

26 May 2017

Market Announcement

- Chairman's address at the 2017 Annual General Meeting

Ni Sa Bula Vinaka Ladies and Gentlemen! Our Shareholders, Board of Directors and staff of FBL. I would also like to acknowledge the presence of our auditors KPMG and the Acting CEO of the South Pacific Stock Exchange Mrs Krishika Narayan.

Welcome to our first AGM as a publicly listed Company! It gives me great pleasure to open today's AGM and I am very happy to be part of it this year.

2016 has been a very challenging year not only for the Company but for me personally. In January last year, I was diagnosed with stage 4 cancer and had to be under anti-cancer chemo therapy for almost half of the year. Thankfully, the treatment was a success and I am just as healthy as you all are and perhaps even live longer than some of you.

However, I am very glad to be standing here as your Chairman, CEO and representative of our major shareholder SPFB again today.

Our core business in "English Education" is becoming really popular in the Asian countries and Fiji is fast becoming a popular choice of destination from these markets. For us as a Company, we will be looking to explore and tap into other markets like China this year, as we all know that China is a huge market. I believe that with the easy process of visas for Chinese nationals, Fiji will become very marketable as a destination to study and we hope to capitalise on this opportunity this year for our Company.

We would also like to welcome students from many other countries who are serious about studying English in such a friendly environment here in Fiji so that we are able to not only teach them English but also show them what happiness is through the Fijian hospitality.

We have been successful with the implementation of our in-house insurance scheme in 2016 and fortunately, the events of Tropical Cyclone Winston did not adversely affect our insured students or our operations. This translated into an excellent result in the last financial year which was well above our expectation.

You would know that we are now the youngest Company in Fiji to be listed on the South Pacific Stock Exchange and we will now be able to enjoy the benefits that it offers when it comes to taxation where FBL will now be subjected to 10% corporate income tax from 2 February 2017.

Our results in 2016, showed an increase of 198% in terms of Net profit after tax bringing us close to \$1m in profit. This enabled us declare and pay out the dividends as we did in March this year. We are hopeful that with the benefits associated with listing on the SPSE; we would work towards making more profits that could be shared with you all in the coming years.

I would like to share with you all today that I have always felt that our people are an important asset to our organisation; hence we strive towards providing them the best working environment and working conditions as well. In particular are those employees directly involved or in contact with our students and providing them such friendly services, but whose efforts go unrecognised. I know our security guards and teachers make so much effort to ensure that our students are happy and I know that such jobs do not pay well in the market.

I am proud to say that in FBL, our security guards are paid \$3.75/hour and with the inclusion of their bonus which is paid out three times a year, this could go up to \$4.50/hour which is almost twice as much as the minimum wage rate here in Fiji.

We have also reviewed the remuneration of our hardworking teachers, handymen and slowly bringing their conditions up to par with those in the civil services or even higher. We will continue to ensure that our employees are happy because we believe that they have to be happy to make our students Happy.

With a more forward looking approach, I had a meeting with a team from the Narita International Airport Co Limited which has more than 40,000 employees. They have requested us to assist them with the recruitment of at least 100 Fijians who will be able to join them as security investigators at the Narita International Airport. The requirements for this are quite simple where candidates only need to hold a minimum Diploma qualification in any field of study as well as be fluent in the English language. This, we anticipate to commence in the middle of August this year so therefore, we will consult with the various regulatory authorities in order to ensure that this is done with the utmost care.

We look forward to an even stronger year for the Company in 2017 as a listed Company and hope to welcome even more investors to be part of our business as we continue to grow and we are always looking for your help, whether it be a passion to learn the English language or teach it.

Vinaka Vakalevu and Thank you very much!



Hiroshi Taniguchi
Chairman