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For Public Release

**KGF invests in Island Quarries Pte Limited**

The Manager and Directors of the Kinetic Growth Fund Limited (KGF) are pleased to announce an investment by KGF into Island Quarries Pte Limited (IQL).

IQL operates the recently commissioned Mau Quarry, located on a 29 Hectare site in Mau, Namosi approximately 25km from Suva. Through its hard rock quarry operations, IQL is involved in the extraction and supply of rock materials for the Building & Construction industry, including for buildings, roads, bridges and other civil / infrastructural developments.

Commenting on KGF's latest investment, Erik Larson, Board Chairman cited several reasons why IQL was of such interest to KGF:

"For KGF, IQL represents direct exposure to the Building and Construction industry, which is a fundamental industry for Fiji's economy. The recently completed UNDP report shows that this industry now contributes up to \$F370m per annum to Gross Domestic Output. It makes sense to have some portfolio weighting in such an essential driver of economic growth. While the general business environment is somewhat constrained at present, we see this industry as having strong long-term growth, and in IQL, we feel that we have picked an investee that has the potential to be a leading player in the industry.

KGF's investment will assist IQL in taking the next step in its growth path with the significant increase in its production capacity and spread of products".

IQL Chairman, Mr. Harvie Probert, said that IQL was well-placed to be a leader in the supply of aggregates to the industry over the long-term.

"Our quarry product meets the highest quality standards in Fiji for aggregates, and independent surveys indicate that we have many years of resource available. We welcome KGF's investment which will be applied mainly to the purchase of equipment and fabrication of fixed plant that will enable a substantial increase in both production capacity and number of products for the domestic and international markets.

Just as importantly, IQL is fully committed to the responsible extraction and processing of this resource and in this regard, we continue to work closely with the Mineral Resources and Environment Departments to ensure that our quarry operations are not harmful to the environment and that landowner needs are met.

KGF has committed a total of \$250,000.00 into this investment in the form of convertible preference shares, which will be drawn down progressively in line with IQL's capex requirements. Furthermore, KGF is funding this investment from its existing cash position accumulated from the proceeds of the sale of certain investee companies and from dividends received over the year.

Yours sincerely,

Erik Larson  
**Board Chairman**

Griffon Emose  
**Company Secretary**