# SPX SOUTH PACIFIC STOCK EXCHANGE

# **ANNUAL REPORT 2023**



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## Listed Entity Information

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# 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







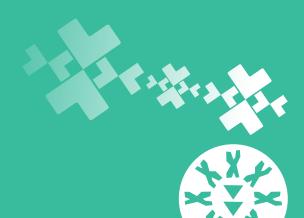






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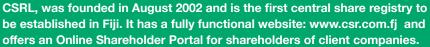
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The SPX has two wholly owned subsidiary companies; Central Share Registry Pte Limited (CSRL) and the SPX Trustees Limited (SPXT).

#### **Central Share Registry Pte Limited (CSRL)**



CSRL provides share registry services to eighteen SPX listed entities and certain unlisted companies in Fiji and bond registry services to Wholesale Corporate Bond Issuers.

#### **SPX Trustees Limited (SPXT)**

Depository for your Wealth

Central Share Registry,



SPXT, a Public Company founded in in January 2021, was licensed and approved by the Reserve Bank of Fiji in August 2021 to provide trustee services.

SPXT formally commenced operations in December 2021 providing trustee services for beneficiaries under Energy Fiji Limited (EFL) and expanded its operations in December 2022 to include provision of bond trustee services.

SOUTH PACIFIC ANNUAL REPORT STOCK EXCHANGE

2023



# **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: 30 June 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 Listing Day Market Price (Close): \$1.15 | Financial Year End: 31 December 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)
 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,
 Financial Year End: 30 June

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

 Fiji Television Ltd (FTV)

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

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

 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 service the 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.



FijiCare













#### Port Denarau Marina Ltd (PDM)

Date Listed: 14 Aug 19 | Listing Day Market Price (Close): \$1.40 | Financial Year End: 31 July Owns and operates a world-class multi-use marina facility on Denarau Island in Nadi. It strives to be the leading marina facility in the Pacific, providing exceptional customer service with safe and healthy facilities, ensuring the enhancement of Fiji's nautical tourism industry while protecting her distinct marine environment for future generation. PDM is ideally positioned to provide a stopover for rest, recreation and provisioning during cruising of the Fijian Islands. The fastdeveloping marina complex is the centre of yachting activity in Fiji, it is accessed through a well-marked channel that is 5 metres deep. The basin contains 52 fully serviced berths and 16 swing moorings including 20 berths capable of taking Superyachts up to 85 metres in length with 5 metres draft.

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

Date Listed: 05 Jun 01 | Listing Day Market Price (Close): \$1.90 | Financial Year End: 31 December Engages in design, manufacture and sale of furniture and architectural products made from coconut palmwood.

#### **RB Patel Group Ltd (RBG)**

 
 Date Listed:
 17 Jul 01
 Listing Day Market Price (Close):
 \$0.21\*
 Financial Year End:
 30 June

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

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

Date Listed: 20 Jan 97 | Listing Day Market Price (Close): \$0.50 | Financial Year End: 30 June Is engaged in grading, packing and selling rice which is a staple food for many households. RCF has developed a highly efficient processing line using fully automated machinery and has installed a rice sorter in the processing line to remove any foreign particles and unwanted bits and pieces so that every bag of rice is safe and of top quality. RCF has four varieties of rice that cover most preferences and recipe requirements; Calrose medium grain rice, Australian long grain rice, Thai/Vietnamese long grain rice and the fragrant Jasmine rice.

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

Date Listed: 07 Jun 79 | Listing Day Market Price (Close): \$1.95 | Financial Year End: 31 March Trading as Asco Motors, TTS operates through dealerships which are strategically located throughout Fiji, Tonga, Samoa and American Samoa. The company markets Toyota, Yamaha, Massey Ferguson, Bridgestone, Kobe, other world proven products and also operates the Avis franchise. In each region that Asco Motors operates, it is the market leader in many of the market segments and has been operating in the Pacific for nearly 100 years. Initially part of the Burns Philp Group, the company has been majority owned by Toyota Tsusho Corporation since 1998.

#### V B Holdings Ltd (VBH)

Date Listed: 01 Nov 01 | Listing Day Market Price (Close): \$1.28 | Financial Year End: 31 December Engages in property investment, financing of vehicles sold by related entities, fleet management services and other investments. Generally, VBH is known to be a company that operates through property management and fleet management segments.

#### Vision Investments Ltd (VIL)

 
 Date Listed:
 29 Feb 16
 Listing Day Market Price (Close):
 \$1.70
 Financial Year End:
 31 March

 A diversified and successful business enterprise with a solid track record of growth and sustained earnings and a
 Image: Solid track record of growth and sustained earnings and a
 Image: 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





Asco Motors TOYOTA

V B HOLDINGS LIMITED





# **Board of Directors**



From Left: MR SALVIN NAND | MR GYANESH RUEBEN | MR DAVID LAWRENCE ( BACK) | MS ROWENA FONG (FRONT) MR NITIN GANDHI | MR SAIYAD HUSSAIN

## **Board of Directors Profile**

#### Mr Nitin Gandhi (Chairperson)

#### Chairperson Listing and Compliance Committee and HR & Governance Committee

Mr Nitin Gandhi is a Chartered Accountant, former Managing Partner of PricewaterhouseCoopers, Fiji and Oceania and a licensed Tax Agent, Investment Advisor and Accredited Mediator. With over 38 years of experience in various industries, including hotel and tourism, aviation and financial services, he has worked on strategic planning, policy development, training, entrepreneurship and tax literacy. His advisory experience includes tax compliance, company restructuring, investment guidance, feasibility studies, project assessments and due diligence. Mr Gandhi has also assisted the Government of Fiji in restructuring industries and reviewing policies to improve Fiji's economic and social environment.

#### Mr Saiyad Hussain (Deputy Chairperson)

#### Chairperson Audit and Finance Committee, Member HR & Governance Committee

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

#### **Ms Rowena Fong**

# Member Audit and Finance Committee, Member Listing and Compliance Committee, Member HR & Governance Committee

Ms Rowena Fong, the General Manager of Fiji Investment Corporation Limited, holds a Master's in Business Administration from The University of the South Pacific, a Graduate Certificate in Applied Finance & Investment from FINSIA and a Bachelor of Arts in Management & Public Administration and Information Systems. She has over 15 years of experience in the capital markets industry and is a member of the Australian Institute of Company Directors (AICD).

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#### Mr Gyanesh Rueben

#### Member Audit and Finance Committee, Member HR & Governance Committee

Mr Rueben is the Head of Investments at BSP Life (Fiji) Limited, with over 17 years of experience in Accounting & Financial Management, Risk, Governance, Investments and Portfolio Management. He previously served as the Head of Finance & Operations at Unit Trust of Fiji (Management) Limited. Mr Rueben holds a Master's in Business Administration, Post Graduate Diploma and Degree in Commerce & Financial Management from The University of the South Pacific and a Post Graduate Certificate in Applied Finance from Kaplan Professional.

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#### Mr Salvin Nand (Independent Director)

#### Member Listing and Compliance Committee, Member HR & Governance Committee

Mr Salvin Nand is a registered Fijian Barrister with over 13 years of experience in Intellectual Property and Competition Policy and Law. He has been researching and teaching these subjects in the Pacific for 10 years and holds a double Master of Laws degree from the Queensland University of Technology and Victoria University of Wellington. He is a co-editor of the Asia-Pacific Journal of Education, Business and Society (APJEBS) and has published papers on Intellectual Property, Corporate Laws, public policies and small to medium enterprises issues in the Pacific. He has presented at various international platforms and is a Registered Trustee of Empower Pacific.

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#### **Mr David Lawrence**

#### Member HR & Governance Committee, Member Listing and Compliance Committee

Mr David Lawrence, Chairman of PNGX Group and director of the South Pacific Stock Exchange in Fiji, has over 30 years of experience in market development, operation, supervision and governance. He is also a director of Pacific Capital Markets Development, Catalyst Group and Speech Pathology Australia. Mr Lawrence has consulted on financial markets in China, Papua New Guinea and Australia. He previously held senior roles in market supervision and business development at ASX and was Chief Operating Officer of the Sydney Stock Exchange. He was President of the Australian Compliance Institute for eight years and is currently based in Sydney.

# Team SPX

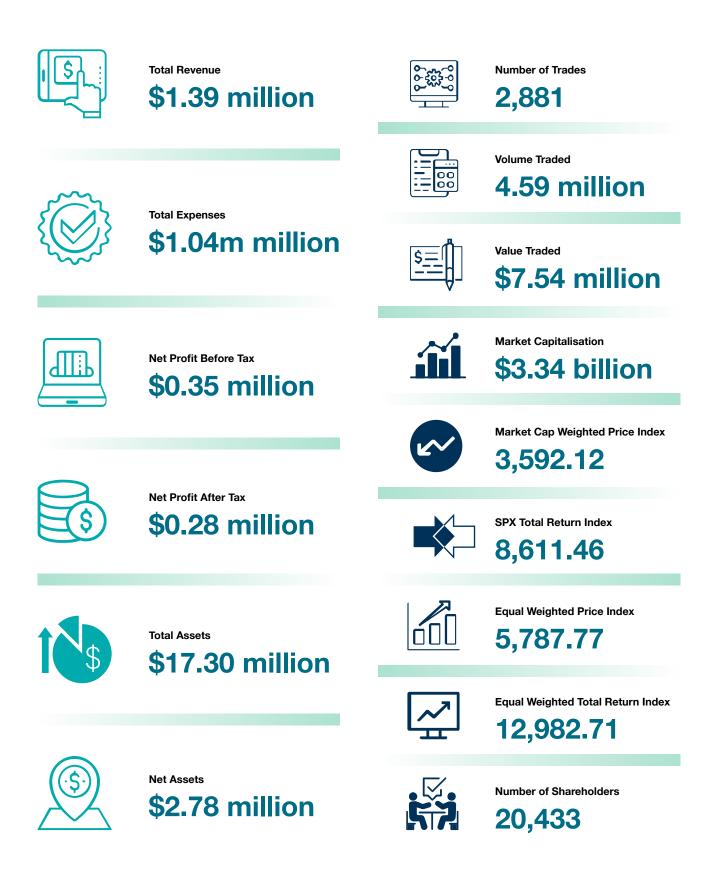
FRONT LEFT: JOANA RARASEA -Team Leader Depository | FRONT CENTRE: RASHA ALI - Manager Legal and Company Secretary FRONT RIGHT: SHYAMA VERMA - Team Leader Listings and Compliance | MIDDLE LEFT: LIKU DABEA - Team Leader Finance & Administration MIDDLE RIGHT: BERENADO KELEKELE - Senior Registry Officer | BACK LEFT: SONIYA PRASAD - Clearance & Settlement Officer BACK LEFT 2ND: GAUTAM NAIDU - Accounts Officer | BACK CENTRE: JOKAPECI MOCEVAKACA - Administration Officer BACK RIGHT 2ND: SANIL CHAND - Business Development Officer | BACK RIGHT: CHRISTINE KOROVOU - Registry Officer



# **2023 Financial and Statistical Highlights**

Financial Highlights | [\$(F) Million]

**Statistical Highlights** 



SOUTH PACIFIC ANNUAL REPORT STOCK EXCHANGE 2023

# Chairperson's Report

 The SPX Group continues to demonstrate resilience in its post-pandemic recovery phase, delivering notable results for its shareholders and expanding its investor and issuer base.

#### **Dear Stakeholders**

As the newly appointed Chairman of this esteemed institution, I am privileged to introduce the Annual Report of the SPX Group for the financial year ending on December 31, 2023, on behalf of our esteemed Board of Directors. This financial period holds particular significance as we observe a steady post-pandemic recovery across the Pacific region. In light of the world's adaptation to a new normal, our focus has never been sharper: while retaining our role as the frontline regulator of the stock market, we aim to overhaul the savings and investment decisions of all economic entities and address the digital gap within our current framework to drive efficiencies.

#### **Change and Challenge**

The SPX Group continues to demonstrate resilience in its post-pandemic recovery phase, delivering notable results for its shareholders and expanding its investor and issuer base. I am acutely aware of the catalytic role that the SPX Group can play in guiding the country towards a new growth trajectory by efficiently mobilizing capital directly from investors to enterprises through well-structured products. Given that we are entrusted with operating critical market infrastructure, the SPX is subject to rigorous scrutiny. We play a pivotal role in bringing together relevant parties to serve the best interests of the market, which is evident in our proactive engagement with stakeholders. Fiji's stock market experienced an average total market return of 8.04% as of December 2023, but experienced share price falls, resulting in a shortfall in positive average capital growth. However, the increased dividend return indicating positive recovery post covid by our listed entities long-term analysis shows a 3-year and 5-year average total market return of 5.59% and 13.77%, respectively.

Majority of the entities listed on the SPX have resumed normal operations and are poised to achieve, if not surpass, pre-pandemic levels of profitability. In 2023, dividends were distributed to shareholders at regular intervals, marking a 14.69% increase from \$57.42 million in 2022 to a total of \$65.86 million. Moreover, there was a favorable trend in new order flows, the overall number of trades, transaction volume and traded value, attributed to active engagement from both retail and institutional investors.

#### **Development Activities**

The Board collaborated with Management to prioritize the core operations of the SPX Group, ensuring its efficiency and innovation in 2023.

#### **Technological Upgrades**

The SPX initiated the implementation of transformative IT infrastructure in partnership with the National Stock Exchange of Australia and local IT specialists to enhance its key trading platform with more efficient and secure features.

Significant improvements were made to the Group's internal IT systems, including server upgrading and migration to an advance operating system. This represents a significant advancement for the SPX's IT system, contributing to more efficient operations. This crucial enhancement not only underscores the SPX's commitment to technological adaptability but also positions the Company for heightened operational efficiency and increased productivity.

#### **Investor Awareness**

Throughout the year, the SPX has actively pursued market development initiatives, with a focus on enhancing investor awareness as a long-term strategy for broadening market scope, depth and liquidity. This approach enables the SPX to maintain a consistent flow of relevant information about listed entities, empowering investors to make wellinformed decisions. In 2023, the SPX leveraged digital media platforms to showcase investment opportunities and published materials to keep stakeholders abreast of operations and trends. Furthermore, the SPX revamped the presentation of listed entity insight articles to include pertinent investor information. Moving forward, the SPX intends to continue aligning its investor awareness efforts with the evolving understanding of the stock market.

#### **Policy Reviews**

Effective governance is fundamental to the SPX Group and the Board receives support from three committees in fulfilling its responsibilities. In order to establish benchmarks for achieving our objectives, both in theory and in practice, we have launched a review of the SPX Group policies within the SPX Group Governance, Risk Management and Compliance (GRC) framework. This review is designed to mitigate risks, improve operational efficiency and ensure stakeholders have access to pertinent information. The SPX Board will direct management to allocate resources to this forward-looking endeavor.

#### **Looking Ahead**

This year has prompted the Board and myself to engage in deep reflection, recognizing the significant changes required. Our decision to revise our capital management structure to facilitate sustained investment reflects the magnitude of the transformation needed in our technology and our approach to stakeholder engagement, which underpins our commitment to meeting regulatory obligations. However, perhaps even more crucial than these actions is our focus on reshaping the culture at the SPX. My tenure as Chairperson since June 2023 has underscored the importance of fresh perspectives as we forge ahead with a new senior Management Team. I am confident that the SPX is embarking on its new three-year Strategic Plan with the right people, skills and renewed enthusiasm. My enduring appreciation and respect for the individuals at the SPX and the work we undertake daily continue to drive me. Both the Board and the Management Team, along with our dedicated staff, are steadfast in realizing the SPX's vision of being the preferred choice for investment opportunities and fostering confidence and trust.

As part of our Strategic Plan for the financial years 2024-2026, the Group is prioritizing increased listings in the equity and wholesale corporate bond market, expanding product offerings through our platform, enhancing trading activities and market liquidity and positioning the SPX as the preferred investment option while diversifying our operations beyond our current scope. We are committed to maintaining active engagement with listed entities, Stockbrokers and investors to ensure timely disclosures, facilitate informed investment decisions and provide access to capital-raising and trading platforms. This approach will enhance capital allocation efficiency and foster financial stability. Engaging with other stakeholders will also contribute to business growth and enhance shareholder value.

