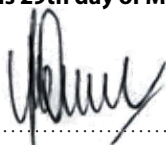
As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's and the Group's financial statements which would make adherence to the existing method of valuation of assets or liabilities of the Company and the 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 29th day of March 2023.



.....
Director



.....
Director

DIRECTORS' DECLARATION

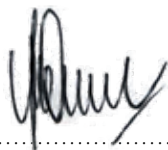
The declaration by Directors is required by the Companies Act, 2015.

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 2022:
 - 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 2022 and of the performance and cash flows of the Company and the Group for the year ended 31 December 2022; 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 29th day of March 2023.



.....
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 2022, 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

29 March 2023

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 2022, 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 2022, 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 Accountant's Code of Ethics for Professional Accountants (Including International Standards) (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 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 Directors and management;
- Conclude on the appropriateness of the Directors' and management's 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
29 March 2023

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	2022	2021	2022	2021
		\$	\$	\$	\$
Revenue	5.1	1,040,283	1,066,148	398,755	453,036
Other operating income	5.2	303,568	441,651	745,919	684,560
Total revenue		1,343,851	1,507,799	1,144,674	1,137,596
Loss on disposal of fixed assets		-	(68,577)	-	(68,577)
Depreciation and amortisation		(220,078)	(223,550)	(190,094)	(193,361)
Staff and employee benefits	5.3	(376,639)	(345,005)	(364,646)	(342,505)
Operating expenses	5.4	(389,177)	(406,484)	(330,524)	(343,795)
Finance costs		(56,091)	(57,799)	(56,091)	(57,799)
Profit before income tax		301,866	406,384	203,319	131,559
Income tax expense	6.1	(65,791)	(74,863)	(38,643)	(21,382)
Net profit after income tax		236,075	331,521	164,676	110,177
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		236,075	331,521	164,676	110,177

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 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
Accumulated Profits					
Balance at the beginning of the year		2,139,944	1,808,423	1,291,832	1,181,655
Net profit after tax		236,075	331,521	164,676	110,177
Balance at the end of the year		2,376,019	2,139,944	1,456,508	1,291,832
Share capital					
Balance at the beginning of the year		120,000	120,000	120,000	120,000
Balance at the end of the year	20	120,000	120,000	120,000	120,000
Total shareholders' equity		2,496,019	2,259,944	1,576,508	1,411,832

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 2022

	Notes	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
CURRENT ASSETS					
Cash at bank	7	1,584,920	1,226,774	555,058	246,691
Cash in dividend account	8(a)	3,851,380	995,649	-	-
Cash in trust account	9(a)	3,319,070	1,987,156	-	-
Trade and other receivables	10.1	115,601	83,221	106,814	108,105
Other investments	11.1	535,843	535,791	435,843	435,791
Units in Unit Trust of Fiji	12.1	400,000	400,000	-	-
Current tax asset	6.3	32,378	12,635	4,393	6,145
Prepayments	10.2	76,003	68,290	74,187	67,325
Total current assets		9,915,195	5,309,516	1,176,295	864,057
NON-CURRENT ASSETS					
Units in Unit Trust of Fiji	12.2	199,469	194,580	199,469	194,580
Other investments	11.2	200,000	200,000	200,000	200,000
Investment in subsidiaries	13	-	-	100,000	100,000
Plant and equipment	14	132,479	193,367	124,039	189,900
Intangibles	15	36,579	72,570	19,440	28,442
Right-of-use assets	19	629,186	721,262	629,186	721,262
Deferred tax asset	6.2	41,708	43,081	44,404	35,337
Total non-current assets		1,239,421	1,424,860	1,316,538	1,469,521
TOTAL ASSETS		11,154,616	6,734,376	2,492,833	2,333,578
CURRENT LIABILITIES					
Trade and other payables	16.1	218,066	207,128	46,244	37,262
Deferred income	18	95,676	44,897	95,676	44,897
Funds for dividend payable	8(b)	4,251,380	1,395,649	-	-
Funds for trust payable	9(b)	3,319,070	1,987,171	-	-
Lease liability	19	75,065	62,718	75,065	62,718
Employee benefit liability	17	2,114	4,578	2,114	4,578
Total current liabilities		7,961,371	3,702,141	219,099	149,455
NON-CURRENT LIABILITIES					
Lease liability	19	697,226	772,291	697,226	772,291
Total non-current liabilities		697,226	772,291	697,226	772,291
TOTAL LIABILITIES		8,658,597	4,474,432	916,325	921,746
NET ASSETS		2,496,019	2,259,944	1,576,508	1,411,832
SHAREHOLDERS' FUNDS					
Share capital	20	120,000	120,000	120,000	120,000
Accumulated profits		2,376,019	2,139,944	1,456,508	1,291,832
TOTAL SHAREHOLDERS' EQUITY		2,496,019	2,259,944	1,576,508	1,411,832

