

## COVID-19 Regulatory Relief for SPX Listed Entities

Date of Issue: 4<sup>th</sup> June 2021

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### 1. Background

The recent resurgence of locally transmitted cases in Fiji has once again posed a fresh challenge to Fiji's healthcare system and has put Fiji back in the grips of a second wave with various restrictions and containment measures being instituted to curtail the spread of the deadly virus. The SPX notes that the current situation has caused disruptions to several businesses including the listed entities, where business continuity plans have simultaneously been implemented and adjusted as appropriate including deployment of remote as well as distributed workforce.

The SPX has assessed the unprecedented operational challenges in light of different measures being implemented to control the viral spread of COVID-19 in Fiji and acknowledges that these measures are posing a challenge for the listed entities to comply with stipulated timeliness as required under the continuing listing obligations. The relaxation of timeliness as was allowed in 2020 is once again required at this time as listed entities are operating with limited capacity as well as via remote operations and the fact that the primary focus of businesses at this point in time is centered, first and foremost, on the health and safety of their respective employees.

While recognizing the impacts arising out of COVID-19 and the challenges being experienced by the capital market participants, the SPX notes that these challenges appear likely to continue in the intermediate future.

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 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 March 2021	30 June 2021	31 August 2021
	30 June 2021	30 September 2021	30 November 2021
	31 July 2021	31 October 2021	31 December 2021
Rule 51.1 – Release of Annual Report	31 March 2021	31 July 2021	30 September 2021
	30 June 2021	31 October 2021	31 December 2021
	31 July 2021	30 November 2021	31 January 2022

*\* 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.*

*\*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. The SPX acknowledges that the conduct of physical AGM particularly by end of June 2021 for listed entities that have a balance date of December 2020 may not be possible with the current restrictions on operation of non-essential businesses and social gatherings imposed by the Fijian Government.

Hence, the 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 by the end of the 3rd or 4th Quarter of 2021 as deemed appropriate. For listed entities with other balance dates, the SPX recommends that the entities assess the prevailing situation and apply for extension of time for holding AGM as appropriate.

The 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, the SPX still recommends that listed entities conduct a 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 together with a confirmation from its external auditors that the current delay is owing to the impacts of the COVID-19 pandemic. The market announcement at a minimum must 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. Therefore, 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 2021. 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; and
- ✕ 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 SPX 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**

**4<sup>th</sup> June 2021**