



Yatu Lau Offer Closes Over-Subscribed

Press Release

The Yatu Lau Company Ltd (“Yatu Lau” or “the Company”) public offer of shares, which closed on 30th November 2007, was heavily over-subscribed.

This was revealed at a joint press conference this morning involving representatives from Yatu Lau, issue managers Kontiki Capital and market regulator, the Capital Markets Development Authority (CMDA).

The public offer, the first in the Company’s history, was for a total of \$1.5 million. In anticipation of over-subscriptions, there was also a “greenshoe” where the Issue Manager could increase the offer size by an additional \$750,000 for a total of \$2.25 million. However even this could not meet the strong demand from the public, with total applications passing the \$2.8 million mark. As a result, all applications will have to be scaled back proportionately with the exception of A class shareholders exercising their rights. The effect of the scale back will bring the total subscriptions back to the \$2.25 million maximum.

Yatu Lau Chairperson, Adi Koila Nailatikau, hailed the public offer as a great success, saying the results had exceeded expectations. “Much has been said of the current economic environment which has seen depressed investment activity. Against this backdrop, to be oversubscribed by about 90% is unprecedented. We thank our investors for the tremendous support of the offer and for their confidence in Yatu Lau. Your board is committed to making your investment worthwhile” she said.

Yatu Lau was established in 1972 by Ratu Sir Kamisese Mara as an investment vehicle for the people of Lau. The Company now owns a substantial portfolio of commercial property and equity investments, and has over 800 shareholders. Its property portfolio, worth over \$23m, includes Yatu Lau Arcade, Knolly Apartments, Studio 6 Motel, Total House and Dinem House, all located in or near the Suva CBD. In addition, the Company holds a portfolio of shares in both listed and private companies.

The Company had set a minimum target of \$1 million in an offer that ran through the month of November. Shares were offered at \$1.50 per share in two classes – Class A for Lauans only and Class B, carrying no voting rights, for anyone. The two classes are identical in all other respects, including participation in dividends.

Adi Koila said that with the public offer, Yatu Lau would now share its success with the rest of the community. “Successful investment requires critical mass and the public offer gives us the next round of capital to target outstanding investment opportunities that we know are out there. We also look forward to sharing ideas with the wider community, including through the representation of B Class shareholders on the Yatu Lau Board. We also look forward to an anticipated listing on the South Pacific Stock Exchange some time next year”, she said.

Reflecting on a successful conclusion to the offer, Yatu Lau CEO, Mr Michael Makasiale, said the Company was poised to mobilize the new capital quickly. “We are already pursuing new investment opportunities and are close to finalizing at least one substantial investment. Details will be announced shortly, but for now I can assure investors that our search for new opportunities is relentless in an effort to build on the momentum we have generated over the years”.

He said the Company’s commitment to its shareholders was underlined by the recent payment of a 5 cent interim dividend per share. “This is in line with our target of paying a 10 cents per share dividend annually, in two instalments. While this payment came too late for new investors through the public offer, going forward we aim to maintain this rate as a minimum, which represents a 6.67% dividend yield on the public offer price of \$1.50. At the same time, we also want to maximize the growth in our

net assets through careful management of investment portfolio. It is our hope that this translates into capital growth for our shareholders. Our intention to eventually list Yatu Lau is consistent with this goal”.

Managing Director of Kontiki Capital, Mr Griffon Emose, said the strength of Yatu Lau was a key factor in the success of the offer. “Yatu Lau’s successful track record and the fact that shares were offered at a deep discount to net assets made it an attractive investment proposition. In total 282 applications were received of which close to a hundred were from new investors. What was also pleasing to see was the participation of the non-Lauan community, which accounted for almost a quarter of applications and around 90% of subscription dollars. Furthermore the offer saw over a quarter of a million dollars remitted from overseas”.

He added that the success of Yatu Lau, even in today’s constrained environment, pointed to the potential of the capital markets to finance and support private sector growth. “Some investors will be disappointed at not receiving the full amount they applied for. However, this should be taken in a positive light. It shows the quality of the Company in generating excess demand and indicates that the market can and will support Yatu Lau in its future growth”.

Yatu Lau and Kontiki Capital wish to acknowledge the various institutions that provided invaluable support for the offer. They include the Fiji Development Bank for allowing representatives from Kontiki and Yatu Lau to run roadshows out of FDB branch offices around the country, Ernst & Young in fulfilling the role of independent accountants to the offer and the CMDA for its input and support throughout the offer process.

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