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 2022

		Group		Company	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
Operating activities					
Receipts from customers		1,014,738	1,124,658	885,000	788,119
Government grant		287,577	245,620	287,577	245,620
		1,302,315	1,370,278	1,172,577	1,033,739
Payments to suppliers and employees		(787,692)	(433,121)	(751,707)	(439,921)
Government grant refund		-	(453,805)	-	(453,805)
Income tax paid		(84,162)	(83,112)	(45,959)	(831)
Net cash flows provided by operating activities		430,461	400,240	374,911	139,182
Investing activities					
Payment for plant and equipment		(23,155)	(2,611)	(23,155)	(2,611)
Acquisition of intangible asset		(7,968)	(4,959)	-	(1,480)
Interest received		21,526	27,433	19,329	24,387
Net cash flows (used in)/ provide by investing activities		(9,597)	19,863	(3,826)	20,296
Financing activities					
Investment in subsidiary		-	-	-	(50,000)
Payment of lease liability		(62,718)	(59,921)	(62,718)	(59,921)
Net cash flows (used in) financing activities		(62,718)	(59,921)	(62,718)	(109,921)
Net increase in cash and cash equivalents		358,146	360,182	308,367	49,557
Cash and cash equivalents at the beginning of the year		1,226,774	866,592	246,691	197,134
Cash and cash equivalents at the end of the year	7	1,584,920	1,226,774	555,058	246,691

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

1. 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 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 29th March 2023.

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. During the year, Central Share Registry Pte Limited commenced providing bond registry services for wholesale corporate bond issuers.

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.

2. BASIS OF PREPARATION (CONT'D)

c) Basis of consolidation (Cont'd)

Consolidation of 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.

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 and disclosures

(i) New and amended standards and interpretations

The company applied for the first-time certain standards and amendments listed below, which are effective for annual periods beginning on or after 1st January 2022 (unless otherwise stated). These amendments did not have an impact on the company.

- Reference to the Conceptual Framework - Amendments to IFRS3;
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 Leases: and
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities.

The Company has not early adopted any other standards, interpretations or amendment that has been issued but is not yet effective.

(ii) 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.

New standards and amendments	Effective date
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	1 January 2023
Deferred Tax related to Assets and Liabilities arising from Single Transaction Amendments to IAS 12	1 January 2023

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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

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 recognised 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 (b) – Impairment of financial instruments
Note 4 (f) – Depreciation and Impairment of plant and equipment
Note 4 (l) – Deferred tax
Note 4 (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.

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

a) Financial Instruments (Cont'd)

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

Financial assets at amortised cost

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

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's and Group's financial liabilities include trade and other payables, and funds for dividend payable including bank overdrafts (if any).

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Modifications of financial assets

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

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.

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

a) Financial Instruments (Cont'd)

(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".

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.

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

f) Plant and equipment (Cont'd)

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.

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.

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

I) 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.

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:

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

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

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

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.

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.

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

o) Leases (Cont'd)

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.

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.