Incorporating Environmental, Social and Governance (ESG) considerations and developing products that support the sustainable development agenda will lead to the introduction of new initiatives in 2024. Collaborative efforts in areas such as Climate Products, encompassing both green and blue initiatives and ESG products represent potential avenues for advancement in this regard.

#### Acknowledgement

Our sincere gratitude to the Government of Fiji for their continued support for listing equities and Wholesale Corporate Bonds, making the SPX an appealing choice for capital raising and wealth creation, which are integral part of the success of the SPX.

The SPX Board recognizes the assistance from the industry regulator, the Reserve Bank of Fiji (RBF), as well as listed entities, Stockbrokers, Investment Advisers and the broader investment community. Our goal is to cultivate sustainable value for all stakeholders.

Finally, I extend my deep appreciation to the Board members, Management and staff for their support and innovative contributions throughout 2023 and I look forward to their engagement and support going forward.

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Nitin Gandhi Chairperson

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ANNUAL REPORT



We are confident that the current market has significant opportunities for growth and development. The SPX is well positioned to capitalize from these opportunities.

#### **Dear Stakeholders**

I am delighted to present the 2023 report for the South Pacific Stock Exchange Pte Limited (SPX) including its subsidiaries, the Central Share Registry Pte Limited (CSRL) and SPX Trustees Limited (SPXT).

Global economic conditions continued to be challenged with the post-covid recovery, prolonged market volatility and the geo-political issues. On the domestic front, Fiji is not immune to the global issues coupled with market liquidity, subdued investment activities, high inflation rate and increased labour mobility leading to high rate of skilled migration. The unfavourable market conditions have led to delays and lower than expected applications for new listings, having spillover impacts on the anticipated trading statistics. Despite the setback and challenges, the SPX Group performed relatively well during the year, driven by positive market activities, achieving an overall market capitalization to \$3.34 billion, which is an increase of 6.47% compared to 2022.

### **Stock Market Performance**

Overall, the total stock market return for the year was 8.04% indicating the SPX market's resilience. This reflects investor maturity and awareness, characterized by a long-term investment strategy focused on entering low and existing high, thereby truly benefiting from the stock market. The market indicators have shown recovery from previous downturns, noting increases in share prices indicating investor confidence and strong market sentiments.

Ohada Mashad Ohadadaa	2023	0000	ΥΟΥ	ΥΟΥ
Stock Market Statistics		2022	(Unit Change)	(% Change)
Market Cap Weighted Price Index (MCWPI)	3,592.12	3,374.73	+217.39	+6.44%
SPX Total Return Index (STRI)	8,611.46	7,928.20	+683.26	+8.62%
Equal Weighted Price Index (EWPI)	5,787.77	5,494.14	+293.63	+5.34%
Equal Weighted Total Return Index (EWTRI)	12,982.71	12,069.31	+913.40	+7.57%
Market Capitalisation (billion)	\$3.34	\$3.13	+0.21	+6.47%
Average Weekly New Order Flow (million)	\$0.26	\$0.29	-0.03	-9.66%
Total Market Return	8.04%	-1.67%	N/A	N/A
Number of Trades	2,881	2,501	+380.00	+15.19%
Volume Traded (million)	4.6	6.9	-2.30	-33.52%
Valued Traded (million)	\$7.54	\$20.90	-13.36	-63.95%



In 2023, the SPX market indices showed a divergent pattern, with an 8.62% increase in the SPX Total Return Index driven by an increase in dividends of \$65.86 million indicating positive performances of the SPX listed entities post-covid. Positive capital returns were also observed in the Market Capitalisation Weighted Price Index (MCWPI), Equal Weighted Price Index (EWPI) and Equal Weighted Total Return Index (EWPRI). The aggregated capital growth generated by the top five listed securities contributed positively to a 6.47% increase in the overall market capitalisation.

#### **Financial Performance**

During the period under review, the SPX team continued to focus on the revenue streams while closely monitoring all the expenses including prudent management of cash flows to increase the net profit before tax. The key financial indicators from 2021 to 2023 are tabulated below:

Group Financial Performance	2023	2022	2021
Total Revenue	\$1,390,610	\$1,343,851	\$1,507,799
Total Expenses	\$ 1,037,223	\$1,041,985	\$1,101,415
Net Profit After Tax	\$282,845	\$236,075	\$331,521
Total Assets	\$17,302,152	\$11,154,616	\$6,734,376
Net Assets	\$2,778,864	\$2,496,019	\$2,259,944

### **Strategic Goals**

Update on the key strategic goals as follows.

#### 1. Increase Company and Investor Confidence

- The SPX continues to review and strengthen its policies Risk Management, Governance and Compliance framework.
- ➤ Throughout the year, market surveillance and investigations were conducted to monitor trading activities, misconduct and approve negotiated deal transactions, private transfers and non-resident investor approvals.
- ✗ Five-year historical financial analysis was conducted on all listed entities, assessing business continuity indicators and ratios on an ongoing basis.
- ➤ Annual compliance checklists were further enhanced and shared with Company Secretaries and officers of listed entities to ensure adherence to the SPX requirements.
- ✗ Conducted compliance visits to both listed entities and intermediaries to gain a better understanding of the business operations and consult on future market development opportunities.
- × Attended listed entities Annual General Meetings to observe and oversee shareholder participation.
- Continued advocacy on the importance of an internal audit function as a key pillar of good governance, providing stakeholders with an independent view of

the organization's risk and control environment and fostering a strong risk and compliance culture.

#### 2. Increase the Number of Listings and Product Diversification

- Presently, substantial efforts are underway to advance the listing processes of potential equity and bond listings, supporting strategic financial initiatives and market participation.
- ➤ Ongoing discussions with the Investment Advisors and prospective listed entities, to bring listing opportunities to fruition.
- ➤ Pleass Global Limited and Kontiki Finance Limited continued to offer its shareholders Dividend Reinvestment Plans (DRPs), collectively reinvesting \$1.27 million into additional shares in 2023. Through such corporate actions listed entities take advantage of the listing platform. The SPX encourages other listed entities to adopt similar action, as this empowers shareholders, promotes greater stock market participation, engagement and enhances share liquidity. Such initiatives enable both shareholders and listed entities to leverage from their publicly listed status.

The SPX continued to pursue various collaborative initiatives to introduce new products and listings to the market, thereby enabling greater investor participation.

#### 3. Increase Trading and Number of Investors

- ➤ The SPX has maintained a strong digital presence, using social media and licensed Stockbroking firms to inform investors to better understand investing on the stock market including the long-term investment opportunities in listed entities. This advice has been embraced by investors who have realized growth opportunities in these shares over the long term.
- ✗ The SPX published five listed entity insight articles in 2023, along with weekly newsflash reports and monthly market reports, benefiting both existing and potential investors.
- ✓ In 2023, despite uncertainties, 161 new investors entered the Fijian stock market. By December 31st, 2023, the number of investors holding shares in listed securities had risen slightly to 20,433, compared to 2022. The average public shareholding of the SPX listed entities improved slightly to 31.68%, up from 31.56% in 2022. The average volume traded to issued shares ratio was 0.33%.

# 4. Increase Clientele for Registry and Trustee Services

➤ The SPXT has two modes of trustee services; (i) Trustee services for Energy Fiji Limited (EFL); and (ii) Trustee services for Wholesale Corporate Bonds. Currently, the SPXT provides services for Energy Fiji Limited (EFL); and Fijian Holdings Limited (FHL) Wholesale Corporate Bond since appointment in December 2022 representing the interest of its bondholders under the SPX Wholesale Corporate Bond platform.

- ➤ In 2023, FHL consistently updated and made timely interest payments each quarter. Notably, the 1st quarter witnessed an interest payment of \$328,000, followed by payments of \$246,000 in the 2nd, 3rd and 4th quarters. This steadfastness in meeting financial obligations underscores FHL's commitment to its stakeholders.
- ➤ The SPX is also working closely with other potential entities to take advantage of this type of capital raising to issue corporate bonds and take advantage of the Wholesale Corporate Bond platform.

#### 5. Optimise Digital Transformation

- ➤ The SPX is currently upgrading its electronic trading platform, with the team collaborating closely with the National Stock Exchange of Australia (NSX) and other technology partners. As part of this effort, we have implemented a web-based trading platform with advanced trading capabilities and industry-standard protocols. This transition includes enhanced security features and aligns our trading engine with those of NSX and New Zealand's Stock Exchange (NZX), ensuring modernity and relevance.
- × Stringent monitoring, upgrade and investment in our IT systems to enabled efficient operation.
- ✗ Continue with our digital marketing initiatives and enhancing customer experience through digital innovation that would streamline business processes and drive efficiency.

#### 6. Enhance Competencies of our Staff

The SPX remains committed to investing in its personnel, continually enhancing their skills through both foreign and local training programs and direct development opportunities. This includes facilitating staff attendance at training sessions, workshops, networking events and other corporate activities. Additionally, the SPX supports staff in completing their educational programs with recognized Universities and training centers in Fiji.

While staff retention remains a challenge, the SPX engages and motivates its team through a performance management system that acknowledges and rewards high performance.

Furthermore, staff welfare and wellness initiatives are actively promoted, fostering effective engagement within the organization.

In 2023, the SPX staff were part of the following trainings:

- ✗ Corporate Governance & Enterprise Risk Management Training by Ergonosys.
- × Monthly Webinar by Benjamin Collings: Senior Investment Adviser, Australian Bond Exchange.
- ✗ Workshop on "Leading as effective Ethics, Governance and Compliance Ambassadors" by the SPX which was facilitated by Ms Wati Seeto.

- ✗ Hot Topics sessions organised by Munro Leys.
- Webinar on Sustainability or ESG Committees -How to structure your board organized by Climate Governance Institute.
- ✗ Climate Change Act 2021 Awareness Session by RBF in collaboration with Ministry of Finance.
- × National Economic Summit by Ministry of Finance.
- Fiji Institute of Charted Accountants Conference on "Key Issues in Climate Accounting".
- Asian Development Bank -Asian Think Tank Development Forum.
- Enrolment in degree programs at the Fiji National University (FNU) and University of the South Pacific (USP)

#### 7. Enhance Competencies of our Market Participants

The SPX ensures that its market participants, including Licensed Stockbrokers, Investment Advisers, Listed Entity Directors and Company Secretaries, receive continuous training to build capacity and equip them with the necessary skills. The SPX also recognizes Stockbrokers' training associated with the Reserve Bank of Fiji's (RBF's) Continuing Professional Education program.

In 2023, the SPX organized two comprehensive training sessions:

- ✗ The initial workshop, "Developing Smart Investment Strategies: From Valuation Analysis to Asset Allocation," was facilitated by Professor Erik Larson from Macalaster College in Minnesota, USA. Attendees delved into the conceptual foundations of crafting intelligent investment strategies, exploring financial valuation tools, efficient asset allocation strategies, comparative analysis of asset classes, and practical application through scenario-based allocation development.
- ➤ The second session, "Valuation and Financial Statement Analysis: Looking Back & Looking Forward," also facilitated by Professor Larson, delved on fundamental financial and valuation analysis for SPX-listed entities. The participants explored the benefits of a longerterm perspective on company performance, gaining insights that will enhance the development of robust investment strategies. The session also encompassed forward-looking analysis, incorporating information on anticipated profitability of future business endeavours.

The SPX has implemented a strong system for monitoring the risk of Stockbroking firms, which includes daily monitoring, frequent trainings, capacity building, and onsite examinations.

To stay aligned with international best practices and ensure relevance, the SPX is collaborating closely with the International Finance Corporation (IFC) to develop a framework for addressing environmental, social and governance factors.

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

As a developing exchange, the SPX maintains strategic partnerships with other exchanges through existing Memorandums of Understanding (MoU) to explore collaboration opportunities, acquiring essential guidance and assistance. Initial discussions with institutions sharing similar objectives were conducted and our ongoing efforts aim to delve deeper into these opportunities in 2024.

#### **Outlook for 2024**

We are confident that the current market has significant opportunities for growth and development. The SPX is well positioned to capitalize from these opportunities.

Moving forward, our key strategic plan involves fostering close engagement with key stakeholders and market participants, including the Government, our Regulator, the Reserve Bank of Fiji, Investment Advisors, Stockbrokers and Investors. This collaboration aims to enhance service delivery, market liquidity, product diversification and promote new listings. As the front-line regulator, we are committed to maintaining a balanced regulatory framework, mindful of the escalating cost of compliance. Our regulatory focus will center on post-trading activities, including the introduction of a fully integrated real-time electronic trading platform. Furthermore, we will prioritize enhancing customer experience through digital innovation that would streamline business processes and drive efficiency.

The focus moving forward remains on the listing of private sector companies and State-Owned Enterprises (SOEs). While Government policies and plans will determine the timing of SOE listings, there is a need for increased awareness regarding the fact that listing does not equate to privatization; rather, it presents an opportunity for SOEs to secure market-based funding for business expansion and growth. Additionally, listing enhances transparency and aligns with industry best practices. Our ongoing efforts aim to bolster market confidence and encourage greater investor engagement. The SPX has made significant strides to facilitate increased involvement from local, institutional and retail investors, as well as foreign investors and we will continue to advance these efforts through our awareness and investor education initiatives.

Technological advancement remains a core in defining success of a modern-day stock exchange. We will continue to invest in advancing technology and enhance the electronic trading for greater efficiency, accessibility and innovation. The SPX continues with its best efforts to provide uninterrupted access to the market and maintain a market wide robust Business Continuity Planning (BCP) mechanism.

On the regulatory front, we continue our focus to ensure orderly market trading prevails. We will take necessary sanctions and enforcement actions impartially, where necessary in prioritizing orderly trading in the best interest of the market. The SPX is dedicated to align its operations with stakeholders' expectations to foster sustainable value and support the development of a dynamic capital market in Fiji. Our platform will persist in offering investment access, capital-raising opportunities and wealth creation through dependable, secure, regulated and advanced trading platforms. Our focus remains on product diversification, expanding the number of entities listed on the equity market, attracting additional issuers to the debt market, enhancing liquidity, promoting increased trading activities, and forging strategic alliances with other established exchanges.

The SPX is dedicated to promoting good governance, transparency, accountability and compliance as we advance the Exchange. We will also collaborate closely with the Government to uphold favorable policies conducive to the growth and development of the Exchange.

#### Acknowledgement

I wish to take this opportunity to thank all the key stakeholders including the Government of Fiji, the Reserve Bank of Fiji, Member Firms, Listed Entities, Wholesale Corporate Bond Issuers, Shareholders and other market participants for their support.

I wish to express my sincere gratitude to the SPX Board of Directors for their unwavering support and guidance. Lastly but not the least, extending my heartfelt appreciation to the SPX team for their hard work and dedication during the challenging times and look forward to your continued support during 2024.

Vinaka Vakalevu

Gyanesh Rueben Executive Director



Corporate Governance Disclosures





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

FOR THE FINANCIAL YEAR ENDED ON: 31st December 2023

#### Introduction

The Board of Directors of South Pacific Stock Exchange Pte Limited (SPX) is committed to maintaining high standards of corporate governance through best practices, as they believe it is crucial for the company's long-term success. This framework is outlined in the board-approved rules and procedures, as well as the charters of its boards and committees. The SPX Board is responsible for the company's direction and management, ensuring high-quality governance to protect investors' interests and foster honesty, openness and responsibility. They maintain corporate governance to comply with legal requirements and global best practices. The integrated governance structure ensures a well-defined portfolio of direction aligned with the board's vision, strategy and goals, ensuring a well-defined portfolio of direction.

### Principle 1

ESTABLISH CLEAR RESPONSIBILITIES FOR BOARD OVERSIGHT

#### Separation of Duties

The Charters of the SPX and Subsidiary Board and Committee clearly outline the duties and responsibilities of the Directors, as well as the matters they are responsible for.

#### **Board Charter**

The SPX Board operates under a written Charter, which outlines its responsibilities and framework for the company. It oversees the implementation of strategic goals, risk strategy, financial soundness, corporate governance and corporate values. The Charter also protects shareholders' interests, establishes management goals, authorizes policies and ensures adequate, effective and ethical internal control and reporting procedures. The Board's overall responsibility is to ensure value for shareholders.



