FRONTIER SERVICES GROUP LIMITED
先豐服務集團有限公司 *

(Incorporated in Bermuda with limited liability)

Website: www.fsgroup.com www.irasia.com/listco/hk/frontier

(Stock Code: 00500)

INTERIM RESULTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Frontier Services Group Limited (the "**Company**") presents the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (together, the "**Group**") for the six-month period ended 30 June 2026 (the "**Current Period**"), together with the comparative figures for the corresponding period in 2025 and the unaudited condensed consolidated financial position of the Group as at 30 June 2026. The unaudited condensed interim financial statements have been reviewed by members of the audit committee of the Company.

* *For identification purposes only*

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 30 June 2026

		Six-month period ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
			(Reclassified)
	Note	***HK$'000***	*HK$'000*
Revenue from contracts with customers	*3*	**317,383**	318,899
Cost of direct materials and services and sub-contracting charges		**(93,843)**	(105,274)
Employee benefit expenses		**(166,772)**	(155,725)
Rental expenses	*6*	**(7,899)**	(6,468)
Repairs and maintenance costs		**(11,004)**	(7,586)
Depreciation and amortisation	*6*	**(11,042)**	(14,533)
Other operating expenses	*6*	**(30,241)**	(30,423)
Other gains	*6*	**105**	14,830
Reversal of/(provision for) impairment of financial assets		**1,478**	(10,329)
Operating (loss)/profit		**(1,835)**	3,391
Interest income		**115**	158
Finance costs	*4*	**(4,953)**	(5,337)
Share of profit of an associate		**—**	96
Loss before income tax		**(6,673)**	(1,692)
Income tax expense	*5*	**(8,799)**	(258)
LOSS FOR THE PERIOD	*6*	**(15,472)**	(1,950)
Attributable to:			
Equity holders of the Company		**(20,009)**	(8,241)
Non-controlling interests		**4,537**	6,291
		(15,472)	(1,950)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share	*7*	**(0.83) cents**	(0.34) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 30 June 2026

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(15,472)**	(1,950)
Other comprehensive loss		
Items that may be reclassified to profit or loss		
Foreign exchange differences	**(2,109)**	(1,395)
Release of exchange reserve upon deconsolidation of subsidiaries	**—**	(105)
Item that will not be reclassified to profit or loss		
Foreign exchange differences	**1,205**	(347)
Other comprehensive loss for the period, net of tax	**(904)**	(1,847)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(16,376)**	(3,797)
Attributable to:		
Equity holders of the Company	**(22,118)**	(9,741)
Non-controlling interests	**5,742**	5,944
	(16,376)	(3,797)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 (Unaudited) *HK$'000***	31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**85,102**	89,208
Right-of-use assets		**43,498**	37,281
Goodwill and other intangible assets		**104,191**	106,772
Deferred tax assets		**232**	232
Non-current prepayments		**8,346**	5,850
Financial assets at fair value through profit or loss		**13,103**	13,017
Financial assets at fair value through other comprehensive income		**4**	4
Total non-current assets		**254,476**	252,364
CURRENT ASSETS			
Inventories		**8,903**	6,181
Trade receivables	*9*	**192,267**	208,392
Prepayments, deposits and other receivables		**77,400**	75,076
Tax receivables		**4,790**	2,865
Pledged bank deposits		**1,256**	1,256
Cash and cash equivalents		**145,367**	152,593
Total current assets		**429,983**	446,363
Total assets		**684,459**	698,727

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
CURRENT LIABILITIES			
Trade payables	*10*	**91,053**	98,454
Other payables and accruals		**159,542**	148,440
Provisions		**1,592**	9,087
Borrowings	*11*	**—**	7,000
Lease liabilities		**5,934**	4,098
Tax payables		**19,853**	10,485
Total current liabilities		**277,974**	277,564
Net current assets		**152,009**	168,799
Total assets less current liabilities		**406,485**	421,163
NON-CURRENT LIABILITIES			
Interest payable		**7,342**	9,457
Borrowings	*11*	**170,000**	170,000
Lease liabilities		**5,256**	2,569
Deferred income tax liabilities		**30,941**	29,815
Total non-current liabilities		**213,539**	211,841
Total liabilities		**491,513**	489,405
Net assets		**192,946**	209,322
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	*12*	**240,339**	240,339
Reserves		**(173,950)**	(151,832)
		66,389	88,507
Non-controlling interests		**126,557**	120,815
Total equity		**192,946**	209,322

Notes:

1.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated interim financial statements of the Group for the six-month period ended 30 June 2026 (the "**Current Period**") have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). These condensed consolidated interim financial statements should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025 ("**2025 Annual Financial Statements**"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

These condensed consolidated interim financial statements have not been audited and have been prepared under the historical cost convention, except for certain financial assets and liabilities, which are carried at fair value. The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the 2025 Annual Financial Statements, except for the adoption of new standards and interpretations effective as of 1 January 2026.