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

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 2022

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
5. OPERATING PROFIT				
5.1 Revenue				
Annual listing fees	225,227	239,733	225,227	239,733
Distribution fees	77,643	54,402	-	-
Registry maintenance fees	310,885	308,710	-	-
Membership fees	20,000	20,000	20,000	20,000
Subsequent listing	12,000	14,000	12,000	14,000
SPX facility fee	135,621	169,303	135,621	169,303
Trust Service Income	253,000	250,000	-	-
Listing Application Fee	5,907	-	5,907	-
Delisting fees	-	10,000	-	10,000
	<u>1,040,283</u>	<u>1,066,148</u>	<u>398,755</u>	<u>453,036</u>
5.2 Other operating income				
Annual government grant	236,798	256,910	236,798	256,910
Management fees	-	-	463,655	283,355
Interest earned	21,474	27,536	19,278	24,490
Dividend earned	4,889	6,160	4,889	6,160
Miscellaneous income	40,407	151,045	21,299	113,645
	<u>303,568</u>	<u>441,651</u>	<u>745,919</u>	<u>684,560</u>
5.3 Staff and employee benefits				
Directors' fees	46,422	44,167	34,429	41,667
Salaries and wages	276,040	250,164	276,040	250,164
FNPF contribution	16,711	12,528	16,711	12,528
FNU contribution	3,129	2,922	3,129	2,922
Insurance	16,137	15,439	16,137	15,439
Training and development	14,401	17,039	14,401	17,039
Travelling expenses	3,799	2,746	3,799	2,746
	<u>376,639</u>	<u>345,005</u>	<u>364,646</u>	<u>342,505</u>
5.4 Operating expenses				
Auditor's remuneration	24,837	16,663	13,980	9,435
IT Expense	44,481	44,988	25,107	28,082
Electricity	8,108	7,767	8,108	7,767
Investor education program	108,493	139,437	108,493	139,437
RBF licence	6,159	7,854	6,159	6,159
Sub-licensing fee	105,232	99,708	105,232	99,708
Other operating expenses	91,867	90,067	63,445	53,207
	<u>389,177</u>	<u>406,484</u>	<u>330,524</u>	<u>343,795</u>

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2022

6. INCOME TAX

Group		Company	
2022	2021	2022	2021
\$	\$	\$	\$

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 2022 and 2021 is as follows:

Accounting profit before income tax	301,866	406,384	203,319	131,559
Prima facie tax expense thereon at 20%	60,373	81,276	40,664	26,312
Tax losses not recognised	3,089	990	-	-
Future income tax benefit	-	(4,266)	-	-
Prior year tax loss derecognised	4,266	-	-	-
Under provision of income tax in prior year	1,777	2,556	1,693	132
Permanent differences in current year	(3,714)	(5,693)	(3,714)	(5,061)
Income tax expense	65,971	74,863	38,643	21,382

6.2 Deferred tax asset

Opening balance	43,081	48,187	35,337	48,187
Tax effect of increase /(decrease) in timing differences arising in the current year	15,722	(13,167)	10,760	(13,167)
(Over)/under provision from prior year caused by variation in timing difference	-	7,744	-	-
Other	(17,095)	317	(1,693)	317
Balance at the end of the year	41,708	43,081	44,404	35,337

6.3 Current tax asset

Movements during the year were as follows:

Balance at the beginning of the year	12,635	(721)	6,145	13,846
Income tax paid	84,163	83,112	45,959	831
(Over)/under provision of deferred tax in prior year	(2,895)	10,857	(9,068)	12,851
Tax liability for the current year	(61,525)	(80,613)	(38,643)	(21,383)
Balance at the end of the year	32,378	12,635	4,393	6,145

7. CASH AND CASH EQUIVALENTS

Cash at bank	1,582,693	1,224,501	552,831	244,418
Cash in project account	1,927	1,973	1,927	1,973
Cash on hand	300	300	300	300
	1,584,920	1,226,774	555,058	246,691