#### **Board Composition**

The Corporate Governance Principles require a balanced Board composition, with 1/3rd of the total number of Directors being Independent Directors. Boards of licensed entities must have a minimum of five members at all times and the SPX Board acknowledges that the composition is subject to shareholder and RBF approval. The Board should have an appropriate mix of skills, experience, expertise and diversity to function effectively. The RBF endorses shareholders' nomination of Directors after rigorous assessment. As of 31st December 2023, the SPX Board has six (6) Directors, including two (2) Independent Directors as such attaining the full complement of the Board.

#### **Gender Diversity**

The SPX Board adheres to Corporate Governance Principles, ensuring a balanced mix of gender-neutral skills and experience. As of December 31st, 2023, one out of the six (6) directors is female and a female also serves as the Company Secretary of the Board.

#### **HR & Governance Committee**

The HR & Governance Committee oversees the remuneration, retention, succession and recruitment of the SPX Group employees and promotes board development opportunities. The Board appoints Directors after successful due diligence by the RBF.

#### **Board Evaluation**

The SPX assesses the Board, committees and individual Directors annually to ensure effective performance and identifies areas for improvement. The Board is committed to maintaining high corporate governance standards and ensuring each Director contributes appropriately to the Group's goal of delivering value to stakeholders. The Company Secretary facilitates the annual performance review.

#### **Directors Training**

Directors are required to understand the SPX's operations and undergo training and education to perform their duties effectively. This includes attending presentations on governance changes, legal and regulatory frameworks, technical and professional development courses and industry seminars. New Directors receive an appointment letter and a Board induction pack, including Articles of Association, Board and Committee Charters, the SPX Listing and Business Rules, Companies Act 2015 regulations and relevant the SPX policies and procedures.



#### **Board Committees**

The Board delegates strategy implementation to Management, creating committees to streamline responsibilities and make recommendations. Each committee has a formal Charter outlining its composition, role, function, responsibilities and administration. The current committees include HR & Governance Committee, Listing and Compliance Committee and Audit and Finance Committee. These committees are responsible for specific recommendations to the Board.



### **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 to 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 duties are being discharged by the Executive Director with a substantive appointment earmarked for 2024.

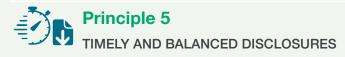


### **Principle 4**

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.



#### **Annual Reports**

The SPX Group's policy of ongoing disclosure is crucial for shareholders' information about the company's financial performance. The SPX Annual Report, published annually and available in both printed and electronic formats, complies with Companies Act 2015 requirements.

#### **Payments to Directors and Senior Management**

The Governance Committee oversees compensation, succession planning and hiring of the SPX Group employees. Shareholders must approve Directors' remuneration modifications at Annual General Meetings. The SPX Audited Financial Statements include key management personnel compensation information.

#### **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.



#### Code of Conduct

The SPX Group values ethical standards in business dealings, stakeholder responsibilities, reporting unethical behaviour and community commitment. To achieve this, the Board adopted a Code of Conduct for Directors and Employees, along with the Corporate Mission, Objectives and Core Values Statement, which sets guidelines for daily operations within the Group.

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#### **Conflict of Interest and Related Party Transactions**

The SPX Group maintains a Group Conflict of Interest and Related Party Transactions register for Directors and Employees, updated whenever a conflict or related party transaction arises. The Group has adopted policies on related party and conflict of interest transactions, outlining procedures for determining and evaluating them. The Board must receive information from Directors to evaluate their independence before appointing them as a Director, considering factors like not being part of the executive team or having substantial shareholder relationships. 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 consideration 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.

#### Website

The SPX website offers a comprehensive platform for investors, shareholders, listed entities, potential issuers, Stockbrokers, media and the general public. It offers interactive services, including share price and market indices charting, enhanced company search options, optimized for smart mobile devices, integration with social media platforms and an upgraded Market Announcements Platform.

#### **Grievance Redressal Mechanisms**

The SPX Office handles grievances and complaints through the SPX Complaints Management Framework, while the website provides a convenient platform for filing complaints.

#### **Shareholder Complaints**

No complaints have been received by the SPX Group during the 2023 financial year.

#### **Corporate Sustainability**

The SPX Group manages its sustainability exposures through its Risk Management Program, adhering to performance standards, conducting due diligence, risk assessments and reporting incidents and grievances as per internal policies.



#### **Internal Audit**

The internal audit function of the SPX Group ensures compliance with legal frameworks and ensures business operations align with policies and procedures. It is a vital pillar of good governance, providing stakeholders with an independent view of the organization's risk and control environment. The function is executed monthly, with a comprehensive report presented at board meetings to identify action items and address critical matters. This function fosters a strong risk and compliance culture within the SPX Group.

#### **External Audit**

The SPX Group undergoes annual audits by an independent external auditor, adhering to IFRS standards and has policies in place to ensure best practices in business activities. The SPX Audit and Finance Committee oversees the external auditor's work.



#### **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 an Audit and Finance Committee to oversee the financial reporting, external auditors' performance, internal control, internal audit function and risk management policies. The Committee ensures senior management takes corrective action to address control weaknesses, non-compliance with policies, laws, or other issues identified by external auditors.



#### **Risk Management Framework**

Risk management involves identifying, evaluating and prioritizing risks to minimize their impact or maximize opportunities. The objective is to prevent uncertainty from deviating from business goals. The SPX's Board and CEO are responsible for implementing risk management measures, while all staff members practice sound practices. The Board determines the Group's risk appetite and tolerance, which are used in risk identification, analysis and evaluation. The framework is reviewed annually or as needed by the Board or Committee.

#### Whistle Blower Policy

The SPX is committed to promoting transparency and openness by encouraging staff, clients and suppliers to report concerns about unethical behaviour, corruption, fraud and misbehaviour. The company has adopted a whistleblowing policy to support employees in reporting unacceptable practices, irregularities, unlawful conduct, corruption, fraud, misrepresentation, sexual harassment, abuse of authority and misuse of assets.

#### **Policies and Procedures**

The SPX Group's risk management policies aim to ensure a secure workplace for all employees and effectively manage all associated risks in their roles. These policies are implemented across most departments and functions to minimize potential risks for both employees and their departments.

#### **Business Continuity Plan (BCP)**

The SPX Business Continuity Planning (BCP) is a strategy used to ensure the continued operation of the SPX Group in the event of major disasters like fires or pandemics.

#### **Disaster Recovery Plan (DRP)**

The Disaster Recovery Plan (DRP) is an annual process for organizations to prepare for emergencies and disasters. It includes identifying and assessing disaster risks, identifying critical programs, files and resources, specifying off-site storage and backup procedures and regularly testing the DRP process.

#### **Succession Plan**

The SPX Group has a robust succession plan, identifying key roles and developing action plans for them. It also employs a rating system to evaluate candidate readiness, ensuring a smooth transition and minimizing the negative impact of employee departures.



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# Market Report

# 2023 Market Highlights

### **Trading Activity**

#### Market Sentiments

Delving into the domestic equities, Fiji's Stock Market observed its average total market return, influenced by positive average capital growth (increase in share prices), resulting in an 8.04% average total market return (comprising share price return and dividend return) over the 12-month period ending December 2023. Despite the positive capital growth trend, nine listed entities experienced declines in share prices. However, a longterm analysis reveals that the 3-year and 5-year average total market returns for the SPX are 5.59% and 13.77%, respectively.

In 2023, a notable increase in dividends paid to shareholders was observed compared to 2022. This was attributed to majority listed entities returning to regular intervals of declaring dividends, paying increased dividends, or maintaining the same level as the previous year. Dividends amounted to \$65,855,604 in 2023, a significant 14.69% increase of \$8,435,148 compared to the \$57,420,457 paid in 2022. Positive trends were noted in average new order flows and the aggregate number of trades. However, negative trends were observed in the aggregate volume of transactions and the value traded, compared to 2022 figures. The increased number of trades is attributed to active participation from both retail and institutional investors.

In regard to market activity, although there was volatility in stock prices and, consequently, in the overall market capitalisation, there was a general increase in trading activities throughout 2023. A heightened demand for shares of listed entities, especially those with a historical reputation for liquidity, high yields and improved recent financial performance, was evident. There was also a pronounced inclination to 'Hold' or 'Accumulate' listed securities, particularly for entities exhibiting long-term prospects and the potential for future capital growth. The observed market sentiments strongly suggest that companies with attractive prospects and future growth potential, contemplating the issuance of shares, will find a receptive audience of investors willing to participate in the share offering. Given this optimistic sentiment, it is indeed an opportune moment for these entities to proceed with

their plans and seek advice from a licensed investment adviser to facilitate their transition to public status and listing on the SPX platform.

Addressing instances of high volatility resulting in concentrated sell-offs, causing downward pressure on share prices, the SPX, as the front-line regulator, closely monitored daily trading activities and market index movements. As per the SPX market surveillance guidelines, no instances exceeding +/- 5% in the SPX Equal Weighted Price Index triggering a temporary trading halt were recorded in 2023.

In light of the aforementioned sentiments, the overall market capitalisation, representing the total dollar value of all the SPX-listed entities, experienced a slight increase of 6.47%, reaching \$3,337,602,967 by year-end. Concurrently, the SPX Equal Weighted Price Index and the SPX Equal Weighted Total Return Index saw increases of 5.34% and 7.57%. Leading all market measures, the SPX Total Return Index (STRI) rose by 8.62% on the back of increased total dividend paid in 2023 which also to some extent influenced the positive impact from the favourable capital growth noted during the year. The STRI reflects the aggregate value of all listed entities and its rise signifies that despite share price declines in the majority of stocks, the addition of dividend returns resulted in some listed entities concluding 2023 with a net positive return for investors.

#### **Overall Trading Pattern**

ANNUAL REPORT

2023

SOUTH PACIFIC STOCK EXCHANGE

On a consolidated basis and considering all ordinary trades as well as the one-off transactions for the year 2023, the number of transactions recorded an increase, while the volume and value traded, showed a decrease in comparison to the 2022 period. In aggregate, the number of trades for 2023 stood at 2,881 (+15.19%) with a total volume traded of 4,586,430 shares (-33.52%) accumulating a total consideration value of \$7,535,267 (-63.95%). Higher trading statistics were recorded after excluding the one-off transactions for both comparable periods.

	Includes One-Off Transactions			Excludes One-Off Transactions		
Particulars	2023	2022	% Change	2023	2022	% Change
Number of Trades	2,881	2,501	+15.19%	2,878	2,485	+15.81%
Volume Traded	4,586,430	6,899,190	-33.52%	4,156,430	2,961,120	+40.37%
Value Traded (\$)	7,535,267	20,904,020	-63.95%	6,701,867	5,557,271	+20.60%



#### **New Order Flows**

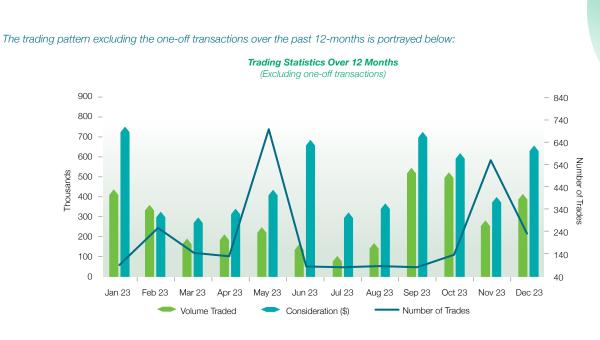
The average weekly new order flow for 2023 recorded on the e-trading platform stood at \$264,355, a decrease of 9.66% in comparison to 2022 which is in line with the lower aggregate trading statistics in terms of volume and value traded noted during 2023. The market also noted an overall decrease in the average new order flow. There were more sell orders recorded as opposed to buy orders in 2023 (68.02% of sell orders vs 31.98% of buy orders).

The average bid to offer ratio over a 12-month period stood at 1:21 in 2023 as opposed to 1:33 in 2022, reaffirming that there were more sell orders entering the market than buy orders.