1.2 NEW, AMENDED AND REVISED HKFRSS

In the Current Period, the Group has adopted the following amended HKFRSs, a collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA which are mandatory and relevant to the Group's operations for the accounting period beginning on 1 January 2026:

Amendments HKFRS 7 and HKFRS 9	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11
HKFRS 7 and HKFRS 9	Contracts Referencing Nature — dependent Electricity (amendments)

The adoption of these amended HKFRSs does not have any material impact on the Group's condensed consolidated interim financial statements for the Current Period.

2 SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board of the Company. Management has determined the operating segments based on the internal reports reviewed by the Board of the Company that are used to assess performance and allocate resources. The Group's operating segments are structured and managed separately according to the services provided by different strategic business units, and the services offered are subject to risks and returns that are different from those of the other operating segments.

(i) Security and Insurance Business ("**SI Business**") — Provision of security and insurance related services;

(ii) Aviation and Logistics Business ("**AL Business**") — Provision of aviation and logistics related services; and

(iii) Healthcare Business ("**HC Business**") — Provision of healthcare services and sales of healthcare products. During the prior period, this business segment went into voluntary liquidation on 15 April 2025 and the entire business operation of this segment was terminated. On the same date, the entire segment was taken over by the appointed liquidators. This segment was accounted for as a discontinued operation.

Others include asset recovery business, corporate income and expenses, direct investments and others during both periods.

The Board of the Company assesses segment performance based on reportable operating result.

An analysis of the Group's revenue, results, total assets and total liabilities information for the Current Period by operating segments is as follows:

	Unaudited			
	SI Business *HK$'000*	**AL Business** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Revenue from contracts with customers	**244,654**	**71,791**	**938**	**317,383**
Depreciation	**3,826**	**2,962**	**1,636**	**8,424**
Amortisation	**2,601**	**17**	**—**	**2,618**
(Reversal of)/provision for impairment of financial assets	**(680)**	**(798)**	**—**	**(1,478)**
Operating profit/(loss)	**10,302**	**8,200**	**(20,337)**	**(1,835)**
Interest income				**115**
Finance costs				**(4,953)**
Loss before income tax				**(6,673)**
Income tax expense				**(8,799)**
Loss for the period				**(15,472)**
Total assets	**468,814**	**140,751**	**74,894**	**684,459**
Total liabilities	**223,322**	**28,092**	**240,099**	**491,513**

An analysis of the Group's revenue, results, total assets and total liabilities information for the six-month period ended 30 June 2025 by operating segments is as follows:

	Unaudited				
	SI Business *HK$'000*	AL Business *HK$'000*	HC Business *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from contracts with customers	237,969	79,147	27	1,756	318,899
Depreciation	2,986	7,113	51	348	10,498
Amortisation	4,019	16	—	—	4,035
Gain on disposal of property, plant and equipment	(38)	—	—	—	(38)
Gain on disposal of an associated company	(11,074)	—	—	—	(11,074)
(Gain)/loss on deconsolidation of subsidiaries	586	—	(4,258)	—	(3,672)
Provision of impairment of financial assets	3,195	4,616	—	2,518	10,329
Operating profit/(loss)	28,794	(3,686)	3,535	(25,252)	3,391
Interest income					158
Finance costs					(5,337)
Share of profit of associates					96
Loss before income tax					(1,692)
Income tax expense					(258)
Loss for the period					(1,950)
Total assets	602,599	234,210	—	38,181	874,990
Total liabilities	180,994	68,202	—	232,201	481,397

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers:

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Timing of revenue recognition		
At a point in time	**—**	66,219
Over time	**317,383**	252,680
Revenue from contracts with external customers	**317,383**	318,899

4 FINANCE COSTS

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Reclassified)
	HK$'000	*HK$'000*
Interests on:		
Lease liabilities	**179**	165
Other loans	**4,774**	5,172
	4,953	5,337

5 INCOME TAX EXPENSE

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current income tax		
Hong Kong		
Provision for the period	**(637)**	—
Outside Hong Kong		
Provision for the period	**(8,564)**	(881)
	(9,201)	(881)
Deferred income tax	**402**	623
Income tax expense	**(8,799)**	(258)

Taxation on profits has been calculated on the estimated assessable profits for both periods at the applicable rates of taxation prevailing in the countries/places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Income tax expense is recognised based on management's estimate of the weighted average annual income tax expected for the full financial year.

