



FRONTIER CAPITAL GROUP LIMITED  
ACN 145 105 148

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### **CHAIRMAN'S ADDRESS – 2016 AGM**

Welcome to Frontier Capital Group's Annual General Meeting for 2016.

Frontier Capital has seen some major changes through 2015.

In February 2015, shareholders approved a Change in Nature and Scale of Activities with the acquisition of CK Graphic Sdn Bhd (CK Graphic), a Malaysian company.

CK Graphic was established in 2003, as a visual communication company dedicated to creating a dynamic lasting design solution for its clients through the latest media technology with expertise in digital rendering and digital visualisation.

It provides its clients with services in the areas of computer-based architectural rendering, 3D modelling and visualisation, architectural illustration, digital interior designing, and walk-through animation with a photo-realistic output.

CK Graphic's main base is in Kuala Lumpur, Malaysia where it has successfully completed projects for international clients through the Internet. One of the Company's objectives is to expand the operations of CK Graphic to Australia and other Asia Pacific countries and beyond.

CK Graphic turned a profit of close to \$1 million in 2015 and is looking to achieve steady growth through the coming years.

Later in 2015, the board turned its attention to an additional acquisition and undertook a further Change in Nature and Scale of Activities, acquiring Stotsenberg Leisure Park & Hotel Corporation (Stotsenberg), becoming a gaming and hospitality business. Shareholders approved the acquisition in January 2016 and Stotsenberg is now the primary focus of the Company.

Stotsenberg turned a profit in excess of \$2 million in 2015; its management team is confident of significant growth.

E!xcite Gaming and Entertainment Inc (E!xcite) have been appointed managers of Stotsenberg pursuant to the Operations and Management Agreement.

E!xcite provides full and comprehensive advisory, development and business management services for Casino and Integrated Resort Owners. Their management team and associates possess deep knowledge on casino operations and have considerable experience in senior management levels in multiple jurisdictions, which is vital for the proper development and management of gaming facilities. E!xcite also has an extensive network that further strengthens their player development and market understanding on how best to service the target markets.

E!xcite has guaranteed to the Company that the NPAT for the financial years ending 31 December in 2016, 2017, 2018, 2019 and 2020 will not be less than USD\$5,000,000 per annum.

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Stotsenberg consists of Hotel Stotsenberg and Casablanca Casino and is located at Clark, Philippines, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors.

With a highly improved road network and increasing flights at Clark International Airport (CIA), Clark is setting out to become the hub for business, aviation and tourism in the Philippines.

The Stotsenberg Hotel and Casablanca Casino are located less than 2 kilometres from the CIA. Several airlines offer domestic and international flights to CIA, with 4 million passengers arriving each year expanding to accommodate 8 – 16 million passengers.

The Stotsenberg Hotel consists of impressive 3 storey buildings with 239 hotel rooms – 2 Presidential Suites (The John M. Stotsenberg Suite and the Harold M. Clark Suite); 39 Executive Rooms, 28 Deluxe Queen Bedrooms, 163 Deluxe Twin Bedrooms and 7 Studio rooms. Outlets include restaurants and bars – Bleu, Twist, S-Bar, Hacienda Lounge while amenities consist of swimming pool, the Trim Gym and the Central Park in the middle of the development. Additional facilities are the Convention Center, which can accommodate 650 - 2,000 people (depending on configuration).

The Casablanca Casino operates from the Stotsenberg Hotel, inspired by the 1942 romantic hit film Casablanca starring Humphrey Bogart and Ingrid Bergman.

The Company is looking for means to monetise its exploration interests, in line with its current focus on gaming and hospitality seek other opportunities in the area.

On behalf of the Board, I thank you for your continued support and look forward to the year ahead.

At the conclusion of this meeting, I invite shareholders to meet with Directors on an informal basis, to discuss the Company, and for Directors to answer any questions shareholders may have.

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