JANThe general trading pattern on the SPX e-trading platform for the month of January displayed a healthy standing. FL and TTS shares were the best performers in January in terms of price general while KFL was head be performer in terms of volume and value traded. Also, as allowed under the performers in January in terms of price general while KFL sub-back transactions during the month.FEBWith an increase in buying interest as opposed to investors willing to sel, a notable improvement in trading was noted. FHL contributed significantly towards the number of transactions while KFL contributed highly towards the volume and value traded for the month. The month of February also recorded an additional quotation of 242,951 shares by KFL as part of the Dividend Peinvestment Plan. Considerable improvements were also noted in the market additional quotation of 242,951 shares by KFL as part of the Dividend Peinvestment Plan. Considerable improvements were also noted in the market additional quotation of 242,951 shares by KFL as part of the Dividend Peinvestment Plan. Considerable improvements were also noted in the market additional quotation of 242,951 shares by KFL as part of the Dividend Peinvestment Plan. Considerable improvements were also noted in the market indices additional quotation of 242,951 shares by KFL as part of the Dividend Peinvestment Plan. May was also the month to record the highest number of new investors for the worth of Adv Peines end of the highest number of ackets for the year.GNNDownward pressure on share prices and ultimately on the aggregate market value continued resulting in June being the month to record the highest number of new investors for the worth weat market also recorded additional quotation of 150,078 shares by KFL as part of its Dividend Reinvestment Plan. Negative impact on share pricesGNNMarket achilities remained slow while		
FEB         towards the number of transactions while KFL contributed highly towards the volume and value traded for the month. The month of February also saw execution of a share buy-back transaction by KFL.           MAR         Negotiated deal transactions were recorded in KFL resulting in the volume and value traded to peak. The SPX e-trading platform also recorded an additional quotation of 242,951 shares by KFL as part of its Dividend Peinvestment Plan. Considerable 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 signaling high presence of sellers as opposed to buyers which also put a downward pressure on share prices.           MAX         The full execution of FHL's market-based dividend reinvestment trades originating from the interim dividend declared in April 2023 contributed to the spike in the number of trades for the month and leading the month of May to record the highest number of the year. The market also recorded additional quotation of 58,510 shares by PBP as part of its Dividend Reinvestment Plan. May was also the month to record the highest monthy market capitalisation fail of 1.28%. The month of June also recorded lower number of new investors for the year.           JUN         Downward pressure on share prices and utimately on the aggregate market value continued resulting in June being the month to record the highest monthy market acpitalisation fail of 1.28%. The month of June Also recorded lower number of new investors.           JUU         Lower trading statistics continued for the	JAN	performers in January in terms of price gainers while KFL was the best performer in terms of volume and value traded. Also, as allowed under the
<ul> <li>MAR additional quotation of 242.951 shares by KFL as part of its Dividend Reinvestment Plan. Considerable improvements were also noted in the market indices. New investor entry into the market also continued.</li> <li>APR offer ratio also increased signaling high presence of sellers as opposed to buyers which also put a downward pressure on share prices.</li> <li>The full execution of FHL's market-based dividend reinvestment trades originating from the interim dividend declared in April 2023 contributed to the spike in the number of trades for the month and leading the month of May to record the highest number of trades for the year. The market also recorded additional quotation of 58.610 shares by PBP as part of its Dividend Reinvestment Plan. May was also the month to record the highest number of new investors for the year.</li> <li>JUN Downward pressure on share prices and ultimately on the aggregate market value continued resulting in June being the month to record the highest monthy market capitalisation tall of 1.28%. The month of July. However, improvements were noted in the number of new investors for the month. The market also recorded additional quotation of 150,078 shares by KFL as part of its Dividend Reinvestment Plan. Negative impact on share prices eased resulting in the overall market value to record slight monthly increase of 0.25%.</li> <li>AUG Market activities remained slow while the downward pressure on share prices for majority of the listed entities were noted which resulted in the market also recorded additional quotation of 90.210 shares by PBP as part of its Dividend Reinvestment Plan. Negative impact on share prices.</li> <li>SEPT High volume of ordinary transactions was recorded in KFL shares leading September to record the highest transaction volume for the year 2023. The market also recorded additional quotation of 90.210 shares by PBP as part of its Dividend Reinvestment Plan. Untavorable share price movements during the month in certain listed ent</li></ul>	FEB	towards the number of transactions while KFL contributed highly towards the volume and value traded for the month. The month of February also
APR       offer ratio also increased signaling high presence of selfers as opposed to buyers which also put a downward pressure on share prices.         MAY       The full execution of FHL's market-based dividend reinvestment trades originating from the interim dividend declared in April 2023 contributed to the spike in the number of trades for the wonth and leading the month of May to record the highest number of trades for the year. The market also recorded additional quotation of 58,510 shares by PBP as part of its Dividend Reinvestment Plan. May was also the month to record the highest number of new investors for the year.         JUN       Downward pressure on share prices and ultimately on the aggregate market value continued resulting in June being the month to record the highest monthly market capitalisation fall of 1.28%. The month of July. However, improvements were noted in the number of new investors for the month. The market also recorded additional quotation of 150,078 shares by KFL as part of its Dividend Reinvestment Plan. Negative impact on share prices eased resulting in the overall market value to record slight monthly increase of 0.25%.         AUG       Market activities remained slow while the downward pressure on share prices for majority of the listed entities were noted which resulted in the overall fall in market value. Seven out of 0.90.210 shares by PBP as part of its Dividend Reinvestment Plan. Negative impact on share price movements during the month in certain listed entities resulted in a decrease in overall market value by 1.14%.         OCT       Overall trading activity picked up pace with positive share price tractions in listed entities resulting in increase in the market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a notable	MAR	additional quotation of 242,951 shares by KFL as part of its Dividend Reinvestment Plan. Considerable improvements were also noted in the market
MAY       the spike in the number of trades for the month and leading the month of May to record the highest number of trades for the year. The market also recorded additional quotation of 50,510 shares by PBP as part of its Dividend Reinvestment Plan. May was also the month to record the highest number of new investors for the year.         JUN       Downward pressure on share prices and ultimately on the aggregate market value continued resulting in June being the month to record the highest monthly market capitalisation fall of 1.28%. The month of July. However, improvements were noted in the number of new investors for the month. The market also recorded additional quotation of 150,078 shares by KFL as part of its Dividend Reinvestment Plan. Negative impact on share prices eased resulting in the overall market value to record slight monthly increase of 0.25%.         Aug       Market activities remained slow while the downward pressure on share prices for majority of the listed entities were noted which resulted in the overall fall in market value. Seven out of 10 securities recording trades saw a negative movement in share price.         SEPT       High volume of ordinary transactions was recorded in KFL shares leading September to record the highest transaction volume for the year 2023. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. Unfavorable share price movements for month. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a notable increase recorded in the number of new investors from previous month.         NOV       The partial execution of FHL's dividend reinvestment trades from the interim dividend declared in September 2023 once again contributed ton the month. Negotitated dea	APR	
Monthly market capitalisation fall of 1.28%. The month of June also recorded lower number of new investors.         JUL       Lower trading statistics continued for the month of July. However, improvements were noted in the number of new investors for the month. The market also recorded additional quotation of 150,078 shares by KFL as part of its Dividend Reinvestment Plan. Negative impact on share prices eased resulting in the overall market value to record slight monthly increase of 0.25%.         AUG       Market activities remained slow while the downward pressure on share prices for majority of the listed entities were noted which resulted in the overall fall in market value. Seven out of 10 securities recording trades saw a negative movement in share price.         SEPT       High volume of ordinary transactions was recorded in KFL shares leading September to record the highest transaction volume for the year 2023. The market also recorded additional quotation of 90,210 shares by PBP as part of its Dividend Reinvestment Plan. Unfavorable share price movements during the month. The entaties dentities resulted in a decrease in overall market value by 1.14%.         OCT       Overall trading activity picked up pace with positive share price tractions in listed entities resulting in increase in the market value by 0.91% during the month. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a notable increase recorded in the number of new investors from previous month.         NOV       The partial execution of FHL's dividend reinvestment trades from the interim dividend declared in September 2023 once again contributed to the high number of trades for the month. Negotitated deal transactions in FL and KFL contributed positively towa	MAY	the spike in the number of trades for the month and leading the month of May to record the highest number of trades for the year. The market also recorded additional quotation of 58,510 shares by PBP as part of its Dividend Reinvestment Plan. May was also the month to record the highest
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Add       overall fall in market value. Seven out of 10 securities recording trades saw a negative movement in share price.         SEPT       High volume of ordinary transactions was recorded in KFL shares leading September to record the highest transaction volume for the year 2023. The market also recorded additional quotation of 90,210 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 1.14%.         OCT       Overall trading activity picked up pace with positive share price tractions in listed entities resulting in increase in the market value by 0.91% during the month. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a notable increase recorded in the number of new investors from previous month.         Nov       The partial execution of FHL's dividend reinvestment trades from the interim dividend declared in September 2023 once again contributed to the high number of trades for the month. Negotiated deal transactions in FIL and KFL contributed positively towards the volume and value traded. The market also recorded additional quotation of 119,345 shares by KFL as part of its Dividend Reinvestment Plan. November was also the month recording high number of values traded for the year.         December recorded the highest monthly market capitalisation increase for the year, an upswing of 2.28%. The month also recorded highest monthly	JUL	market also recorded additional quotation of 150,078 shares by KFL as part of its Dividend Reinvestment Plan. Negative impact on share prices
SEPT       market also recorded additional quotation of 90,210 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 1.14%.         OCT       Overall trading activity picked up pace with positive share price tractions in listed entities resulting in increase in the market value by 0.91% during the month. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a notable increase recorded in the number of new investors from previous month.         NOV       The partial execution of FHL's dividend reinvestment trades from the interim dividend declared in September 2023 once again contributed to the high number of trades for the month. Negotiated deal transactions in FIL and KFL contributed positively towards the volume and value traded. The market also recorded additional quotation of 119,345 shares by KFL as part of its Dividend Reinvestment Plan. November was also the month recording high number of values traded for the year.         December recorded the highest monthly market capitalisation increase for the year, an upswing of 2.28%. The month also recorded highest monthly	AUG	
OCT       the month. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a notable increase recorded in the number of new investors from previous month.         NOV       The partial execution of FHL's dividend reinvestment trades from the interim dividend declared in September 2023 once again contributed to the high number of trades for the month. Negotiated deal transactions in FIL and KFL contributed positively towards the volume and value traded. The market also recorded additional quotation of 119,345 shares by KFL as part of its Dividend Reinvestment Plan. November was also the month recording high number of values traded for the year.         DEC       December recorded the highest monthly market capitalisation increase for the year, an upswing of 2.28%. The month also recorded highest monthly	SEPT	market also recorded additional quotation of 90,210 shares by PBP as part of its Dividend Reinvestment Plan. Unfavorable share price movements
<ul> <li>Nov</li> <li>high number of trades for the month. Negotiated deal transactions in FIL and KFL contributed positively towards the volume and value traded. The market also recorded additional quotation of 119,345 shares by KFL as part of its Dividend Reinvestment Plan. November was also the month recording high number of values traded for the year.</li> <li>December recorded the highest monthly market capitalisation increase for the year, an upswing of 2.28%. The month also recorded highest monthly</li> </ul>	ост	the month. The market also recorded additional quotation of 187,797 shares by KFL as part of its Dividend Reinvestment Plan. There was also a
	NOV	high number of trades for the month. Negotiated deal transactions in FIL and KFL contributed positively towards the volume and value traded. The market also recorded additional quotation of 119,345 shares by KFL as part of its Dividend Reinvestment Plan. November was also the month
	DEC	





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#### Monthly Trading Trend and Key Events

#### **Trade by Security**

Analysing the market statistics generated by each listed entity in 2023, Kontiki Finance Limited (KFL) shares dominated the aggregate volume and value traded by 42.85% and 26.15% respectively. The main contributing factor to the high volume and value traded in KFL share is due to the execution of negotiated deal transactions and also due to buy-back transactions being executed by KFL. The security also recorded high volume and value ordinary

#### The trade analysis by each security for 2023 is tabulated below:

trades during the year.

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In terms of number of trades, the restricted security, FHL stood as the most active stock. FHL accounted for 69.25% of the total number of trades in 2023. These number of trades for FHL stood approximately 13.5 times higher than the 2nd most active security and were underpinned by FHL's market-based dividend re-investment option for shareholders, which accounted for 55.54% of the aggregate number of trades in 2023.

In terms of volume traded to issued securities ratio, a decrease was recorded; whereby, the statistics for 2023 stood at 0.33% for the year 2023 in comparison to 0.49%

Security	Share Price as at 31/12/23 (\$)	Number of Trades	Volume Traded	Value Traded (\$)	Issued Securities	Volume Traded to Issued Securities Ratio	Market Capitalisation (\$)
APP	2.97	12	3,800	11,447	8,000,000	0.05%	23,760,000
ATH	2.00	133	194,796	372,903	478,590,099	0.04%	957,180,198
CFL	6.80	18	13,055	87,514	3,558,000	0.37%	24,194,400
FBL	3.64	10	3,039	10,599	2,385,413	0.13%	8,682,903
FIL	15.74	136	142,993	1,716,725	8,607,742	1.66%	135,485,859
FMF	1.89	35	532,067	974,062	150,000,000	0.35%	283,500,000
FTV	2.10	3	1,509	3,419	10,300,000	0.01%	21,630,000
KFL	1.13	148	1,965,299	1,970,106	93,457,389	2.10%	105,606,850
KGF	1.12		No Trades		3,821,210	0.00%	4,279,755
PBP	3.20	22	52,989	162,619	7,084,372	0.75%	22,669,990
PDM	2.14	132	56,452	116,454	40,000,000	0.14%	85,600,000
PGI	1.08	1	10,000	10,800	7,619,234	0.13%	8,228,773
RBG	3.13	109	116,796	360,435	150,000,000	0.08%	469,500,000
RCF	9.94	26	6,137	61,196	6,000,000	0.10%	59,640,000
TTS	20.00	19	1,230	23,709	14,032,202	0.01%	280,644,040
VBH	6.00	12	17,242	113,050	2,137,403	0.81%	12,824,418
VIL	4.07	34	5,225	21,220	103,769,425	0.01%	422,341,560
FHL	1.03	1,995	1,453,441	1,193,060	304,646,500	0.48%	313,785,895
BCN	31.99	36	10,360	325,948	3,064,968	0.34%	98,048,326
	TOTAL	2,881	4,586,430	7,535,267	1,397,073,957	0.33%	3,337,602,967

noted in 2022.

#### Liquidity

The total volume traded for the year 2023 encompassing all trades accounted for 0.33% of the issued securities quoted on the trading platform in comparison to 0.49% noted in 2022. Amongst these securities, 16 listed stocks witnessed an exchange of less than 1% of their issued securities while 2 listed stocks recorded an exchange of greater than 1% but less than 10% of their issued securities. However, KGF was on 8-month suspension period therefore recorded no trades for the year 2023.

Including all ordinary as well as the one-off transactions, the average volume and value of trades per transaction for the market in 2023 was 1,592 shares and \$2,616 respectively. However, once the one-off transactions are excluded, the average volume and value of trades per transaction for the market in 2023 stood at 1,444 shares and \$2,329 respectively.

#### **Changes in Issued Securities**

The total number of securities on issue as at 31st December 2023 stood at 1.40 billion which depicts a slight increase of 0.03% in comparison to 2023. 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) and Pleass Global Limited (PBP).



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

Overall, there were a total of 28 private transfer transactions in 11 listed securities in 2023. These transactions totalled 0.45 million shares in volume and \$0.89 million in value.

FMF shares dominated the private transfer statistics number of private transfers of volume and value of transactions *The table below portrays the volume and value of private transfers by the individual listed securities in 2023:* 

Security	Number of Trades	Volume Traded	Value Traded (\$)
APP	1	2,000	5,940.00
ATH	3	10,900	20,835
FMF	5	370,800	696,564
FTV	2	1,500	3,400
KFL	1	23,000	25,070
PDM	1	1,000	2,050
RBG	9	27,100	87,489
RCF	3	4,000	39,860
TTS	1	230	4,600
VIL	1	2	8
FHL	1	5,000	5,000
TOTAL	28	445,532	\$890,816

during 2023. While RBG dominated the private statistics number of private transfer of trades.

#### **Foreign Investment Flows**

The total of new foreign investment inflows into the stock market by way of volume and value exchanged ended at 0.29 million shares and \$0.68 million respectively in 2023, showing a significant decrease 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 the SPX listed entities throughout the year.





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

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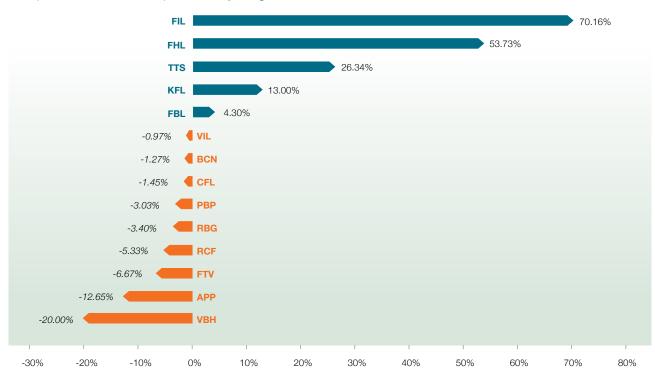
#### **Market Returns**

#### **Capital Growth**

The SPX e-trading platform concluded the year 2023 with 5 out of the 19 listed securities recording increased share prices while 9 listed stocks recorded a fall in their share prices against the same period last year. Additionally, the share prices for five securities did not change during the period under review <sup>1</sup>. Amongst the price gainers, two listed stocks, namely; FijiCare Insurance Limited (FIL) and Toyota Tsusho (South Sea) Limited (TTS) concluded at their all-time high share prices while Kinetic Growth Fund Limited (KGF), despite not recording any prices changes, continues to trade at its all-time high share price.

1 Share prices for five listed stocks, namely; ATH, FMF, KGF, PDM and PGI did not change relative to the 2022.

Share price movements recorded per listed entity during 2023 is illustrated below:



In 2023, the overall average share price/capital growth experienced a notable increase compared to the year 2022, standing at 5.94%. This positive trend persisted despite the presence of evident higher selling interest, which triggered downward pressure on the share prices of a majority of the listed stocks.

#### **Dividend Yield**

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For 2023, the average tax-free income yield for the market stood at 2.11%. Considering each of the listed stocks on an individual basis, 12 out of the 19 listed stocks paid increased dividends to their shareholders in comparison to the prior year while two listed entities maintained the same level of dividend payments from 2022. Two entity paid a lower dividend in 2023 while three listed entities did not declare any dividends during the period under review.

Overall, during 2023 an increased value of \$65,855,604 million was paid out in dividends in comparison to a total of \$57,420,457 million paid out in 2022, a notable increase of \$8,435,148.

#### **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 2023 stood at 8.04%. It is apparent that while the dividend yield remained stable, the positive capital growth generated by majority of the listed entities increased the average total market return.



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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 atleast 11 listed stocks.

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

The average Earnings per Share (EPS) and Price Earnings (PE) ratio from the market in 2023 stood at 29.36 cents and 30.45 times (or a 3.28% earnings yield) respectively.

Details of price movements and dividend returns per listed entity as at 31st December 2023 is tabulated below:

Security	Sha Price		Capital	Dividend	Total Market
	2023	2022	Growth	Yield	Return
APP	2.97	3.40	-12.65%	1.85%	-10.80%
ATH	2.00	2.00	0.00%	1.25%	1.25%
CFL	6.80	6.90	-1.45%	1.91%	0.46%
FBL	3.64	3.49	4.30%	3.30%	7.59%
FIL	15.74	9.25	70.16%	1.08%	71.24%
FMF	1.89	1.89	0.00%	2.12%	2.12%
FTV	2.10	2.25	-6.67%	0.00%	-6.67%
KFL	1.13	1.00	13.00%	6.19%	19.19%
KGF	1.12	1.12	0.00%	0.00%	0.00%
PBP	3.20	3.30	-3.03%	2.19%	-0.84%
PDM	2.14	2.14	0.00%	2.51%	2.51%
PGI	1.08	1.08	0.00%	0.00%	0.00%
RBG	3.13	3.24	-3.40%	2.24%	-1.16%
RCF	9.94	10.50	-5.33%	3.52%	-1.81%
TTS	20.00	15.83	26.34%	1.00%	27.34%
VBH	6.00	7.50	-20.00%	3.00%	-17.00%
VIL	4.07	4.11	-0.97%	2.70%	1.73%
FHL	1.03	0.67	53.73%	1.77%	55.50%
BCN	31.99	32.40	-1.27%	3.40%	2.14%
4	AVERAGE		5.94%	2.11%	8.04%

### **Market Capitalisation**

For the SPX market, the largest company by way of market share accounts for around 29% of the total market capitalisation while the smallest company by way of market share accounts for less than 0.13% 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.