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2022

8. DIVIDEND ACCOUNT	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
a) Cash in dividend account	3,851,380	995,649	-	-
b) Dividend payable				
Cash balance	3,851,380	995,649	-	-
Investment at Unit Trust of Fiji	400,000	400,000	-	-
	4,251,380	1,395,649	-	-

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	3,319,070	1,987,156	-	-
b) Trust payable	3,319,070	1,987,171	-	-

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, June 2021 and July 2022 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	56,172	12,422	48,155	3,588
Other receivables	59,429	70,799	58,659	69,848
	115,601	83,221	106,814	108,105

10.2 Prepayments

Prepayments	76,003	68,290	74,187	67,325
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SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
11. FINANCIAL ASSETS				
11.1 Current				
Term deposits (a)	535,843	535,791	435,843	435,791
11.2 Non- Current				
Investment in government Viti bonds (b)	200,000	200,000	200,000	200,000
a)	Term deposits are placed at Merchant Finance Limited, Fiji Development and Westpac Banking Corporation and earn interest at 1.5% to 3.25%. The deposits are typically held for 12-month term.			
b)	Government Viti bonds are held for 10 years term maturing on 30 January 2030 and earns interest at a rate of 5%.			
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)	199,469	194,580	199,469	194,580
13. INVESTMENT IN SUBSIDIARY				
Investment in Central Share Registry Pte Limited & SPX Trustees Limited	-	-	100,000	100,000

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

SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2022

14. PLANT AND EQUIPMENT

Group

Cost:

	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
At 1 January 2022	57,000	344,522	6,593	109,285	2,640	520,040
Additions	-	-	-	23,155	7,968	31,123
Transfer to intangible assets	-	-	-	-	(2,640)	(2,640)
At 31 December 2022	57,000	344,522	6,593	132,440	7,968	548,523

Accumulated Depreciation:

At 1 January 2022	34,200	190,180	5,644	96,650	-	326,672
Depreciation for the year	11,400	68,437	150	9,383	-	89,370
At 31 December 2022	45,600	258,617	5,794	106,033	-	416,044

Net written down value:

At 31 December 2022	11,400	85,905	799	26,407	7,968	132,479
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At 1 January 2022

22,800	154,343	949	12,635	2,640	193,367
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Company

Cost:

At 1 January 2022	57,000	341,572	5,455	101,997	-	506,024
Additions	-	-	-	23,155	-	23,155
At 31 December 2022	57,000	341,572	5,455	125,152	-	529,179

Accumulated Depreciation:

At 1 January 2022	34,200	188,056	4,506	89,362	-	316,124
Depreciation for the year	11,400	68,083	150	9,383	-	89,016
At 31 December 2022	45,600	256,139	4,656	98,745	-	405,140

Net written down value:

At 31 December 2022	11,400	85,433	799	26,407	-	124,039
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At 1 January 2022

22,800	153,516	949	12,635	-	189,900
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15. INTANGIBLE ASSETS

Cost:

At 1 January 2022

Transfers

At 31 December 2022

Accumulated amortisation

At 1 January 2022

Amortisation charge for the year

At 31 December 2022

Net written down value:

At 31 December 2022

At 1 January 2022

Group	Company
\$	\$
481,967	292,077
2,640	-
484,607	292,077
409,396	263,635
38,632	9,002
448,028	272,637
36,579	19,440
72,570	28,442

16. TRADE AND OTHER PAYABLES

16.1 Current

Accrued expenditure

Income received in advance

VAT payable

Sundry creditor

Group		Company	
2022	2021	2022	2021
\$	\$	\$	\$
52,335	59,458	36,613	36,544
68,125	68,433	-	-
54,953	53,917	-	-
42,653	25,320	9,631	718
218,066	207,128	46,244	37,262

