

Yaqara
wary
of 2007

Overseas company plans to invest \$100m in YGL

By TIMOCI VULA

An investment company plans to spend \$100 million to establish a five-star hotel at the Yaqara Studio City site.

Australian-based Resorts and Property International Limited has maintained its investment plan to secure a 25 per cent interest in the Yaqara Group Limited for the development of the Studio City.

And RPI also confirmed that it intended to bring to Fiji in excess of \$100 million to fund the development of a five-star hotel at the city site. However, it has said that it is closely monitoring the situation in the country but remained committed in its plans to invest in the Studio City project.

YGL entered into contractual arrangements with RPI in March early this year for RPI, an

Australian development company with international celebrity and wife of billionaire Donald Trump, Ivana Trump, as a shareholder and promoter, to secure a 25 per cent interest in YGL and the sub lease of two waterfront sites for development of two 200 room hotels at the studio city site.

Under the agreement, subject to shareholder and regulatory approval, RPI will purchase a 25 per cent equity interest in YGL via a share placement for a total of \$6.76m made up of \$4.05m in cash and \$2.71m in shares in RPI at initial offer price of A\$1 per share.

YGL managing director Lyndon Driscoll said the total effective working capital to the company from the arrangements with RPI was more than \$10.5m, calculated as \$6.7m from the share issue plus \$2.5m in infrastructure funding and

\$1.5m from intended hotel site land lease sales. RPI chief executive officer John Stavrou said in a statement that RPI would continue with its plans to invest in the multi-million dollar studio city.

"RPI is continuing with its plans for a significant investment into YGL through a 25 per cent shareholding, hotel site acquisition and contribution to infrastructure, and intends to bring to Fiji in excess of \$100m for the development of the two resorts, both 200 rooms and featuring the five star deluxe brand IVANA (after Ivana Trump) at Yaqara," said Mr Stavrou.

"While we are monitoring the situation in Fiji including aspects relating to foreign investment exchange controls, we remain committed to our plans for investment in Fiji and Yaqara as envisaged under the agreement, and are look-

ing forward to making a significant contribution to Fiji's and Yaqara's development," he said.

In relation to the listing of RPI on the Australia Stock Exchange, Mr Driscoll said this intention would now occur prior to the end of this year as opposed to the previous announcement to do so by June.

He said planning work for the two hotels would commence immediately following the initial public offering and construction intended to commence in 2009.

Mr Driscoll said as a major shareholder, a foundation developer of two hotels at Yaqara and through its participation in management on the Board, "RPI will make a major contribution to the company towards achieving the vision for the development of Yaqara Studio City for the benefit of shareholders and the people of Fiji".

While the Yaqara Group Limited (YGL) continues to focus on the vision of Yaqara Studio City as an opportunity to develop Fiji's audio visual and information communications technology industry, it has described its attempts so far this year as "very challenging, yet positive".

Its struggle to restructure operations to maintain its profitability and raise further working capital from international sources has grown even stronger ensuring the company does not lose focus.

In its 2007 annual report, YGL managing director Lyndon Driscoll said this year was characterised by considerable uncertainties in Fiji's domestic economic and political framework.

He said inclusive of circumstances surrounding