The top five listed securities in terms of market capitalisation represented 73.30% of the overall market value as at 31st December 2023.

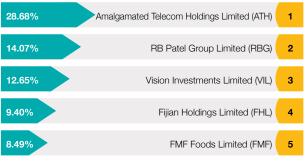
## The EPS and the PE ratio comparisons per security between 2023 and 2022 is tabulated below:

Security		Per Share nts)	Price Earnings Ratio (Times)		
	2023	2022	2023	2022	
APP	9.43	12.84	31.51	26.48	
ATH	1.01	11.67	197.89	17.14	
CFL	43.59	22.41	15.60	30.79	
FBL	21.19	17.19	17.18	20.30	
FIL	68.94	70.61	22.83	13.10	
FMF	5.67	6.61	33.33	28.61	
FTV	4.10	-4.67	51.26	-48.23	
KFL	14.82	7.74	7.63	12.92	
KGF	-11.52	-5.34	-9.72	-20.97	
PBP	17.26	16.13	18.54	20.46	
PDM	16.58	15.58	12.90	13.74	
PGI	10.44	5.01	10.34 21.5		
RBG	5.13	7.31	60.95	44.34	
RCF	48.50	10.02	20.49	104.83	
TTS	121.11	98.40	16.51	16.09	
VBH	42.19	33.44	14.22	22.43	
VIL	20.78	11.74	19.58	35.02	
FHL	16.56	4.89	6.22	13.70	
BCN	102.09	84.98	31.34	38.12	
AVERAGE	29.36	22.45	30.45	21.60	





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

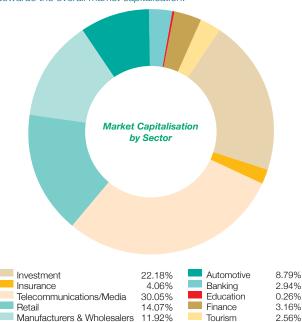




market capitalisation as at end of 2023 is illustrated below: Market Capitalisation by Security APP 0.71% EMF 8 4 9% PDM 2.56% VBH 0.38% VIL 12.65% 0.25% 💻 ATH 28.68% 💻 FTV PGI 0.65% CFI 0.72% 🔲 KFL 3.16% RBG 14.07% FHL 9 40% FBL 0.26% KGF 0.13% RCF 1.79% BCN 2.94% PRP FIL 4.06% 0.68% TTS 8.41%

Details of contribution of each listed entity towards the overall

The Telecommunications & Media sector, with a sectorial representation of 30.05% held the largest share of the total market value. With a 22.18% occupancy, the Investment sector was second in line while the Retail sector stood third with a 14.07% occupancy. The Manufacturers & Wholesalers sector came in at number four with a composition of 11.92% while the Automotive sector stood fifth with an occupancy of 8.79%. The Insurance sector, which was entirely represented by FIL shares, had a contribution rate of 4.06%. The Finance industry had an occupancy rate of 3.16%. The Banking sector, which includes BCN shares, was at 2.94% while the Tourism sector was ranked at 2.56%. Lastly, FBL comprised 0.26% of the Education sector.



## 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 below one of the top five listed stocks by way of market share recording positive share price returns, the overall MCWPI value for the year recorded a rise of 6.44% (+217.39 points) and concluded at a value of 3,592.12.



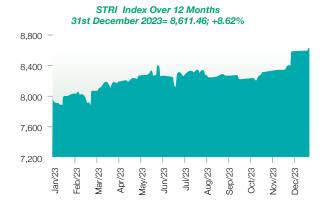


#### **SPX Total Return Index (STRI)**

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 positive capital return was noted, a high amount of dividend paid to the shareholders during 2023 abridged the unfavourable share price return to some extent which resulted in the overall STRI value to increase by 8.62% (+683.26 points) and conclude at a value of 8,611.46.









#### Equal Weighted Price Index (EWPI)

The SPX Equal Weighted Price Index (EWPI) which only accommodates share price changes while weighing all listed entities equally, increased by 5.34% (+293.63 points) concluding at a value of 5,787.77 for the year 2023. 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 2023. 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.





#### **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 2023 increased marginally by 7.57% (+913.40 points) and concluded the year at a value of 12,982.71 and in tandem with the positive average total market return for the year.

The 12-month performance for EWTRI is illustrated below:



#### Trading Activity by the SPX Members

The bar graphs below highlights the value traded by each of the three stockbroking houses, FHL Stockbrokers Pte Limited (FHLS), Kontiki Stockbroking Pte Limited (KSB) and Fiji Stock Brokers Pte Limited (FSB), as a percentage of the overall consideration accumulated during the period under review in comparison to 2022.".

#### The graph below includes the one-off transactions executed on





the SPX for the 2023 and 2022 comparative years:

The illustration below excludes the one-off transactions executed

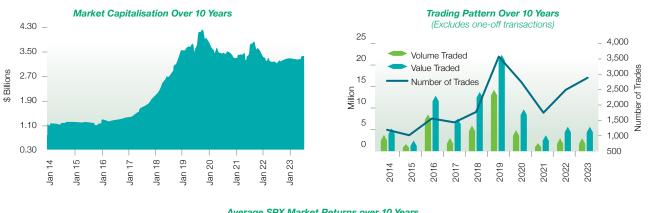




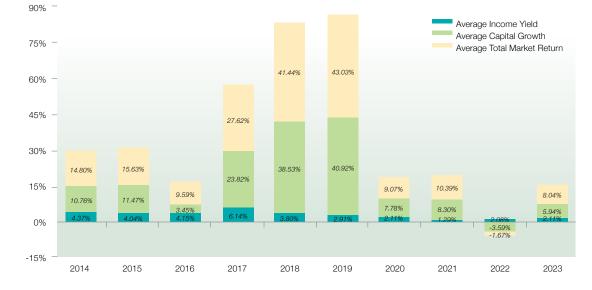


#### **Market Statistics**

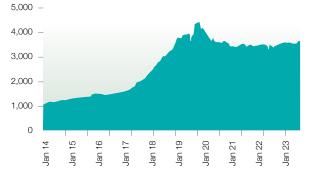
Ten Year Key Market Indicators















SPX Total Return Index (STRI) Over 10 years



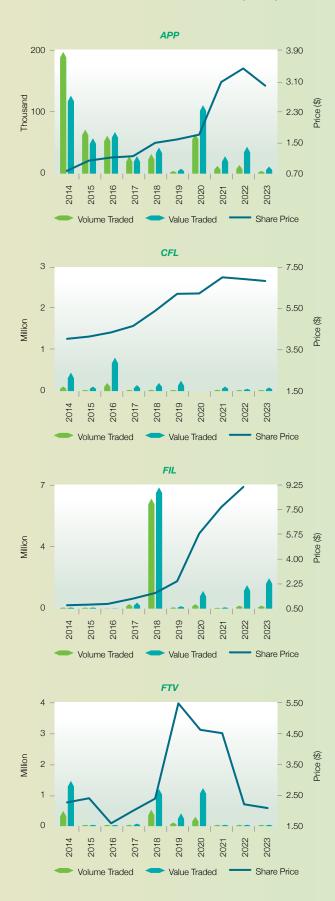






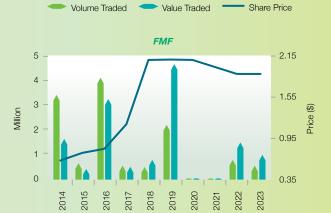


Volume traded, value traded and share price performance for listed securities over the last 10 years.









Value Traded



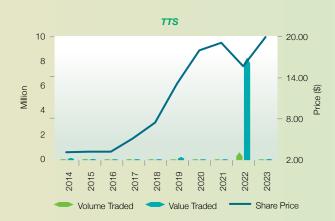
Volume Traded

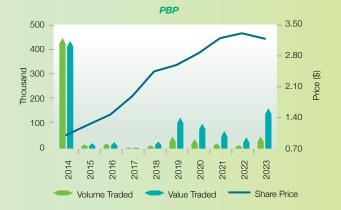
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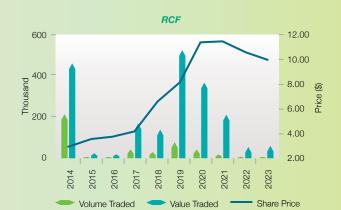


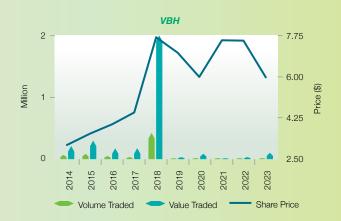


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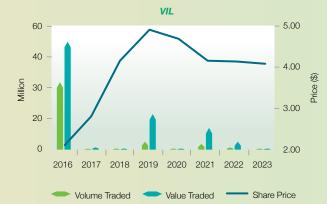
SOUTH PACIFIC STOCK EXCHANGE



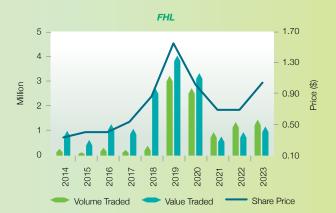




SOUTH PACIFIC STOCK EXCHANGE









#### **Wholesale Corporate Bonds**

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

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

The 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

#### Wholesale Corporate Bonds Interest Payment

Issuer Name	1st Quarter Payment	2nd Quarter Payment	3rd Quarter Payment	4th Quarter Payment
	(31/03/2023)	(30/06/2023)	(30/09/2023)	(31/12/2023)
Fijian Holdings Limited	\$328,000.00	\$246,000.00	\$246,000	\$246,000.00



# Investor Profile

## **2023 Security Holders**

#### **New Investors**

In 2023, a total of 161 new participants entered the Fijian stock market, marking a 15.00% increase compared to the corresponding period the previous year. Despite the downward trajectory in new investor engagement observed since 2019, there was a slight uptick in 2023, signalling a modest rise in new investors. Upon reviewing the trend of new investors compared to prior years, it becomes evident that potential investors continue to face the influence of COVID-19, prompting them to re-evaluate their financial priorities between consumption and saving/investing. Furthermore, with no new listings or corporate actions such as Share Splits recorded during the year, which historically have been the two key factors contributing positively to the new investor statistics, the SPX was able to accomplish an increase in the number of new investors for the year 2023.

With the increase of the number of new investors, 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 Kontiki Finance Limited (KFL), Amalgamated Telecom Holdings Limited (ATH), FijiCare Insurance Limited (FIL) and RB Patel Group Limited (RBG).

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 1,295,778 shares in volume traded and accumulated \$1,700,113 in value traded.

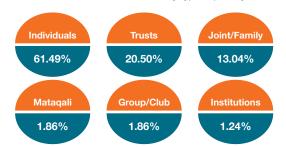
As a percentage of the aggregate trading statistics for 2023, the new investors accounted for 14.68% of the overall number of trades, 28.25% of the overall volume traded and 22.56% of the overall value traded.

In 2023, individuals made up a majority of the new shareholders who invested in the listed entities, accounting for 61.49% of the overall new investments by investor type.

Key contributed by the new investors as a percentage of overall trading statistics in 2023 is illustrated below:

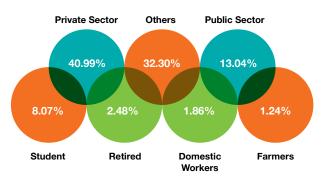


A detailed illustration of new investors by type is portrayed below:



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 Trusts, Self-Employed investors, Institutions and Mataqali).

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



According to a review of new investors entering the market in 2023 by age group, the majority of the new investors fall between the age range of 36 years to 55 years, with investors between the age range of 26 years and 35 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 55.70% of the new investors recorded were below the age of 35 years. Furthermore, it became evident during the previous year 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:



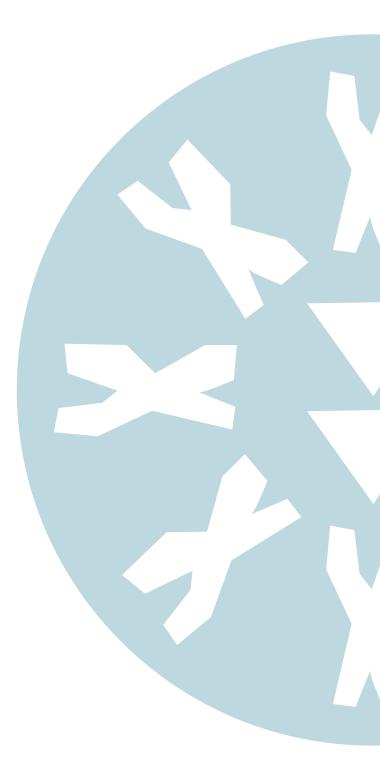


According to data on new investors by geographic location, majority of the new investors in 2023 were residents and primarily from the Central/Eastern division. However, it is encouraging to see new investors emerging from the Western and Northern divisions. Additionally, new nonresident investors were also noted in 2023. 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, along with the three licensed stockbroking firms, is situated in Suva, making our services more accessible and convenient for investors in the Central division. However, to ensure that the SPX continues to support investors from other regions of the country, we actively share essential information about share investments through various channels, including the SPX website, social media platforms, television and newspaper articles. Recognizing the importance of investors from diverse divisions, the SPX encourages individuals based outside of Suva to communicate their investment interests via phone, email, or Facebook messages. Our dedicated team is ready to assist you in initiating 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	30	74	13	10	3	0	0	3	4	1	138
ATH	316	889	117	40	18	6	10	15	5	11	1,427
CFL	51	92	7	2	4	2	0	2	4	1	165
FBL	73	29	4	3	3	0	1	2	3	1	119
FIL*	13,308	50	9	4	5	1	0	4	3	1	13,385
FMF	43	117	65	67	41	18	21	33	42	9	456
FTV	207	203	8	4	1	0	0	0	3	2	428
KFL	65	110	27	24	10	10	7	21	57	22	353
KGF	2	69	14	14	5	3	1	4	6	1	119
PBP	24	42	15	6	1	1	0	2	3	2	96
PDM	201	321	54	21	3	7	3	6	4	3	623
PGI	16	29	1	3	0	1	0	1	3	3	57
RBG	77	147	35	36	29	3	19	12	14	9	381
RCF	64	79	6	7	3	2	0	1	3	1	166
TTS	114	38	4	2	0	1	0	1	0	2	162
VBH	47	50	8	3	1	0	3	2	5	0	119
VIL	80	153	57	20	5	1	3	3	9	9	340
FHL	242	620	291	211	83	44	36	76	131	19	1,753
BCN	78	51	2	0	0	3	3	3	5	1	146
TOTAL	15,038	3,163	737	477	215	103	107	191	304	98	20,433

\*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	127	11			
ATH	1,338	89			
CFL	145	20			
FBL	91	28			
FIL	13,371	14			
FMF	367	89			
FTV	389	39			
KFL	283	70			
KGF	109	10			
PBP	92	4			
PDM	593	30			
PGI	48	9			
RBG	356	25			
RCF	149	17			
TTS	96	66			
VBH	100	19			
VIL	332	8			
FHL	1,722	31			
BCN	140	6			
TOTAL	19,848	585			