17. EMPLOYEE BENEFIT LIABILITY

Annual leave entitlements

Balance at 1 January

Arising during the year

Utilised

Balance at 31 December

4,578	4,984	4,578	4,984
11,124	11,500	11,124	11,500
(13,588)	(11,906)	(13,588)	(11,906)
2,114	4,578	2,114	4,578

18. DEFERRED INCOME

Grant income

Balance at 1 January

Grant received during the year

WEC Grant refund

Release to statement of profit or loss

Balance at 31 December

44,897	509,992	44,897	509,992
287,577	245,620	287,577	245,620
-	(453,805)	-	(453,805)
(236,798)	(256,910)	(236,798)	(256,910)
95,676	44,897	95,676	44,897

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.

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:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Right-of-use assets				
Balance at 1 January	721,262	718,321	721,262	718,321
Contract modification	-	94,666	-	94,666
Depreciation charge for the year	(92,076)	(91,725)	(92,076)	(91,725)
Balance at 31 December	<u>629,186</u>	<u>721,262</u>	<u>629,186</u>	<u>721,262</u>

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

Less than one year	126,440	118,810	118,810	118,810
One to five years	728,120	704,140	704,140	704,140
More than five years	<u>125,350</u>	<u>275,770</u>	<u>275,770</u>	<u>275,770</u>
Total undiscounted lease liabilities at 31 December	<u>979,910</u>	<u>1,098,720</u>	<u>1,098,720</u>	<u>1,098,720</u>

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

Current	75,065	62,718	75,065	62,718
Non-current	<u>697,226</u>	<u>772,291</u>	<u>697,226</u>	<u>772,291</u>
Total lease liabilities	<u>772,291</u>	<u>835,009</u>	<u>772,291</u>	<u>835,009</u>

Amounts recognised in profit or loss

Interest on lease liabilities	<u>56,091</u>	<u>57,799</u>	<u>56,091</u>	<u>57,799</u>
	<u>56,091</u>	<u>57,799</u>	<u>56,091</u>	<u>57,799</u>

Amounts recognised in the statement of cash flows

Total cash outflow for leases	<u>(62,718)</u>	<u>(59,921)</u>	<u>(62,718)</u>	<u>(59,921)</u>
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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.

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

Reconciliation of movement of liabilities to cash flows from financing activities

	Lease liabilities	Total
	(\$)	(\$)
Balance at 1 January 2022	835,009	835,009
Changes from financing cash flows:		
Payment of lease liabilities	(62,718)	(62,718)
Total changes from financing cash flows	(62,718)	(62,718)
Other changes – liability related		
Interest expense	56,091	56,091
Interest paid	(56,091)	(56,091)
Total liability related other changes	-	-
Balance 31 December 2022	772,291	772,291

20. SHARE CAPITAL

Issued and Paid-up Capital

	Group	Company
	2022	2021
	\$	\$
8 ordinary shares	120,000	120,000

21. CAPITAL COMMITMENTS

Approved but not committed	57,900	58,516	43,516	43,516
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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

2022	2021
\$	\$

23.1 Net owing by related companies

Owing by SPX Trustees Limited	-	34,669
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23.2 Transactions with related parties

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

Income

Management fees	463,655	283,355
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During the financial year, the Company had various transactions with its shareholders. The transactions involved brokerage services. All transactions with related parties were conducted under commercial terms and conditions.

23.3 Shareholders

The Company has eight shareholders who hold one share each.

23.4 Directors

Common Directors of South Pacific Stock Exchange Pte Limited, Central Share Registry Pte Limited and SPX Trustees Limited during the year were:

Salvin Nand – Acting Chairperson (Appointed: 9th February, 2022)
 Mr Saiyad Hussain
 Ms Rowena Fong
 Mr Gyanesh Rueben
 Dr Nur Bano Ali

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Directors' fees and allowance	46,422	41,667	34,429	41,667

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 (2021: 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 2022 and 2021 was:

Salaries and other short-term employee's benefits	104,548	104,056
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24. FINANCIAL RISK MANAGEMENT - GROUP