6 LOSS FOR THE PERIOD

The Group's loss for the Current Period is arrived at after charging/(crediting):

		Six-month period ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited) (Reclassified)
		HK$'000	*HK$'000*
(a)	**Rental expenses**		
	Rentals on aircrafts	**6,258**	5,008
	Rentals on land and buildings	**1,641**	1,460
		7,899	6,468
(b)	**Depreciation and amortisation**		
	Depreciation of right-of-use assets	**2,291**	2,199
	Depreciation of property, plant and equipment	**6,133**	8,299
	Amortisation of other intangible assets	**2,618**	4,035
		11,042	14,533
(c)	**Other operating expenses**		
	Professional and consultancy fee	**7,346**	8,622
	Travelling expenses	**2,574**	5,762
	Insurance	**1,282**	3,881
	Net exchange gains	**(678)**	(7,304)
	Auditor's remuneration – audit services	**2,142**	2,100
	Others	**17,575**	17,362
		30,241	30,423
(d)	**Other gains**		
	Gain on disposal of an associated company	**—**	11,074
	Gain on deconsolidation of subsidiaries *(Note 13)*	**—**	3,672
	Gain on disposal of property, plant and equipment	**—**	38
	Other gains	**105**	46
		105	14,830

7 LOSS PER SHARE

The calculation of the basic loss per share for both periods is based on the Group's loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during both periods.

The basic and diluted loss per share for both periods were the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding, including the conversion of the exchangeable preference shares and the exercise of the outstanding share options (if any), during both periods was anti-dilutive.

The weighted average number of ordinary shares in issue during both periods were the same, which were the number of ordinary shares in issue.

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue	**2,403,385,881**	2,403,385,881
	HK$'000	*HK$'000*
Loss attributable to the equity holders of the Company	**(20,009)**	(8,241)

8 INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six-month period ended 30 June 2026 (30 June 2025: Nil).

9 TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade receivables from contracts with customers	**225,687**	243,290
Less: loss allowance	**(33,420)**	(34,898)
	192,267	208,392

The fair values of trade receivables approximate their carrying amounts.

Credit terms of one to three months from invoice date are generally granted to major customers. The Group seeks to maintain strict control over its outstanding receivables. The Group performs ongoing credit evaluation of its customers and makes frequent contact with its customers, if necessary.

An aging analysis, based on the invoice date, of the trade receivables as at the date of statement of financial position is as follows:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 1 month	**65,225**	51,458
1-2 months	**32,268**	32,914
2-3 months	**10,632**	10,502
Over 3 months	**117,562**	148,416
	225,687	243,290

The maximum exposure to credit risk as at the date of statement of financial position is the fair value of trade receivables mentioned above.

10 TRADE PAYABLES

An aging analysis, based on the invoice date, of the trade payables as at the date of statement of financial position is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**20,819**	31,775
1-2 months	**9,232**	1,102
2-3 months	**1,033**	5
Over 3 months	**59,969**	65,572
	91,053	98,454

The fair values of trade payables approximate their carrying amounts.

11 BORROWINGS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Other loans *(Note (a))*	**100,000**	107,000
Loans from a shareholder and a director of the Company *(Note (b))*	**70,000**	70,000
	170,000	177,000

The fair values of the borrowings approximate their carrying amounts.