## Percentage of Public & Non-Public Security Holding

Security         Public Holding         Non - Public Holding           APP         36.77%         63.23%           ATH         12.04%         87.96%           CFL         29.34%         70.66%           FBL         31.51%         68.49%           FBL         24.10%         75.90%           FMF         29.05%         70.95%           FMF         29.05%         70.95%           FTV         17.90%         82.10%           KFL         51.31%         48.69%           KFL         51.31%         48.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PDM         29.38%         71.77%           RBG         28.23%         71.77%           RBG         28.23%         71.77%           RBG         28.31%         64.69%      VBH         35.31%         64.69%           VBH         35.31%         64.69%           VBH         31.36%         68.64%           BCN         37.50%         62.50%	-	•	
ATH         12.04%         87.96%           CFL         29.34%         70.66%           FBL         31.51%         68.49%           FIL         24.10%         75.90%           FMF         29.05%         70.95%           FTV         17.90%         82.10%           KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           VBH         35.31%         64.69%           VBH         35.31%         64.69%           VBH         35.31%         64.69%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           BCN         37.50%         62.50%	Security	Public Holding	Non - Public Holding
CFL         29.34%         70.66%           FBL         31.51%         68.49%           FIL         24.10%         75.90%           FMF         29.05%         70.95%           FMF         29.05%         70.95%           FTV         17.90%         82.10%           KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	APP	36.77%	63.23%
FBL         31.51%         68.49%           FIL         24.10%         75.90%           FMF         29.05%         70.95%           FTV         17.90%         82.10%           KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	ATH	12.04%	87.96%
Fil.         24.10%         75.90%           FMF         29.05%         70.95%           FTV         17.90%         82.10%           KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	CFL	29.34%	70.66%
FMF         29.05%         70.95%           FTV         17.90%         82.10%           KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	FBL	31.51%	68.49%
FTV         17.90%         82.10%           KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	FIL	24.10%	75.90%
KFL         51.31%         48.69%           KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	FMF	29.05%	70.95%
KGF         85.31%         14.69%           PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	FTV	17.90%	82.10%
PBP         25.93%         74.07%           PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	KFL	51.31%	48.69%
PDM         29.38%         70.62%           PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	KGF	85.31%	14.69%
PGI         30.03%         69.97%           RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	PBP	25.93%	74.07%
RBG         28.23%         71.77%           RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	PDM	29.38%	70.62%
RCF         23.40%         76.60%           TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	PGI	30.03%	69.97%
TTS         20.32%         79.68%           VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	RBG	28.23%	71.77%
VBH         35.31%         64.69%           VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	RCF	23.40%	76.60%
VIL         23.16%         76.84%           FHL         31.36%         68.64%           BCN         37.50%         62.50%	TTS	20.32%	79.68%
FHL         31.36%         68.64%           BCN         37.50%         62.50%	VBH	35.31%	64.69%
BCN 37.50% 62.50%	VIL	23.16%	76.84%
	FHL	31.36%	68.64%
AVERAGE 31.68% 68.32%	BCN	37.50%	62.50%
	AVERAGE	31.68%	68.32%

## SOUTH PACIFIC STOCK EXCHANGE

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

	Total Issued	Resident retail sec	curity holding by geo	ographical location	Resident	Aggregate	Aggregate non-
Security	Securities (millions)	Central/Eastern	Western	Northern	institutional shareholding	resident security holding	resident security holding
APP	8.00	20.18%	0.77%	0.01%	78.22%	99.18%	0.82%
ATH	478.59	1.36%	0.30%	0.03%	95.58%	97.27%	2.73%
CFL	3.56	23.28%	0.56%	0.00%	73.60%	97.45%	2.55%
FBL	2.39	2.20%	8.40%	0.00%	13.58%	24.18%	75.82%
FIL	8.61	7.09%	0.16%	0.01%	91.46%	98.72%	1.28%
FMF	150.00	7.46%	3.38%	0.19%	86.27%	97.31%	2.69%
FTV	10.30	2.29%	1.16%	0.11%	95.97%	99.52%	0.48%
KFL	93.24	16.88%	0.87%	0.02%	38.70%	56.47%	43.53%
KGF	3.82	17.60%	1.18%	0.42%	64.04%	83.24%	16.76%
PBP	6.94	55.98%	0.27%	0.00%	43.46%	99.71%	0.29%
PDM	40.00	2.54%	1.12%	0.06%	25.22%	28.94%	71.06%
PGI	7.62	0.82%	40.56%	0.00%	47.99%	89.37%	10.63%
RBG	150.00	5.69%	4.59%	0.11%	89.40%	99.79%	0.21%
RCF	6.00	4.09%	0.76%	0.19%	94.34%	99.39%	0.61%
TTS	14.03	0.43%	0.04%	0.01%	19.61%	20.08%	79.92%
VBH	2.14	65.00%	0.33%	0.09%	21.56%	86.99%	13.01%
VIL	103.77	3.31%	0.57%	0.01%	93.01%	96.89%	3.11%
FHL	304.65	6.83%	0.67%	0.19%	91.82%	99.51%	0.49%
BCN	3.06	7.80%	0.32%	0.04%	91.47%	99.63%	0.37%

## Percentage of Security Holding by Investor Type

					TYPE OF I	NVESTOR				
Security	Individual	Institution/ Company	Trust	Joint/ Family	Group/ Club	Co- operative	Mataqali	Province	Tikina	Yavusa
APP	3.96%	89.40%	5.64%	0.44%	0.01%	0.54%	0.00%	0.00%	0.00%	0.00%
ATH	0.75%	96.77%	2.20%	0.12%	0.03%	0.02%	0.00%	0.10%	0.00%	0.00%
CFL	9.83%	74.71%	13.07%	2.26%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
FBL	19.29%	68.68%	10.60%	1.09%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%
FIL	6.59%	91.67%	0.83%	0.36%	0.29%	0.00%	0.00%	0.26%	0.00%	0.00%
FMF	10.64%	86.30%	2.62%	0.42%	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	41.49%	46.08%	5.92%	5.38%	0.00%	1.12%	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	55.96%	27.57%	15.91%	0.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PDM	3.77%	94.68%	1.15%	0.35%	0.00%	0.03%	0.02%	0.00%	0.00%	0.00%
PGI	11.69%	30.45%	17.54%	40.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RBG	6.51%	76.15%	16.64%	0.32%	0.01%	0.00%	0.04%	0.00%	0.33%	0.00%
RCF	3.67%	94.39%	1.05%	0.68%	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	61.25%	24.12%	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	5.94%	79.48%	2.28%	2.05%	0.80%	2.18%	1.11%	5.00%	0.83%	0.33%
BCN	4.11%	91.77%	3.84%	0.26%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%



											Å	Province							
Particulars	Particulars Residency	Type	Gender	Total	Ba	Bua	Cakaudrove Kadavu	Kadavu	Lau	Lomaiviti	Lomaiviti Macuata Nadroga-	Nadroga- Navosa	Naitasiri	Namosi	Ba	Rewa	Serua	Tailevu	Tailevu Rotuma
		امتنام ثاما	Male	11,170	2,053	2	29	87	ю	t	92	105	450	56	23	8,003	5	251	
		Iriaiwiauai	Female	3,178	568	<del>.</del> –	80	82	<del></del>	-	10	SS	168	23	4	2,192	÷	86	
		Trust		308	37	•	80	,	0	2	2	2	23	2	0	206		22	
		Corporate		481	95		13	4	ო	-	2	თ	20	4	-	312	ı	17	
	Resident Matagali	Matagali		76	41	•		,	ı		2	2	2	ო		40	-	11	
	Investors	Joint Account		594	105		6	4			17	16	45	80	0	347	ı	39	
		Others		200	13	•	26	4	7		12	ო	14	7	4	76	0	32	
		Unknown (FIL shareholders)*		3,841	0			ı.	1		ı	-	ı	ı	,	3,838	ı		ı
Number of		Total		19,848															
Investors by Location					Australia Zealand	New Zealand	NSA	ž	Canada	China	India	Japan	Pacific Island Countries	Others					
		lo do do	Male	342	98	92	24	1	18		•	18	35	46					
		Individual	Female	88	32	19	18	ო	ო		•	4	5	Ю					
		Trust		12	5	2	e	,	ı	,	,	,	2	ı					
		Corporate		75	43	18						0	4	8					
	Hesident Investors	Joint Account		65	23	16	10	ო	6				2	2					
		Others		e		-					•		-	1					
		Total		585															
		TOTAL		20,433															

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





# Development Report



## **Overview**

With core operations given priority, the SPX together with its two wholly owned subsidiaries; Central Share Registry Pte Limited (CSRL) and the SPX Trustees Limited (SPXT) managed to undertake and successfully execute the following business development activities during 2023:

#### Wholesale Corporate Bond

In continuation of our commitment to expanding the diversity of investment products in the capital market, the SPX is pleased to report notable milestones achieved in 2023, particularly in connection with the issuance of the first wholesale corporate bond by Fijian Holdings Limited (FHL) in December 2022.

In the year 2023, FHL upheld its commitment to bondholders by making timely interest payments for each quarter. Notably, the 1st quarter saw an interest payment of \$328,000, followed by payments of \$246,000 in the 2nd, 3rd and 4th quarters. This consistency in meeting financial obligations underscores FHL's dedication to its stakeholders and highlights the robust nature of the wholesale corporate bond issued through the SPX platform.

#### **Investor Awareness**

Throughout the year, the SPX maintained its proactive approach in implementing various initiatives aimed at enhancing investor awareness. These efforts predominantly took place across digital and social media platforms. Recognizing the significance of investor awareness in a growing market like the SPX, these endeavours served as crucial mediums to instil investor confidence, deliver relevant investment information and encourage investor engagement in long-term financial planning for wealth creation and the establishment of a secure financial future.

In 2023, the SPX once again collaborated with C&C Solutions, a digital advertising agency, to play a leading role in promoting the stock market to existing shareholders, potential investors and businesses seeking capital raising opportunities. C&C Solutions produced informative content, including topics such as the benefits of early and young investments, utilizing share investments to hedge against inflation, diversifying savings through the stock market, aligning investment goals with objectives, considerations before investing in shares, the process of purchasing SPX-listed stocks and incentives available to investors and companies. In parallel, the SPX markets team released additional content on dividend payments, upcoming Annual General Meetings (AGM's) and congratulatory messages for entities celebrating listing anniversaries on the SPX.

Furthermore, the SPX markets team dedicated time to compile and publish regular Insight Articles on listed entities. In 2023, five articles were published on behalf of listed entities, serving as condensed versions of comprehensive research reports to provide potential investors with a comprehensive overview and aid in making well-informed investment decisions.

In addition to these efforts, the SPX allocated resources to produce weekly newsflash reports, monthly trading reports, market development press releases and an annual stock market update. These reports were widely disseminated to ensure that relevant information about stock market performance and other developments reached all stakeholders. Additionally, in collaboration with HFC Bank, the SPX continued its commitment to providing weekly stock market updates through FBC TV's business segment every first business day of the 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; Corporate Governance & Enterprise Risk Management Training by Ergonosys, February Monthly Webinar by Benjamin Collings: Senior Investment Adviser, Australian Bond Exchange, one day workshop on "Leading as effective Ethics, Governance and Compliance Ambassadors" by the SPX which was facilitated by Ms Wati Seeto, Hot Topics session by Munro Leys, Climate Change Act 2021 Awareness Session by the RBF in collaboration with the Ministry of Finance. National Economic Summit by Ministry of Finance, FIA Conference on "Key Issues In Climate Accounting", ADB-Asian Think Tank Development Forum and enrolment by two senior staff members at the Fiji National University for Bachelor of Commerce programmes.

In addition to the above and for the benefit of the licensed Stockbrokers and Investment Advisers, the SPX held two sessions of comprehensive one-day training. The first session was on "Developing Smart Investment Strategies: From Valuation Analysis to Asset Allocation," which was facilitated by Professor Erik Larson from Macalaster College in Minnesota, USA. During this training, participants gained insights into the conceptual foundations of crafting intelligent investment strategies. The session covered various tools for financial valuation, efficient asset allocation strategies for maximizing investment returns, comparative analysis of asset classes and growth measures and practical application of the learnings by developing an allocation for an investment scenario. The second training session, "Valuation and Financial Statement Analysis: Looking Back & Looking Forward," also facilitated by Professor Erik Larson, focused on the fundamentals of financial and valuation analysis for entities listed on the SPX. Participants delved into the examination of whether a longer-term perspective on companies' performance provides additional insights that can inform the development of robust investment strategies. The session also addressed forward-looking analysis, encompassing information on the profitability of future business.



#### **Technological Upgrades**

The SPX experienced an important technological upgrade, with GEM IT implementing the transformative initiative. The internal IT systems underwent significant improvements, in which GEM IT provided services such as upgrading the SPX server and executing MX migration to latest version with latest operating system, representing a noteworthy advancement for the SPX's IT System and contributing to a more efficient work operation. This important enhancement not only underscores the SPX's commitment to technological adaptability but also positions the company for heightened operational efficiency and increased productivity.

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







Annually, during October, nations globally observe National Breast Cancer Awareness Month, commonly known as "Pinktober." In Fiji, numerous campaigns organized by women's health charities and community groups bring attention to the ongoing issue. In the current year, the SPX collaborated with the Fiji Cancer Society to celebrate survivors and commemorate individuals who lost their lives to the disease. Additionally, financial assistance was extended to the Fiji Cancer Society to support their impactful efforts and the SPX team on October attended annual Quiz Night fundraiser which supported the Graduate Women Fiji Scholarship Fund, that aims to encourage women to pursue study in non-traditional areas.

Snapshots from the SPX Pinktober and Fundraiser event:







#### **Market Supervision**

ANNUAL REPORT

2023

SOUTH PACIFIC

STOCK EXCHANGE

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 2023:

Particulars	Description
Number of Market Surveillance queries lodged with licensed stockbroking members	3 market surveillances were triggered by the SPX in 2023 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	<ul> <li>Two trading suspensions were imposed on shares of listed entities in 2023:</li> <li>Kinetic Growth Fund Limited (KGF) obtained a voluntary suspension in trading of its shares due to delays in release of its annual audited accounts and annual report to the market. In furtherance to this, the voluntary suspension continued owing to the finalisation of a price sensitive transaction being undertaken by the entity.</li> <li>Amalgamated Telecom Holdings Limited (ATH) was granted a suspension in trading of its shares owing to non-compliance with Section 50.1 of the SPX Listing Rules; associated with the delay in release of the entity's audited financial statements within the stipulated timeframe.</li> </ul>
Listed entities fined for non-compliance with the SPX Listing Rules	No fines were imposed during the year.
Conduct of Stockbrokers	While none of the Stockbroking firms were fined during 2023, 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 2023

SOUTH PACIFIC STOCK EXCHANGE ANNUAL REPORT 2023





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#### SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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 Company) and its subsidiaries (collectively the Group) as at 31 December 2023, 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. Nitin Gandhi - Chairperson (appointed on 27 June 2023) Mr. Saiyad Hussain (Deputy Chair) Ms. Rowena Fong Mr. Gyanesh Rueben Mr. Salvin Nand Mr. David Lawrence (appointed on 25 October 2023)

#### 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 unlisted companies, trustee services and providing bond registry services for wholesale corporate bond issuers.

There were no significant changes to these activities during the year.

#### Results

The net profit after income tax for the Company was \$152,423 (2022: \$164,676) after providing for income tax expense of \$25,771 (2022: \$38,643).

The profit after income tax of the Group for the year was \$282,845 (2022: \$236,075) after providing for income tax expense of \$70,542 (2022: \$65,791).

#### Dividends

The Directors recommend that no amounts be declared or paid by way of dividend during the year (2022: \$Nil).

#### 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 the writing off of bad debts and the allowance for impairment loss.

As at date of 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 the Group, inadequate to any substantial extent.



### SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES DIRECTORS' REPORT continued FOR THE YEAR ENDED 31 DECEMBER 2023

#### Current and Non-current Assets

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

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

#### Unusual Transactions

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

#### Significant Events During The Year

In June 2023, the Government of Fiji announced its 2023-2024 National Budget which included a revision to the income tax rate. The income tax rate was raised from 20% to 25% and impacts deferred tax balances recorded in the current year at the revised rate which has been substantively enacted at 31 December 2023. This also impacts the financial results, tax payable and deferred tax balances in the current and subsequent financial years.

Apart from the above, there were no other significant matter or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company and the Group, the results or cash flows of those operations, or the state of affairs of the Company and the Group in future financial years.

#### Events Subsequent to Year End

No 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 the 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 has become or is 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.



## SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES DIRECTORS' REPORT continued FOR THE YEAR ENDED 31 DECEMBER 2023

#### Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than 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 company) by reason of a contract made by the entity or by a related company with a Director or with a firm of which he/she is a member, or with a entity in which he/she has a substantial financial interest.