24.1 Financial risk factors

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

a) Market risk

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

(i) Interest rate risk

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

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

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

b) Credit risk

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

The Group's credit risk arises from:

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

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

Cash on hand and at bank

The Group held cash of \$1,584,920 (2021: \$1,226,774), cash in dividend account of \$3,851,380 (2021: \$995,649) and cash in trust account \$3,319,070 (2021: \$1,987,156), respectively. Cash are held with bank and short-term deposits are made only with reputable financial institutions which are regulated by Reserve Bank of Fiji with known sound financial standing. The Group considers that its cash have low credit risk based on the external credit ratings of the counterparties.

Debt securities

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

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

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

24.1 Financial risk factors (cont'd)

Debt securities (cont'd)

The Group did not have any debt securities that were past due but not impaired at 31 December 2022. An impairment allowance of Nil (2021: \$Nil) in respect of debt securities at amortised cost (2021: 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

The South Pacific Stock Exchange Pte Limited witnessed listing of the first-ever wholesale corporate bond by Fijian Holdings Limited (FHL) on its trading platform on 7th December 2022 whereby FHL successfully raised \$30 million. This listing resulted in the SPX increasing the range of investible products offered through its platform.

26. EVENTS SUBSEQUENT TO BALANCE DATE

No Significant 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: 10 (2021: 8).

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.

During the year, Central Share Registry Pte Limited commenced providing bond registry services for wholesale corporate bond issuers.

LICENSED STOCKBROKERS

Name	Address/Contact	Licensed Stockbroker Representatives	Services Provided
FHL STOCKBROKERS PTE LIMITED 	Shop 1A & 1B Level 1, Vanua House 77 Victoria Parade, Suva 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 3) Mr Josua Waqainabete	<ul style="list-style-type: none"> • Stockbroking for entities listed on SPX • Overseas Trading Facility • Over the Counter trading for unlisted stocks • Dealing in Bonds issued in Fiji for individuals & institutions • Comprehensive financial planning • Investment advisory services for investors
FIJISTOCK BROKERS PTE LIMITED 	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji PO Box 16355 Suva, Fiji Phone: (679) 3304 675 / 9057 634 Fax: (679) 3304 679 Email: mail@fijistockbrokers.com.fj Web: www.fijistockbrokers.com.fj	1) Ms Shireen Devi 2) Mr Steven Pritchard 3) Mr Brett Hall 4) Mr Enzo Pirillo	<ul style="list-style-type: none"> • Stockbroking for entities listed on SPX • Bond broking for individual and institutions on bonds issued in Fiji • Overseas Trading Facility – on any shares listed on any recognized overseas Stock Exchange • Corporate finance and advisory services • Expatriate investment advisory services
KONTIKI STOCKBROKING PTE LIMITED 	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 Raghni Khatri 2) Mr David Oliver	<ul style="list-style-type: none"> • Stockbroking services – on listed and unlisted equity securities in Fiji • Debt securities trading for individual and institutions in Fiji • Overseas Trading Facility • Over the counter trades • Customised dealing execution and selected market making • Research Reports • Underwriting

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 Representatives
1) Mr Abilash Ram
2) Ms Elenoa Kaloumaira

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 Steven Pritchard
2) Mr Brett Hall
3) 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
E-mail: 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

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 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, Muanikau
PO Box 14213, Suva, Fiji
Phone: (679) 9999 412
E-mail: nbatimala@gmail.com

MR PRAFUL PATEL

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

MS FINAU SOQO

Apartment 1, Drevalu Apartments,
56 Knolly Street, Suva, Fiji
Phone: (679) 8010 500
E-mail: finausoqo2019@gmail.com

**Shop 1 and 11, Sabrina Building,
Victoria Parade, Suva
GPO Box 11689, Suva, Fiji
Phone: (679) 3304 130, (679) 3313 764
Email: info@spx.com.fj
Online: spx.com.fj**

