



SINPF PRESS RELEASE

AUDITOR GENERAL SIGNS OFF SINPF BOARD 2022 ANNUAL ACCOUNTS

The Fund's 2022 audited financial statement for the 12-month period ending 30th June 2022 was signed off on the 6th December 2023 by the Auditor General (AG). With internal capacity challenges faced by contracted external auditor PricewaterhouseCoopers (PwC) (Fiji) and protracted discussion on the Fund's Unlisted equity investment annual revaluations, an immediate audit completion for 2023 was not realised following the delay in finalising and signing of the Fund's 2022 annual audit accounts.

Approvals for the extensions of the 2022 annual audits were obtained from the Central Bank of Solomon Islands due to the above challenges.

With the signing of the 2022 audit, the Board will be finalising a timeline for the completion of the 2023 audit sign off with the Auditor General and PwC. Physical onsite audits are planned to be performed by our current contracted auditor Fiji based auditing firm, PwC for the quick turnaround of the 2023 audit.

In 2022, when the Fund closed its financial year, the positive gains registered in 2021 had quickly dispersed as a result of; 1) the November 2021 riots, 2) the COVID-19 community transmission in January 2022, when lockdowns and restrictions were imposed during these 2 periods, 3) supply chain challenges, 4) the impact of the Russian Ukraine war on energy and food prices and financial markets, and the 5) increased sovereign risk for Solomon Islands, due to the November 2021 riots.

Though the Fund made a higher cash operating income of more than \$174.9 million from cash dividends, interest and rentals and a cash profit after expenses of more than \$80.4 million, large net revaluation losses of \$374.7 million from our unlisted equities and traded listed equities due to the above external events eroded the

significant improvement from the investment property valuations and the cash gains resulting in an overall loss for the Fund of \$294 million.

Strong levels of dividends were received from our investee subsidiaries South Pacific Oil Ltd, Solomon Telekom Company Limited, Bank South Pacific Limited, Heritage Park Hotel Limited, Soltuna Limited, and Solomon Housing Ltd. Interest income received from our Government long term development bonds remain strong and reliable.

Rentals improved from the refurbished Anthony Saru whilst occupancy at the Hibiscus Executive Apartments further improves during the financial year. Likewise, a good number of our SME tenants at the NPF Plaza and Food Courts struggled in meeting their rental obligations.

The Fund's international investment exposures in USA, Australia, Europe and Papua New Guinea markets also recorded negative downsides with negative revaluation losses as share and unit prices declines as major economies learned to live with the global challenges of the pandemic and the Russian Ukraine war.

The Board based on this expected result on 30 September 2022 awarded a crediting rate of 2.65% to its members. The financing of the crediting rate was made from the General Reserve.

For the financial year 2023, the volatility in the annual revaluations of our unlisted equities and investment properties improved with minimal gains recorded as a result of strong business performance, the reopening of our borders contributing to the recovery of international supply chain disruptions, the continuous effect of the Ukraine war, the increased energy and food prices on our depressed economy and increased positive developments in international markets.

As a result of the above performance on 30 September 2023, the SINPF Board declared a crediting rate of 6% for its members.

SINPF Management

26 January 2024