#### Auditor Independence

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of South Pacific Stock Exchange Pte Limited and its subsidiaries on page 6.

For and on behalf of the Board and in accordance with a resolution of the Board of Directors.

Dated this 29th day of April 2024.

wh Gamil Director

Director



#### SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2023

This Directors' Declaration is required by the Companies Act 2015.

The Directors of South Pacific Stock Exchange Pte Limited (the Company) have made a resolution that declared:

- (a) in the Directors' opinion, the financial statements and notes of the Company and the Group for the financial year ended 31 December 2023:
  - (i) give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and of the performance of the Company and the Group for the year ended 31 December 2023; and
  - (ii) have been made out in accordance with the Companies Act 2015.
- (b) they have received declarations as required by section 395 of the Companies Act 2015; and
- (c) at the date of this declaration, in the Directors' opinion, 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 April 2024.

wh Gamil Director

Director



Pacific House Level 7 1 Butt Street | PO Box 1359 | Suva | Fiji Tel: +679 331 4166 ey.com

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

As the lead auditor for the audit of South Pacific Stock Exchange Pte Limited for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- 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 the entities it controlled during the financial year.

~ 0

Ernst & Young Chartered Accountants

Steven Pickering Partner

29 April 2024



Pacific House Level 7 1 Butt Street | PO Box 1359 | Suva | Fiji Tel: +679 331 4166 ey.com

#### Independent Auditor's Report

To the Shareholders of South Pacific Stock Exchange Pte Limited and its 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 (collectively the Group), which comprise the statement of financial position as at 31 December 2023, the 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 material accounting policy information.

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 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (including International Independence 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 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 Directors and management 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 Directors and management 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 continued

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or
  error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is
  sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material
  misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,
  forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that
  are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness
  of the Company's and 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.



#### Independent Auditor's Report continued

#### Report on Other Legal and Regulatory Requirements

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

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

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Ernst & Young Chartered Accountants

Steven Pickering

Steven Pickering Partner

29 April 2024



## SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		Gr	oup	Com	oany
	Notes	2023	2022	2023	2022
		\$	\$	\$	\$
Revenue	5.1	1,025,253	1,040,283	330,986	398,755
Other operating income	5.2	365,357	303,568	791,305	745,919
		1,390,610	1,343,851	1,122,291	1,144,674
Depreciation and amortisation expenses		(219,028)	(220,078)	(196,689)	(190,094)
Staff and employee benefits	5.3	(372,783)	(379,262)	(358,783)	(367,269)
Operating expenses	5.4	(394,036)	(386,554)	(337,249)	(327,901)
Finance costs		(51,376)	(56,091)	(51,376)	(56,091)
Profit before tax		353,387	301,866	178,194	203,319
Income tax expense	6(a)	(70,542)	(65,791)	(25,771)	(38,643)
Net profit after tax		282,845	236,075	152,423	164,676
Other comprehensive income		-	-	-	-
Total comprehensive income for the year,	net of tax	282,845	236,075	152,423	164,676



## SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

		Gr	oup	Com	pany
	Note	2023	2022	2023	2022
		\$	\$	\$	\$
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
Retained earnings					
Balance at the beginning of the year		2,376,019	2,139,944	1,456,508	1,291,832
Operating profit for the year		282,845	236,075	152,423	164,676
Balance at the end of the year		2,658,864	2,376,019	1,608,931	1,456,508
Total equity		2,778,864	2,496,019	1,728,931	1,576,508



## SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		~	0110	C	pany
	Notes	2023	oup 2022	2023	2022
	NOLES	\$	\$	\$	\$
		Ψ	Ψ	Ψ	Ψ
Current assets					
Cash and cash equivalents	7	1,857,842	1,584,920	326,666	555,058
Cash in dividend account	8(a)	8,437,102	3,851,380	-	-
Cash in trust account	9(a)	4,480,789	3,319,070	-	-
Cash in wholesale corporate bond					
interest account	8(c)	246,939	-	-	-
Trade and other receivables	10	232,293	191,604	605,543	181,001
Other investments	11(a)	235,843	535,843	135,843	435,843
Financial assets	12(a)	400,000	400,000	-	-
Current tax asset		4,468	32,378	-	4,393
		15,895,276	9,915,195	1,068,052	1,176,295
Non-current assets					
Financial assets	12(b)	204,731	199,469	204,731	199,469
Other investments	11(b)	500,000	200,000	500,000	200,000
Investment in subsidiaries	13	-	-	100,000	100,000
Plant and equipment	14	32,624	132,479	32,505	124,039
Intangible assets	15	61,658	36,579	49,851	19,440
Right-of-use assets	19	537,110	629,186	537,110	629,186
Deferred tax asset	6(b)	70,753	41,708	69,729	44,404
		1,406,876	1,239,421	1,493,926	1,316,538
Total assets		17,302,152	11,154,616	2,561,978	2,492,833
Current liabilities					
Trade and other payables	16	150,310	185,044	63,483	46,244
Deferred income	18	66,673	95,676	66,673	95,676
Current tax liability			-	4,529	-
Funds for dividend payable	8(b)	8,837,102	4,251,380	-,010	-
Funds in wholesale corporate bond	8(d)	245,960	-	_	-
Funds for trust payable	9(b)	4,480,859	3,319,070	-	-
Lease liability	19	91,770	75,065	91,770	75,065
Employee benefit liability	17	1,135	2,114	1,135	2,114
		13,873,809	7,928,349	227,590	219,099
Non ourrent liebilities					
Non-current liabilities	10	44.000	00.000		
Trade and other payables	16 19	44,022	33,022	-	-
Lease liability	19	605,457	697,226	605,457	697,226
		649,479	730,248	605,457	697,226
Total liabilities		14,523,288	8,658,597	833,047	916,325
Net assets		2,778,864	2,496,019	1,728,931	1,576,508
Shareholders' equity					
Share capital	20	120,000	120,000	120,000	120,000
Retained earnings		2,658,864	2,376,019	1,608,931	1,456,508
Total shareholders' equity		2,778,864	2,496,019	1,728,931	1,576,508

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



## SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		Gr	oup	Com	pany
		2023	2022	2023	2022
Operating activities	Note	\$	\$	\$	\$
Cash receipts from customers		1,070,333	1,014,738	418,161	885,000
Government grant		227,340	287,577	227,340	287,577
		1,297,673	1,302,315	645,501	1,172,577
Cash paid to suppliers and employees		(843,818)	(787,692)	(731,148)	(751,707)
Interest on lease liability		(51,376)	(56,091)	(51,376)	(56,091)
Income tax paid		(71,677)	(84,162)	(42,174)	(45,959)
Net cash provided by/ (used in) operating activit	ies	330,802	374,370	(179,197)	318,820
	-				
Investing activities					
Payment for plant and equipment		-	(23,155)	-	(23,155)
Acquisition of intangible assets		(52,175)	(7,968)	(43,490)	-
Interest received		17,983	21,526	17,983	19,329
Net cash used in investing activities		(34,192)	(9,597)	(25,507)	(3,826)
Financing activities					
Payment of lease liability - principle portion only		(23,688)	(6,627)	(23,688)	(6,627)
Net cash used in financing activities	-	(23,688)	(6,627)	(23,688)	(6,627)
Net increase/ (decrease) in cash and cash equiva	alents	272,922	358,146	(228,392)	308,367
Cash and cash equivalents at 1 January		1,584,920	1,226,774	555,058	246,691
Cash and cash equivalents at 31 December	7	1,857,842	1,584,920	326,666	555,058



#### 1. CORPORATE INFORMATION

The financial statements of South Pacific Stock Exchange Pte Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 29 April 2024. The Group owners have the power to amend the financial statements, if applicable. South Pacific Stock Exchange Pte Limited is a limited liability private company incorporated and domiciled in Fiji.

The principal activities of the Company and Group are described in Note 31.

#### 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) as issued by the International Accounting Standards Board (IASB) 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;
- 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



#### 2. BASIS OF PREPARATION continued

- c) Basis of consolidation continued
  - any additional facts and circumstances that indicate that the Holding Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of 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 noncontrolling 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.

c) Presentation and functional currency

The companies in the Group operate in Fiji and hence its financial statements are presented in Fiji dollars which is the Group's functional and presentation currency.

- d) Changes in accounting policies and disclosures
  - (i) New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments listed below, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). These amendments did not have a material impact on the Group.

- Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates Amendments to IAS 8; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12.

The Group has not early adopted any other standard, interpretation 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 Group's financial statements are disclosed below. The Group 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 Group.

New standards and amendments	Effective date		
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024		
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024		



#### 3. SUMMARY OF ACCOUNTING POLICIES

A summary of the accounting policies adopted by the Company and the Group is set out in this note. The policies adopted are in accordance with IFRS, and unless stated otherwise are consistent with those applied in the prior year.

#### (a) Cash and cash equivalents

For the purpose of statement 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.

#### (b) i) 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.

#### ii) Wholesale corporate bond funds

The subsidiary company provides registry services to listed wholesale corporate bond insurers for maintenance of their bond holder registry. This amount is held in a separate bank account and has been disclosed separately in the statement of financial position as "Cash in wholesale corporate bond interest account".

#### (c) 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 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.



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

- (c) Financial instruments continued
  - (ii) Classification and subsequent measurement continued

Financial assets: Subsequent measurement and gains and losses

#### Financial assets at amortised cost

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

#### 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 the 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.



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

- (c) Financial instruments continued
  - (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 (3(c)(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 Company and 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 (3(d)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company and the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Impairment of 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.



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

#### (e) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in 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%
Office equipment	10%-24%
Motor vehicles	20%-33%
Computer equipment	20%-33%

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

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

#### (f) 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 statement of profit or loss and other comprehensive income in the year in which expenditure is incurred.

#### (g) Trade and other payables

Trade accounts payables and other payables are recognised when the Company and the 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.



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

(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) Taxes

#### Current income tax

Current income tax assets and liabilities for the current and prior periods 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 balance date.

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

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill amortisation or 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 taxable temporary differences associated with investments in associates, except where 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, carry forward of unused tax credits and unused tax losses, 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:

- where 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 associates, 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 balance 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 reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit 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 balance date.

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



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

#### (k) Taxes continued

Revenue, expenses, assets and liabilities are recognised net of the amount of VAT except:

- where VAT incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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.

#### (I) 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).

#### (m) Comparatives

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



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

(n) 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.

Policy applicable as a lessee

#### Group as a lessee

The Company and the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The rightof-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 remeasurements 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.



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

(n) Leases continued

Policy applicable as a lessee continued

#### Group as a lessee continued

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-ofuse 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.

(o) Share capital

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



#### 3. SUMMARY OF ACCOUNTING POLICIES continued

(p) Investment in subsidiaries

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

#### (q) Finance income and finance costs

The Company's and the Group's finance income and finance costs include:

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

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

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

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

(r) Current versus non-current classification

The Company 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 classifies all other liabilities as non-current.

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

(s) Trust Funds

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



#### 4. Accounting judgements, estimates and assumptions

In application of the Company's and the Group's accounting policies, which are described in Note 3, the Directors and management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are 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 have been disclosed under the following notes to the financial statements:

Note 3 (d) – Impairment of financial instruments Note 3(e) – Depreciation and impairment of plant and equipment Note 3(f) – Amortisation of intangible assets Note 3 (k) - Deferred taxes Note 3 (n) - Leases

		Group		Company	
		2023	2022	2023	2022
5.	OPERATING PROFIT	\$	\$	\$	\$
5.1	Revenue				
	Annual listing fees	227,104	231,134	227,104	231,134
	Distribution fees	66,869	77,643	-	-
	Corporate actions	12,000	12,000	12,000	12,000
	Registry maintenance fees	359,398	310,885	-	-
	Membership fees	20,001	20,000	20,001	20,000
	SPX facility fee	71,881	135,621	71,881	135,621
	Trust Service income	268,000	253,000	-	
		1,025,253	1,040,283	330,986	398,755
5.2	Other operating income	\$	\$	\$	\$
	Annual government grant	256,343	236,798	256,343	236,798
	Management fees	-	-	445,573	463,655
	Interest income	24,847	21,474	23,245	19,278
	Dividend earned	5,262	4,889	5,262	4,889
	Other income	78,905	40,407	60,882	21,299
		365,357	303,568	791,305	745,919
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5.3	Staff and employee benefits	\$	\$	\$	\$
	Directors' fees and allowances	66,552	59,998	52,552	48,005
	Salaries and wages	248,320	276,040	248,320	276,040
	Fiji National Provident Fund contribution	15,936	16,711	15,936	16,711
	Fiji National University contribution	2,879	3,129	2,879	3,129
	Staff Insurance	6,457	5,184	6,457	5,184
	Training and development	29,321	14,401	29,321	14,401
	Travelling expenses	3,318	3,799	3,318	3,799
		372,783	379,262	358,783	367,269
				,	,



		Group		Company	
		2023	2022	2023	2022
5.	OPERATING PROFIT continued	\$	\$	\$	\$
5.4	Operating expenses				
	Auditor's remuneration - audit fees	16,850	16,000	9,500	9,000
	- other fees	13,500	5,750	7,500	2,500
	IT expense	24,687	44,481	24,687	25,107
	Electricity	8,526	8,108	8,526	8,108
	Investor education program	75,108	108,493	75,108	108,493
	RBF licence	6,215	6,159	6,215	6,159
	Sub-licensing fee	104,672	105,232	104,672	105,232
	Other operating expenses	144,478	92,331	101,041	63,302
		394,036	386,554	337,249	327,901
6.	INCOME TAX	\$	\$	\$	\$

(a) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 2022 and 2023:

Operating profit before income tax	353,387	301,866	178,194	203,319
Prima facie tax on operating profit at 25%(2022: 20%)	88,347	60,373	44,549	40,664
Tax losses not recognised	294	3,089	-	-
Effect of change in tax rate	(11,532)	-	(11,400)	-
Prior year tax loss derecognised	-	4,266	-	-
Under provision in the prior year	811	1,777	-	1,693
Permanent differences in current year	(7,378)	(3,714)	(7,378)	(3,714)
Income tax expense reported in the statement of profit or loss and				
other comprehensive income	70,542	65,791	25,771	38,643
(b) Deferred tax				
Balance at the beginning of the year	41,708	43,081	44,404	35,337
Tax effect of increase in timing	13,925	15,722	13,925	10,760
differences arising in the current year				
Effect of change in tax rate	11,532	-	11,400	-
Others	3,588	(17,095)	-	(1,693)
Balance at the end of the year	70,753	41,708	69,729	44,404
. CASH AND CASH EQUIVALENTS	\$	\$	\$	\$

Cash and cash equivalents consist balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

7.

Cash at bank	1,855,675	1,582,693	324,499	552,831
Cash in project account	1,867	1,927	1,867	1,927
Cash on hand	300	300	300	300
	1,857,842	1,584,920	326,666	555,058



# 8. DIVIDEND AND WHOLESALE CORPORATE BOND INTEREST ACCOUNT

Gr	oup	Com	pany
2023	2022	2023	2022
\$	\$	\$	\$
8,437,102	3,851,380	-	
8,437,102	3,851,380	-	-
400,000	400,000	-	-
8,837,102	4,251,380	-	
	2023 \$ 8,437,102 8,437,102 400,000	\$ 8,437,102 8,437,102 3,851,380 400,000 400,000	2023       2022       2023         \$       \$       \$         8,437,102       3,851,380       -         8,437,102       3,851,380       -         400,000       400,000       -

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.

(c) Funds in wholesale corporate bond interest account	246,939	 -	
Wholesale corporate bond interest account is represe	nted by:		
Interest received from Fijian Holdings Limited Bank charges paid by South Pacific Stock Exchange	245,960 979 246,939	 -	
(d) Funds in wholesale corporate bond interest payable	245,960	 -	

The subsidiary company provides registry services to listed wholesale corporate bond insurers for maintenance of their bond holder registry. This amount is held in a separate bank account and has been disclosed separately in the statement of financial position as "Cash in wholesale corporate bond interest account".

