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FRONTIER SERVICES GROUP LIMITED

先豐服務集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 00500)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE THREE AIRCRAFT

On 25 September 2025 (after trading hours), the Seller, a subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Seller shall sell the Three Aircraft to the Purchaser, and the Purchaser shall purchase the Three Aircraft, for a total consideration of US\$3,000,000 (equivalent to approximately HK\$23,400,000).

Based on all applicable percentage ratios (as defined under the Listing Rules), the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 25 September 2025 (after trading hours), the Seller, a subsidiary of the Company, and the Purchaser entered into the Agreement regarding the Disposal. The principal terms of the Agreement are summarised below:

AGREEMENT

Date: 25 September 2025 (after trading hours)

Parties: Phoenix Aviation Limited (the “**Seller**”)

Protea Group Management Services LLC, dba International Aviation Support (the “**Purchaser**”)

Asset to be disposed

The Three Aircraft are Cessna Citation Bravo 550 and are aged over 24 years old. The Three Aircraft are legally and beneficially owned by the Seller. As at 31 August 2025, the aggregate unaudited net carrying value of the Three Aircraft is approximately HK\$23,105,000.

The Three Aircraft will be sold free from all encumbrances, liens, charges, and claims of any nature.

Consideration

The Purchaser shall pay the consideration for the Disposal of US\$3,000,000 in the following manner: US\$2,400,000 shall be payable to the Seller on or before the Delivery Date, and the remaining US\$600,000 shall be treated as an advance credit which will be used to offset the leasing payments payable by the Seller. The Purchaser shall enter into a lease agreement with the Seller to exclusively lease one of the Three Aircraft to the Seller for use. The Seller shall pay a fixed monthly standby fee and hourly usage fee to be charged in accordance with the industry practice.

The consideration was determined through arm's length negotiation between the Seller and the Purchaser, taking into account (i) the unaudited net carrying value of the Three Aircraft; (ii) the recent market price and transaction price of similar aircraft; (iii) the age, quality and condition of the Three Aircraft; and (iv) the factors set out in the section headed "Reasons for and benefits of the Agreement".

Conditions precedent

Conditions precedent for the Seller

The Seller's obligation to sell and deliver the Three Aircraft to the Purchaser under the Agreement is subject to the satisfaction of the following conditions precedent:

- (a) the Purchaser has performed all of its obligations required under the Agreement to be performed by it on or prior to the Delivery Date or, as the case may be, the Delivery;
- (b) after the date of the Agreement, there has been no change in any applicable law, and no judgment, decree, order, writ, award, injunction or determination by any government entity has been issued that would make it a violation of law for the Seller to sell the Three Aircraft or otherwise perform its obligations under the Agreement; and
- (c) no action or proceeding has been instituted, nor has any action been threatened, before any government entity, nor has any order, judgment or decree been issued or proposed to be issued by a government entity, to set aside, restrain, enjoin or prevent the completion and consummation of all or and part of the Agreement or any other documents for the Disposal.

The above conditions precedent for the Seller may be waived or deferred by the Seller in whole or in part, with or without conditions. The Seller has no present intention to waive conditions (b) and (c) above.

Conditions precedent for the Purchaser

The Purchaser's obligation to purchase the Three Aircraft from the Seller under the Agreement is subject to, among others, the satisfaction of the following conditions precedent:

- (a) a leasing agreement shall have been duly entered into between the Purchaser (as lessor) and the Seller (as lessee) in respect of the Three Aircraft, effective from the Delivery Date;
- (b) the Seller's representations and warranties under the Agreement are true and accurate as at Delivery;
- (c) the Seller has performed all of its obligations required under the Agreement to be performed by it on or prior to the Delivery Date or, as the case may be, the Delivery;
- (d) the Purchaser has received the originals of the back-to-birth bills of sale;
- (e) the Purchaser has received a letter from each of Kenya Airports Authority and Kenya Civil Aviation Authority confirming that there are no outstanding charges due from the Seller with respect to the Three Aircraft (as applicable);
- (f) since the date of the Agreement, there has been no change in any applicable law and no judgment, decree, order, writ, award, injunction or determination by any government entity has been issued that would make it a violation of law for the Purchaser to purchase the Three Aircraft or otherwise perform its obligations under the Agreement; and
- (g) no action or proceeding has been instituted, nor has any action been threatened, before any government entity, nor has any order, judgment or decree been issued or proposed to be issued by a government entity, to set aside, restrain, enjoin or prevent the completion and consummation of all or and part of the Agreement or any other documents for the Disposal.

The above conditions precedent for the Purchaser may be waived or deferred by the Purchaser in whole or in part, with or without conditions.

Delivery

Subject to the Three Aircraft being in the delivery condition set out in the Agreement and the satisfaction or waiver of the conditions precedent for the Purchaser, the Seller shall deliver the Three Aircraft to the Purchaser on the Delivery Date, which shall occur on or before the Scheduled Delivery Date or such other date as may be agreed between the parties.