The Group's borrowings are presented in the condensed consolidated statement of financial position as follows:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
At beginning of the period/year	**177,000**	140,000
Proceeds from a loan from a shareholder and a director of the Company *(Note (b))*	**—**	30,000
Re-arranged from other payables to a loan from a shareholder and a director of the Company *(Note (b))*	**—**	40,000
Repaid during the period/year	**(7,000)**	(33,000)
At end of the period/year	**170,000**	177,000

At 31 December 2025 and 30 June 2026, the Group's other loans were repayable as follows:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Within 1 year	**—**	7,000
Between 2 and 5 years	**170,000**	170,000
	170,000	177,000

(a) Other loans

On 21 October 2024 (the drawdown date), the Company entered into an unsecured term loan facility with an existing shareholder of the Company (the "**Lender**"). Pursuant to the term loan facility agreement (the "**Loan Facility Agreement**"), the Lender agreed to grant HK$100,000,000 term loan (the "**Loan**") to the Company. The Loan will be repayable on the third anniversary date from the drawdown date, and it bears interest at a rate of the higher of HIBOR plus 2.10% per annum and 5.10% per annum. The Loan does not require the Company to provide any asset pledge or guarantee.

Pursuant to the Loan Facility Agreement, the Lender reserved the unfettered right of terminating the Loan Facility Agreement and/or requiring the Company to repay in full the Loan to the Lender at any time by notice in writing to the Company (the "**Unfettered Right**"). In this connection, the Loan was initially classified as a current liability as at 31 December 2024.

On 13 February 2025, a deed of amendment was entered into between the Lender and the Company to remove the Unfettered Right clause included in the Loan Facility Agreement. With this amendment, the Loan will only be repayable by the Company to the Lender on the third anniversary date from the drawdown date and is classified as non-current liability as at 30 June 2026 and 31 December 2025.

Pursuant to the Loan Facility Agreement, the Lender may, at any time upon the occurrence of any event of default specified in the agreement, terminate the Loan and declare the principal, accrued interest, and all other amounts payable under the agreement to be immediately due and payable. On 15 April 2025, the Group appointed a liquidator in respect of the voluntary liquidation of certain subsidiaries, which constituted an event of default under the agreement.

On 31 December 2025, the Group obtained a waiver letter from the Lender confirming that the appointment of liquidator would not trigger the immediate demand for repayment of the loan balance. As a result, the Group has the right to defer settlement for at least twelve months after the reporting period. Accordingly, as at 31 December 2025 and 30 June 2026, the Loan was classified as a non-current liability.

Other than the above, the Group is not subject to any other covenant.

(b) Loan from a shareholder and a director of the Company

On 8 April 2025, the Company entered into a fixed loan agreement with a director and a shareholder of the Company for a loan of HK$40,000,000. The loan bears interest at a rate of 6.00% per annum and is repayable on 30 June 2027. On 22 October 2025, the Company entered into another fixed loan agreement with the same person for an additional amount of HK$30,000,000. This loan bears interest at a rate of 6.00% per annum and is repayable on 30 June 2027.

On 18 June 2026, the Company entered into an amendment and extension agreement with the shareholder and the director of the Company, pursuant to which the repayment date of the loan of an aggregate amount of HK$70,000,000 has been extended from 30 June 2027 to 21 October 2027.

12 SHARE CAPITAL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Authorised		
6,000,000,000 (31 December 2025: 6,000,000,000) ordinary shares of HK$0.10 each	**600,000**	600,000
Issued		
2,403,385,881 (31 December 2025: 2,403,385,881) ordinary shares of HK$0.10 each	**240,339**	240,339

13 DECONSOLIDATION OF SUBSIDIARIES

On 15 April 2025, the HC Business segment (discontinued operation) and one of the subsidiaries under the security segment went into voluntary liquidation. Accordingly, the Group had deconsolidated the state of affairs of these subsidiaries during the prior period of 2025 and a one-time non-cash gain on deconsolidation of subsidiaries of HK$3,672,000 was recognised. Operations of this segment were ceased prior to the appointment of liquidators on 15 April 2025.

Assets and liabilities of these subsidiaries at the date of deconsolidation were set out as below:

	30 June 2025 (Unaudited) *HK$'000*
Assets	
Property, plant and equipment	607
Prepayments, deposits and other receivables	5,184
Total assets	5,791
Liabilities	
Trade payables	(5,246)
Other payables and accruals	(4,112)
Total liabilities	(9,358)
Net liabilities	(3,567)
Release of exchange reserve upon deconsolidation of subsidiaries	(105)
Gain on deconsolidation of subsidiaries	3,672

14 COMPARATIVE AMOUNTS

Certain comparative amounts appeared in the unaudited condensed consolidated income statement and the respective notes to the unaudited condensed consolidated interim result announcement have been reclassified or regrouped to conform with the Current Period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