9. CASH IN TRUST ACCOUNT	\$	\$	\$	\$
(a) Cash in trust account	4,480,789	3,319,070	-	
(b) Trust payable	4,480,859	3,319,070	-	

The subsidiary company has entered into a service level agreement with the 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, July 2022 and July 2023 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	\$	\$	\$	\$
	Trade and other receivables				
	Owing by SPX Trustees Limited	-	-	205,073	-
	Owing by Central Share Registry Pte Limited	-	-	253,805	-
	Accrued revenue	82,171	56,172	10,296	48,155
	Other receivables	79,434	59,429	66,106	58,659
	Prepayments	70,688	76,003	70,263	74,187
		232,293	191,604	605,543	181,001



	Gr	oup	Com	ipany
	2023	2022	2023	2022
11. FINANCIAL ASSETS	\$	\$	\$	\$
(a) Current				
Term deposits (i)	235,843	535,843	135,843	435,843
(b) Non-current				
Investment in government Viti bonds (ii)	500,000	200,000	500,000	200,000

(i) Term deposits are placed at Merchant Finance Limited, Fiji Development and Westpac Banking Corporation and earn interest at 2.00% to 3.25% The deposits are typically held for 12-month term.

(ii) 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

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

(i) 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.

(b	) Non-current	\$	\$	\$	\$
	Units in Trust of Fiji (Income Fund)	204,731	199,469	204,731	199,469
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.

# 14. PLANT AND EQUIPMENT

Cost				Computer		
Cret	Motor vehicles	fittings	equipment	equipment	Work in progress	Total
COSt	÷	\$	\$	÷	Ь	÷
At 1 January 2022	57,000	344,522	6,593	109,285	2,640	520,040
Additions	I			23,155	7,968	31,123
Transfer to intangible assets	I			ı	(2,640)	(2,640)
At 31 December 2022	57,000	344,522	6,593	132,440	7,968	548,523
Transfer to intangible assets				ı	(7,968)	(2,968)
At 31 December 2023	57,000	344,522	6,593	132,440		540,555
Depreciation						
At 1 January 2022	34,200	190,180	5,644	96,650		326,674
Depreciation charge 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
Depreciation charge for the year	11,400	68,422	150	11,915		91,887
At 31 December 2023	57,000	327,039	5,944	117,948	,	507,931
Net book value:			CCF			
At 31 December 2022	11,400	85,905	667	26,407	1,968	132,479
At 31 December 2023	•	17,483	649	14,492		32,624



# 14. PLANT AND EQUIPMENT continued

company		Furniture and	Office	Computer		
	Motor vehicles	fittings	equipment	equipment	Work in progress	Total
Cost	÷	Ş	÷	÷	ь	÷
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
At 31 December 2023	57,000	341,572	5,455	125,152	,	529,179
Depreciation						
At 1 January 2022	34,200	188,056	4,506	89,362		316,124
Depreciation charge 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
Depreciation charge for the year	11,400	68,069	150	11,915		91,534
At 31 December 2023	57,000	324,208	4,806	110,660	,	496,674
<u>Net book value:</u> At 31 December 2022	11,400	85,433	662	26,407	ı	124,039
At 31 December 2023		17,364	649	14.492	,	32,505



## 15. INTANGIBLE ASSETS

16.

			Group	Company
Cost:			\$	\$
At 1 January 2023			484,607	292,077
Additions			52,175	43,490
Transfer from work in progress			7,968	-
At 31 December 2023		_	544,750	335,567
Accumulated amortisation				
At 1 January 2023			448,028	272,637
Amortisation charge for the year			35,064	13,079
At 31 December 2023		_	483,092	285,716
Net written down value:				
At 31 December 2023		_	61,658	49,851
At 1 January 2023		=	36,579	19,440
	Grou	p	Comp	any
	2023	. 2022	2023	2022
TRADE AND OTHER PAYABLES	\$	\$	\$	\$
Current				
Accrued expenditure	85,312	52,335	63,483	36,613
Income received in advance	-	68,125	-	-
Value added tax payable	64,998	54,953	-	-
Sundry creditors	-	9,631	-	9,631
	150,310	185,044	63,483	46,244
Non-current				
	44,022	33,022		

(a) The subsidiary has invested unclaimed dividends in Unit Trust of Fiji and the dividend received from Unit Trust of Fiji is used for advertising clients unclaimed dividend in the media and other dividend related expenses.

17.	EMPLOYEE BENEFIT LIABILITY	\$	\$	\$	\$
	Annual leave entitlements				
	Balance at 1 January	2,114	4,578	2,114	4,578
	Arising during the year	6,490	11,124	6,490	11,124
	Utilised	(7,469)	(13,588)	(7,469)	(13,588)
	Balance at 31 December	1,135	2,114	1,135	2,114
18.	DEFERRED INCOME	\$	\$	\$	\$
	Grant income				
	Balance at 1 January	95,676	44,897	95,676	44,897
	Grant received during the year	227,340	287,577	227,340	287,577
	Release to statement of profit or loss	(256,343)	(236,798)	(256,343)	(236,798)
	Balance at 31 December	66,673	95,676	66,673	95,676

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:

	Gr	oup	Company		
	2023	2022	2023	2022	
Right-of-use assets	\$	\$	\$	\$	
Balance at 1 January	629,186	721,262	629,186	721,262	
Depreciation charge for the year	(92,076)	(92,076)	(92,076)	(92,076)	
Balance at 31 December	537,110	629,186	537,110	629,186	

## Lease liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	137,340	118,810	137,340	118,810
One to five years	716,130	704,140	716,130	704,140
More than five years	-	275,770	-	275,770
Total undiscounted lease liabilities at 31 December	853,470	1,098,720	853,470	1,098,720

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

Current Non-current Total lease liabilities	91,770 605,457 697,227	75,065 697,226 772,291	91,770 605,457 697,227	75,065 697,226 772,291
Amounts recognised in profit or loss				
Interest on lease liabilities	51,376	56,091	51,376	56,091
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	(75,064)	(62,718)	(75,064)	(62,718)

# Real estate leases

The lease of land run for a period of five to ten years. The lease includes an option to renew the lease for an additional period after the end of the contract term.

Reconciliation of movement of liabilities to cash flows from financing activities

	Lease
	liabilities
	\$
Balance at 1 January 2023	772,291
Changes from financing cash flows:	
Payment of lease liabilities	(75,064)
Total changes from financing cash flows	(75,064)
Other changes – liability related	
Interest expense	51,376
Interest paid	(51,376)
Total liability related other changes	<u> </u>
Balance 31 December 2023	697,227



		Gr	oup	Com	ipany
		2023	2022	2023	2022
20.	SHARE CAPITAL	\$	\$	\$	\$
	Issued and paid-up capital				
	8 ordinary shares	120,000	120,000	120,000	120,000
21.	CAPITAL COMMITMENTS				
	Approved but not committed	74,900	57,900	64,900	43,516

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. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities as at 31 December 2023 amounted to \$Nil (2022: \$Nil).

# 24. RELATED PARTIES

	Company	
	2023	2022
24.1 Net owing by related companies	\$	\$
Owings by SPX Trustees Limited	205,073	-
Owing by Central Share Registry Pte Limited	253,805	-
	458,878	
24.2 Transactions with related parties The transactions between the Company and its subsidiaries during the year were:		
Income	\$	\$
Management fees	445,573	463,655

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.

# 24.3 Shareholders

The Company has eight shareholders who hold one share each.

#### 24.4 Directors

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

Mr. Nitin Gandhi - Chairperson (appointed on 27 June 2023)

- Mr. Saiyad Hussain (Deputy Chair)
- Ms. Rowena Fong
- Mr. Gyanesh Rueben
- Mr. Salvin Nand
- Mr. David Lawrence (appointed on 25 October 2023)



# 24. RELATED PARTIES continued

## 24.4 Directors continued

	Group		Company	
	2023 2022		2023	2022
	\$	\$	\$	\$
Directors' fees and allowance	66,552	59,998	52,552	48,005

# 24.5 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 subsidiaries, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

In July 2023, the Acting Chief Executive Officer departed from the Group and Manager Legal/Company Secretary has taken the role of Acting Chief Executive Officer. The Acting Chief Executive Officer and the Directors were identified as key management personnel (2022: Directors, Acting Chief Executive Officer and Manager Legal and Company Secretary were key management personnel).

Compensation paid to Group key management personnel during the year ended 31 December 2023 and 2022 was:

	\$	\$
Salaries and other short-term employee's benefits	139,731	152,553

# 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 recognise potential adverse effects on the Group's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, is managing a disciplined and constructive control environment in which employees understand their roles and obligation.

# (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.

# 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.



# 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

# (b) <u>Credit risk</u>

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 wholesale corporate bond interest 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 \$1,857,842 (2022: \$1,584,920), cash in dividend account of \$8,437,102 (2022: \$3,851,380), cash in trust account \$4,480,789 (2022: \$3,319,070), and cash in wholesale corporate bond interest account of \$246,939 (2022: \$Nil), respectively. Cash are held with bank and short-term deposits are made only with reputable financial institutions which are regulated by Reserve Bank of Fiji with known sound financial standing. The Group considers that its cash have low credit risk based on the external credit ratings of the counterparties.

# Debt securities

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

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

The Group did not have any debt securities that were past due but not impaired at 31 December 2023. An impairment allowance of Nil (2022: \$Nil) in respect of debt securities at amortised cost (2022: 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.



# 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

# (c) Liquidity risk continued

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
31 December 2023	\$	\$	\$	\$	\$
Trade and other payables	-	85,312	64,998	44,022	
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
31 December 2022	\$	\$	\$	\$	\$
Trade and other payables		130,091	54,953	33,022	-

# (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, recognised 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.

# 26. CAPITAL RISK MANAGEMENT

For the purposes of the Group's and Company's capital management, capital includes issued capital and retained earnings. The primary objective of the Group and the Company's capital management is to maximise the shareholder value.

The Group and the Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and/or sell assets to reduce debt.

The Group and the Company monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group and the Company includes within net debt, trade and other payables, less cash and cash equivalents.

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Trade and other payables [Note 16]	194,332	218,066	63,483	46,244
Less: cash and cash equivalents [Note 7]	(1,857,842)	(1,584,920)	(326,666)	(555,058)
Net debt	(1,663,510)	(1,366,854)	(263,183)	(508,814)
Total shareholders' equity	2,778,864	2,496,019	1,728,931	1,576,508
Total capital	2,778,864	2,496,019	1,728,931	1,576,508
Capital and net debt	1,115,354	1,129,165	1,465,748	1,067,694
Gearing ratio	0%	0%	0%	0%



### 27. SIGNIFICANT EVENTS DURING THE YEAR

In June 2023, the Government of Fiji announced its 2023-2024 National Budget which included a revision to the income tax rate. The income tax rate was raised from 20% to 25% and impacts deferred tax balances recorded in the current year at the revised rate which has been substantively enacted at 31 December 2023. This also impacts the financial results, tax payable and deferred tax balances in the current and subsequent financial years.

Apart from the above, there were no other significant matter or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company and the Group, the results or cash flows of those operations, or the state of affairs of the Company and the Group in future financial years.

#### 28. SUBSEQUENT EVENTS

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

### 29. BROKER GUARANTEES

The Company holds certificates of term deposits amounting to \$60,000 (2022: \$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.

# 30. COMPANY DETAILS

#### Company Incorporation

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

#### Registered Office

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

Employees Number of employees at the end of the year: 11 (2022: 10).

# 31. 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 unlisted companies, trustee services and providing bond registry services for wholesale corporate bond issuers.

There were no significant changes to these activities during the year.



# SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES DISCLAIMER ON ADDITIONAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

The additional financial information, being the attached detailed statement of profit or loss has been compiled by management of South Pacific Stock Exchange Pte Limited and does not form part of the statutory financial statements.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than South Pacific Stock Exchange Pte Limited may suffer arising from any negligence on our part. No person should rely on the additional information without having an audit or review conducted.



# SOUTH PACIFIC STOCK EXCHANGE PTE LIMITED AND SUBSIDIARY COMPANIES DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

INCOME	¢	2022
	\$	\$
Annual government grant	256,343	236,798
Annual listing fees	227,104	231,134
Interest income	23,245	19,278
Dividend earned	5,262	4,889
Corporate actions	12,000	12,000
Management fees	445,573	463,655
Membership fee	20,001	20,000
Other income	60,882	21,300
SPX facility fee	71,881	135,621
Total operating income	1,122,291	1,144,675
OPERATING EXPENSES		
Auditor's remuneration - audit fees	9,500	9,000
- other fees	7,500	2,500
Bank charges	825	700
Computer insurance	6,994	6,848
Compliance expense	243	291
Information technology expenses	24,687	25,107
Depreciation and amortisation	104,613	98,018
Depreciation - right-of-use asset	92,076	92,076
Directors' fees	36,900	34,429
Directors' expense	2,838	2,622
Directors and officers insurance	12,814	10,954
Electricity	8,526	8,108
Business expense	38,074	21,401
Fiji National Provident Fund contribution	15,936	16,711
Fiji National University contribution	2,879	3,129
Fringe benefit tax	634	617
General expenses	2,729	785
Investor education program	75,108	108,493
Lease expense	2,970	-
Legal fees	1,507	-
Motor vehicle insurance	780	989
Office stationery	294	193
Other exchange traded product related cost	2,673	2,946
Reserve Bank of Fiji licence	6,215	6,159
Repair and maintenance	9,894	7,303
Salary and wages	248,320	276,040
Staff insurance	6,457	5,184
Sub-licensing fee	104,672	105,232
Telephone/ vodafone	6,066	5,393
Training and development	20,715	8,995
Technological progression	625	3,275
Staff training and development	29,321	14,401
Travelling expenses	3,318	3,799
Listing campaign	-	206
Recruitment expense	6,018	3,360
Total operating expenses	892,721	885,264
FINANCE COST	51 376	56 001
Interest expense	51,376	56,091
Profit before income tax	178,194	203,320

Detailed Statement of Profit or Loss is to be read in conjunction with the disclaimer set out on page 78.

ANNUAL REPORT 2023

# LICENSED STOCKBROKERS

Name	Address/Contact	Licensed Stockbroker Representatives	Services Provided
	Shop 1A & 1B Level 1, Vanua House 77 Victoria Parade Suva PO Box 2110 Government Buildings Suva, Fiji Phone: (679) 3307 018 / 3311 120 / 826 834 / 8926 833 Fax: (679) 3317 153 Email: info@fhls.com.fj Web: www.fhlstockbrokers.com.fj	1) Mr Simione Vitiarai 2) Mr Epeli Vakatawa 3) Mr Josua Waqainabete	<ul> <li>Stockbroking for entities listed on the SPX</li> <li>Overseas Trading Facility</li> <li>Over the Counter trading for unlisted stocks</li> <li>Dealing in Bonds issued in Fiji for individuals &amp; institutions</li> <li>Comprehensive financial planning</li> <li>Investment advisory services for investors</li> </ul>
<b>**FijiStock Broke<u>rs</u></b>	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji PO Box 16355 Suva, Fiji Phone: (679) 3304 675 / 9995 055 / 7404 770 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 5) Ms Siteri Cirivakabola	<ul> <li>Stockbroking for entities listed on the SPX</li> <li>Bond broking for individual and institutions on bonds issued in Fiji</li> <li>Overseas Trading Facility – on any shares listed on any recognized overseas Stock Exchange</li> <li>Corporate finance and advisory services</li> <li>Expatriate investment advisory services</li> </ul>
STOCKBAOKING	Level 2, Provident Plaza 1 33 Ellery Street, Suva, Fiji PO Box 17904 Suva, Fiji Phone: (679) 3307 284 Fax: (679) 3307 241 Email: broking@kontiki.com.fj Web: www.kontikicapital.com.fj	1) Ms Raghni Khatri 2) Mr David Oliver	<ul> <li>Stockbroking services – on listed and unlisted equity securities in Fiji</li> <li>Debt securities trading for individual and institutions in Fiji</li> <li>Overseas Trading Facility</li> <li>Over the counter trades</li> <li>Customised dealing execution and selected market making</li> <li>Research Reports</li> <li>Underwriting</li> </ul>

# LICENSED INVESTMENT ADVISERS

#### FHL STOCKBROKERS PTE LTD

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