At Delivery, the Purchaser will execute and deliver to the Seller a signed and dated acceptance certificate acknowledging that, as of the Delivery Date, the Three Aircraft is in the delivery condition set out in the Agreement.

Notwithstanding anything to the contrary under the Agreement or any other documents for the Disposal, if the Seller fails to fulfill any conditions precedent in the Agreement, the Purchaser shall not be obliged to complete the sale of the Three Aircraft under the Agreement.

If the Three Aircraft is tendered to the Purchaser in the delivery condition set out in the Agreement on or before the Scheduled Delivery Date and Delivery does not occur on or before the Scheduled Delivery Date due to the Purchaser's failure to accept the Three Aircraft or to make payment as required under the Agreement, the Agreement shall terminate and the parties shall have no further rights under the Agreement.

INFORMATION ON THE PARTIES TO THE AGREEMENT

Seller

The Seller, a company incorporated in Kenya, is principally engaged in the provision of aviation and logistics services. It is a subsidiary of the Company.

Purchaser

The Purchaser, a limited liability company incorporated under the laws of Texas, United States of America, is principally engaged in the provision of fleet and logistic support services, the general distribution and dealership of aircraft, and the supply of aviation parts and components. According to the information provided by the Purchaser, it is owned as to 100% by Mr. Keith Engelbrecht, which is an independent third party to the Company as well as the Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

Based on (i) the total consideration of US\$3,000,000 (equivalent to approximately HK\$23,400,000); and (ii) the aggregate unaudited net carrying value of the Three Aircraft as at 31 August 2025 of approximately HK\$23,105,000, the Company does not expect to record a material gain or loss in respect of the Disposal. This calculation is an estimate provided for illustrative purposes only, and the actual financial effect in respect of the Disposal is subject to review by the auditors of the Company.

The Company intends to use the cash proceeds from the Disposal as to US\$1,900,000 for the purchase of warranty programs and for technical upgrade and maintenance of other aircraft used by the Seller, and as to US\$500,000 for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group is principally engaged in (i) provision of security services; (ii) provision of aviation and logistics services; and (iii) provision of asset recovery business.

The Three Aircraft are all over 24 years old with over 10,000 flying hours each. They are rarely used by the Seller due to their short range, old age, and customer preferences for aircraft with larger cabins, longer range, and newer condition. The Seller owns or leases other aircraft which can be substituted for all flight purposes for the Three Aircraft. Additionally, the Three Aircraft are required to incur significant parts and avionics upgrade costs to maintain regulatory compliance over the next 18 months, which will cost upwards of approximately US\$2,000,000. Although infrequently used, the Three Aircraft cost approximately US\$700,000 annually to maintain, even if not flown. While the Seller can continue to lease one of the Three Aircraft to provide existing services whenever necessary, the Disposal represents a strategic opportunity for the Group to better reallocate the resources: (i) the Seller is not required to invest a significant amount to upgrade and modernisation the Three Aircraft to meet the regulatory requirements; (ii) the Seller is not required to incur annual maintenance costs to maintain the Three Aircraft, which are in any case used only infrequently; (iii) the Seller can use the proceeds to invest in warranty and parts programs for other aircraft of the Seller; and (iv) the Group will have extra working capital from the sale proceeds.

Given the above, the Directors consider that the terms of the Agreement are fair and reasonable and that the Agreement is in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Based on all applicable percentage ratios, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the aircraft sale agreement dated 25 September 2025 entered into between the Seller and the Purchaser in respect of the Disposal and leaseback
“Three Aircraft”	3 Cessna Citation Bravo 550 Aircraft
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday) on which banks are open for business in Nairobi, Kenya

“Company”	Frontier Services Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00500)
“Delivery”	the tender of the Three Aircraft by the Seller to the Purchaser and the acceptance of the Three Aircraft in accordance with the Agreement
“Delivery Date”	the actual date on which Delivery is effected being such date as shall be agreed by the Seller and the Purchaser
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Three Aircraft under the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Scheduled Delivery Date”	the Business Day falling after 30 calendar days from the date of the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

By Order of the Board
Frontier Services Group Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 25 September 2025

For the purposes of illustration only, amounts denominated in US\$ in this announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.8. Such translation should not be constructed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

At the date of this announcement, the Board of the Company comprises the non-executive directors of Mr. Chang Zhenming (Chairman), Mr. Chan Kai Kong, Mr. Yang Feng and Ms. Ye Ying; the executive directors of Mr. Ko Chun Shun, Johnson (Deputy Chairman) and Mr. Luo Ning (Deputy Chairman); and the independent non-executive directors of Mr. Yap Fat Suan, Henry, Mr. Hooi Hing Lee and Mr. Cui Ligu.

** For identification purposes only*