Overall Performance

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers	**317,383**	318,899
Cost of direct materials and services and sub-contracting charges	**(93,843)**	(105,274)
Employee benefit expenses	**(166,772)**	(155,725)
Rental expenses	**(7,899)**	(6,468)
Repairs and maintenance costs	**(11,004)**	(7,586)
Depreciation and amortisation	**(11,042)**	(14,533)
Other operating expenses	**(30,241)**	(30,423)
Other gains	**105**	14,830
Reversal of/(provision for) impairment of financial assets	**1,478**	(10,329)
Operating (loss)/profit	**(1,835)**	3,391
Interest income	**115**	158
Finance costs	**(4,953)**	(5,337)
Share of profit of an associate	**—**	96
Loss before income tax	**(6,673)**	(1,692)
Income tax expense	**(8,799)**	(258)
LOSS FOR THE PERIOD	**(15,472)**	(1,950)

Revenue from contracts with customers

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Security business	**244,654**	237,969
Aviation and logistics business	**71,791**	79,147
Healthcare business (discontinued operation)	**—**	27
Others	**938**	1,756
	317,383	318,899

For the six months ended 30 June 2026, the Group reported a drop in revenue from HK$318,899,000 in 2025 to HK$317,383,000 in 2026 because the Group continuously terminated some non-performing businesses during the Current Period together with some of the Group's existing security businesses dropped because of geopolitical instability of certain countries. During the Current Period, the Group's overall operating performance was not comparable to the same period of the 2025 because there were gains on disposal of interests in an associate of HK$11,074,000 and deconsolidation of subsidiaries of HK$3,672,000 recognised in 2025 but no similar kind of transaction was occurred in 2026. Excluding the impacts of these two transactions, the overall operational performance of the Group's security and aviation segments was slightly improved in terms of revenue but not the overall profitability. Set out below is the overall performance of the Group by business segment.

Overall Performance

Security Business

Security

After years of effort in investing and participating in the security business in overseas and locally, the Group's security business managed to generate operating profits in both overseas and Hong Kong during the Current Period. Total revenue of HK$244,654,000 (30 June 2025: HK$237,969,000) was generated during the first half of 2026, representing approximately 77% (30 June 2025: approximately 75%) of the Group's revenue. Its operating profit dropped during the Current Period from HK$17,720,000 in 2025 to HK$10,302,000 in 2026, representing a decrease of approximately 42%. The decrease in profitability was mainly attributable to the completion of certain security projects in Africa and Asia during the Current Period, while the scale of newly secured projects was insufficient to fully replace the completed projects. The progress of certain underlying projects has slowed down because of geopolitical instability in certain countries, which also caused the deterioration of the overall performance of this segment, in particular, in overseas. Intense price competition remains in both overseas and in Hong Kong, which also eroded the profitability of this segment.

Aviation and Logistics Business

Aviation

Our aviation arm in Kenya is the only contributor of the Group's aviation business. Its turnover in 2026 increased by 28% from HK$55,323,000 in 2025 to HK$70,796,000 in 2026. Starting from the prior year, its fleet capacity had been adjusted by increasing the number of leased aircraft and reduced the number of self-owned aircraft. This adjustment not only reduced its operational costs spent on repairs and maintenance but also enable itself to have more flexibilities to cope with its customers' needs. During the Current Period, there are six aircraft in operation compared with eight in 2025 while the number of utilisation hours in aggregate had been improved by approximately 15%. Hence, the adjustment made in the prior year proved to be a correct move and this segment reported an operating profit of HK$10,520,000 in 2026 (2025: operating profit of HK$4,009,000).

Logistics

During the Current Period, the Group has substantially scaled down the logistics business segment. The logistics base in Shanghai reported a significant drop in revenue from HK$23,233,000 in 2025 to HK$995,000 in 2026 because the Group intended to further shut down the business operation of the logistics division and this segment reported a loss of HK$2,320,000 in 2026 (30 June 2025: loss of HK$7,695,000). Management's primary focus on this segment during the Current Period was to reach a settlement agreement on a claim against a subsidiary from its customer. Further details of this claim are set out under the section headed "**Contingent Liabilities**" of this interim result announcement.

Management of the Group will closely monitor the strategic change on the logistics division and will consider the future plan of this division.

