

COVID-19 Regulatory Relief for SPX Listed Entities

Date of Issue: 24th April 2020

1. Background

The SPX acknowledges the unprecedented impacts arising out of COVID-19 and the challenges being experienced by the capital market participants. Looking at the current economic turmoil and the spill over impact from the global markets, we note that these challenges appear likely to continue in the intermediate future.

We understand that focus of listed entities at such point in time, necessarily entails the wellbeing and safety of respective staff members. We are aware that the current pandemic and the measures being implemented by the Fijian Government in response to the situation albeit necessary is creating multiple challenges for personnel, systems and infrastructure.

In recognition of these factors, and the potential for further disruptions in future, the **SPX has granted a waiver under which the timing requirements for the release of Annual Audited Financial Statements and Annual Reports will be extended for listed entities** with certain balance dates in the event that you consider that additional time is required to meet the periodic reporting requirements.

Under the SPX Listing Rules Section 50.1 and 51.1 respectively, all listed entities are required to:

- ✘ submit a copy of its annual audited financial statements to the SPX as soon as the accounts are available and, in any event, not later than three (3) months after the end of the annual accounting period; and
- ✘ lodge the Annual Report on Company Announcements Platform and send one (1) copy to each shareholder through the mode nominated by the shareholder and submit two (2) printed copies to the SPX, as soon as the Report is available and in any event not later than four (4) months after the end of annual accounting period.

The COVID-19 regulatory relief now allows listed entities:

- ✘ up to an additional 2 months to prepare and release annual audited financial statements; and
- ✘ up to an additional 2 months to prepare and release annual reports.

The impact of the regulatory relief for listed entities with month end balance dates are summarised below.

Continuing Listing Requirement	Balance Date	Current Due Date	Revised due date under Regulatory Relief
Rule 50.1 – Release of Annual Audited Financial Statements	31 December 2019	31 March 2020	31 May 2020
	31 March 2020	30 June 2020	31 August 2020
	30 June 2020	30 September 2020	30 November 2020
	31 July 2020	31 October 2020	31 December 2020
Rule 51.1 – Release of Annual Report	31 December 2019	30 April 2020	30 June 2020
	31 March 2020	31 July 2020	30 September 2020
	30 June 2020	31 October 2020	31 December 2020
	31 July 2020	30 November 2020	31 January 2021

**Please note that should the due date for any reporting requirement fall on a weekend or another non-SPX trading day, the relevant reports should be provided to the SPX by close of business on the immediately preceding Business Day.*

**Please also note that the regulatory relief is subject to conditions as entailed in Part (3) below.*

2. Conduct of Annual General Meeting (AGM)

The Companies Act 2015 through Section 170 requires each company to hold an AGM at least once in each calendar year and within 6 months after the end of each financial period. SPX acknowledges that the conduct of physical AGM particularly by June 2020 for listed entities that have a balance date of December 2019 may not be possible with the current restrictions on social gatherings imposed by the Fijian Government.

Hence, SPX is recommending to these listed entities to apply for an extension under Section 171 of the Companies Act 2015 to the Registrar of Companies to conduct their AGM in the 3rd or 4th Quarter of 2020 as deemed appropriate. For listed entities with other balance dates, SPX recommends that the company assess the prevailing situation and apply for extension of time for holding AGM as appropriate.

SPX is also highly encouraging listed entities to conduct a physical AGM in the interest of retail and minority shareholders of the company. Whilst SPX acknowledges that the use of technology to conduct virtual AGM can be permissible subject to agreement of all the officeholders and if allowed under the Company's Articles of Association, SPX still recommends that listed entities conduct physical AGM given that the AGM may be the only formal gathering through which shareholders would be able to interact with listed entity officials and with each other. The use of technology for taking part in AGMs is encouraged by SPX particularly for shareholders who may not wish to travel, however, in the interest of all shareholders, SPX submits that listed entities allow the conduct of AGM in physical format and at an appropriate time that would encourage participation at the AGM by majority of the shareholders.

3. Conditions of the Regulatory Relief

The waivers granted will be subject to certain conditions, including but not limited to the act that any listed entity relying on timing extensions, publish a statement to be released through the company market announcements platform, in advance of relevant current deadlines pursuant to the SPX Listing Rules. The market announcement should include:

- ✕ the reason for the delay in reporting; and
- ✕ expected timeframe within which you expect to release the required documents.

It is the responsibility of each listed entity to keep the market informed of developments in the periodic reporting and update on the publication dates should there be any change.

It should be noted that the regulatory relief provided by SPX is by virtue of its powers under the SPX Listing Rules and does not constitute an approval for extension of timelines on reporting requirements stipulated under the Companies Act 2015 and/or other statutory provisions. Hence, any listed entity relying on the regulatory relief provided by SPX must ensure that formal lodgements for delayed submission of relevant reports is made to the Registrar of Companies and the Reserve Bank of Fiji as required. Listed Entities that are subject to other statutory obligations who wish to rely upon the regulatory relief provided by SPX will need to consider whether any relief is available from those statutory provisions.

4. Further Extensions of Reporting Deadlines

The SPX notes that the waiver will not currently adjust the timing requirements for listed entities with balance dates after 31 July 2020. We will continue to closely monitor the evolving COVID-19 situation, and may extend or limit the scope of the regulatory relief should it be appropriate.

The SPX acknowledges that certain listed entities may request for further extensions of the reporting deadlines, notwithstanding the regulatory relief. The SPX will consider such requests on a case-by- case basis, subject to application.

Any application for further extension must include details of:

- ✕ the reasons for further delay in reporting;
- ✕ expected timeframe for release of the required information to the market.

5. Effects of Regulatory Relief on Penalties and Suspension of Trading

Under the SPX Listing Rules, if a listed entity has not released its annual audited financial statements or annual report on the due date, the listed entity securities may be suspended from trading and fines as stipulated in Annexure R may be imposed. These provisions will not be invoked by SPX as long as the listed entity has released the relevant reports within the adjusted due dates under the regulatory relief.

However, in the event that a listed entity fails to release the relevant reports within the adjusted due dates under the regulatory relief, unless the entity has a specific waiver, the SPX may exercise its powers under the SPX Listing Rules to suspend trading in relevant securities and subsequently impose penalties.

6. Additional Requirements

The SPX notes that the listed entities relying on this regulatory relief will continue to be subject to all other Continuing Listing Requirements. This includes continuous immediate disclosure of material information to the market. In the event the evolving COVID – 19 situation gives rise to operating and financial impacts that comprise “material information” despite the fact that financial statements or an annual report is yet to be finalised, such information must be disclosed promptly and without any delay, unless an exception for such a disclosure has been provided.

The SPX also notes that listed entities who wish to rely upon the regulatory relief must consider any contractual obligations they may have to deliver with preliminary financial statements or annual reports by specific deadlines. Earlier engagements with contractual counterparts, including banks and other lending institutions, to vary or waive those timeframes to align with the regulatory waiver may be required.

We request you to revert to the Exchange should you identify any issues while performing your obligations under the SPX Listing Rules.

This notice and the regulatory relief provided will be reassessed as new information regarding the pandemic is received. We look forward to working with you and providing assistance as required during this difficult time.

South Pacific Stock Exchange Pte Limited
24th April 2020