Healthcare Business

The non-performance of this segment came up with a decision made by management of the Group to terminate the entire operation and liquidate those subsidiaries under this segment in last year. This segment was classified as a discontinued operation in 2025.

PROSPECTS

2026 remains a challenging year for the Group amid continued uncertainties in the global economic and geopolitical environment. Geopolitical tensions and economic uncertainties continue to affect business operations and increase operating costs in certain markets. Against this backdrop, the Group will continue to adopt a prudent approach in managing its businesses and resources while focusing on improving its overall operating performance.

The security segment remains the Group's core business and primary revenue contributor. During the Current Period, the segment continued to face challenges arising from geopolitical instability in certain overseas markets and intense price competition both overseas and in Hong Kong. Nevertheless, the Group believes that demand for comprehensive security solutions, particularly from Chinese enterprises operating internationally, will continue to provide business opportunities for the Group. The Group will remain focused on strengthening its security capabilities and improving the competitiveness and operational efficiency of its security businesses.

In Hong Kong, the Group currently has three security companies holding both Type 1 and Type 3 security licences granted by the Security and Guarding Services Industry Authority and serving different market segments. In view of the competitive market environment, the Group will continue to review and optimise the operations of these businesses with a view to improving their competitiveness and operational performance.

In the aviation sector, the Group will continue to optimise its fleet composition having regard to customer demand and market conditions. The adjustment of the fleet composition since the prior year, including the reduction of self-owned aircraft and increased use of leased aircraft, has provided the aviation business with greater operational flexibility and contributed to its improved performance during the Current Period. The Group will continue to focus on enhancing the operational efficiency and profitability of this segment.

For the remainder of 2026, the Group will remain focused on strengthening its core security business and maintaining the improvement in its aviation operations, while continuing to exercise prudent cost and resource management. The Group will closely monitor changes in the global economic and geopolitical environment and will pursue suitable business opportunities that are consistent with the Group's strategy and risk appetite.

EMPLOYEES

The Group has crafted its human resources policies and procedures based on performance and meritocracy. The Group ensures that the pay level of its employees is competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems. The Group also places a strong emphasis on professional development, offering comprehensive on-the-job training, retirement benefit plans and medical insurance to support our employees' long-term well-being. Furthermore, we recognise individual achievements with the provision of discretionary year-end bonus, rewarding merit and dedication to excellence.

On 28 June 2023, the Company passed an ordinary resolution in the Annual General Meeting to approve the adoption of a new share scheme of the Company (the "**Share Scheme**") with a term of 10 years from its adoption date and shall expire on 27 June 2033. The adoption aligns with the updated requirements of Chapter 17 of the Listing Rules pertaining to share schemes, which took effect on 1 January 2023.

The purpose of the Share Scheme is to enable the Company to grant share options and/or share awards to the participants who have contributed or may contribute to the Group, as well as to provide incentives and help the Group in recruiting or retaining its valued employees, and to provide them with a direct interest in attaining the long-term business objectives of the Group. Further details of the Share Scheme and its principal terms are set out in the Company's circular dated 5 June 2023.

As at 30 June 2026 and up to the date of this announcement, no share options nor share awards have been granted under the new Share Scheme since its adoption.

The total number of employees of the Group as at 30 June 2026 was 2,055 (31 December 2025: 1,966).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2026, the Group recorded total assets of HK$684,459,000 (31 December 2025: HK$698,727,000) which were financed by liabilities of HK$491,513,000 (31 December 2025: HK$489,405,000), non-controlling interests of HK$126,557,000 (31 December 2025: HK$120,815,000) and shareholders' equity of HK$66,389,000 (31 December 2025: HK$88,507,000). The Group's net asset value per share (excluding non-controlling interests) as at 30 June 2026 amounted to approximately HK$0.03 (31 December 2025: approximately HK$0.04) per share.

As at 30 June 2026, the Group's available cash and bank balances were HK$145,367,000 (31 December 2025: HK$152,593,000) with total borrowings in the form of other loans of HK$170,000,000 (31 December 2025: HK$177,000,000). As at 30 June 2026, the Group's borrowings were mainly denominated in Hong Kong dollars ("**HK$**"). As at 30 June 2026 and 31 December 2025, the Group's other loans are repayable in accordance with the repayment terms as stipulated in the respective loan documents.

As at 30 June 2026, the gearing ratio (ratio of the sum of total borrowings to the total assets) was approximately 24.8% (31 December 2025: approximately 25.3%).

Treasury Policies

The Group adopts conservative treasury policies and has tight controls over its cash management. The Group's cash and bank balances are held mainly in HK$, Renminbi ("**RMB**") and United States dollar ("**US$**"). Surplus cash is generally placed on term deposits depending on the Group's funding requirements.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group currently operates mainly in Africa, Asia and Mainland China including Hong Kong.

For operations in Africa, most of the transactions are denominated in US$, Kenyan Shillings ("**KES**") and Nigerian Naira ("**NN**"). The exchange rates of KES and NN against HK$ have increased by approximately 1% and approximately 2%, respectively during the Current Period. No financial instrument was used for hedging purposes for the Current Period due to the prohibitive cost of available hedging opportunities. The Group is closely monitoring the currency exchange risk of KES and NN and will consider the use of financial instrument for hedging purposes, if necessary.

For the operations in Asia, majority of the transactions are denominated in US$ while only some of the operating expenses are denominated in the respective local currency such as Burmese Kyat ("**MMK**"), Bangladeshi Taka ("**BDT**"), Lao Kip ("**LAK**") and Cambodian Riel ("**KHR**"). The Group manages its currency exchange risk of the above currencies by closely monitoring the fluctuation in exchange rates on MMK, BDT, LAK and KHR.

For operations in Mainland China, most of the transactions are denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. No financial instrument was used for hedging purposes for the Period. The Group is closely monitoring the currency exchange risk of RMB and is looking for any opportunities to mitigate the currency exchange risk of RMB.

For operations in Hong Kong, most of the transactions are denominated in HK$ and US$. The exchange rate of US$ against HK$ is relatively stable and the related currency exchange risk is considered minimal.

Significant Investments Held and Material Acquisitions and Disposals

The Group did not have any significant investment held nor there were any other material acquisitions or disposals of subsidiaries, associates or joint ventures during the six-month period ended 30 June 2026.

Charges on Assets

As at 30 June 2026 and 31 December 2025, the Group did not have any assets pledged to banks as securities for banking facilities.

Future Plans for Material Investments or Capital Assets and Capital Expenditure Commitments

As at 30 June 2026, the Group had no concrete future plans for material investments or capital assets and material capital expenditure commitments.

The Group continually evaluates new investment opportunities with a view to broadening the revenue base, improving the Group's profitability and enhancing shareholders' value in long term.

Contingent Liabilities

(i) The Group and Aircraft Engine Leasing Finance Inc. (the "**Claimant**") entered into a stock purchase agreement dated 15 December 2020 (the "**Purchase Agreement**") pursuant to which the Claimant acquired the entire interests in Maleth Aero Limited and its subsidiaries ("**Maleth**"), a former subsidiary of the Group, from Frontier Services Limited, a wholly- owned subsidiary of the Company. On the same date, the Group and the Claimant entered into a settlement agreement (the "**Settlement Agreement**") to regulate the repayment of certain sums advanced by the Group to Maleth in those years prior to the signing of the Purchase Agreement. As of the date of this announcement, no sums have been repaid under the Settlement Agreement by Maleth.

    On 4 November 2021, counsel for the Claimant wrote to the Group with a demand for indemnification, followed by several more indemnification demands notified on 2 December 2021, arising from the Purchase Agreement between the Claimant and the Group (the "**Indemnification Demands**"). The Indemnification Demands totaled approximately US$5,800,000 (equivalent to HK$45,500,000).

The Group has taken the view that the Indemnification Demands are untrue, unfounded and/or unsustainable; that no payments are due to the Claimant, and that the Indemnification Demands were made in order to forestall the payment of sums owed to the Group under the Settlement Agreement.

On 30 December 2022, the Group filed a civil lawsuit and an arbitration claim with the Civil Court of Malta and, following that, filed a separate notice of claim with the Malta Arbitration Centre, making contractual, tortious and equitable claims against the Claimant in an amount exceeding €10,000,000 (equivalent to HK$83,300,000) (the "**FSG Claims**"). The FSG Claims are based on specific and documented breaches of the Claimant's obligations under the Purchase Agreement, the Settlement Agreement and applicable law.

The first hearing of the Malta Arbitration Centre was held on 31 January 2023, at which administrative and scheduling matters were discussed between the parties and the Malta Arbitration Centre. There has no further substantive update or progress since the first hearing and no conclusion has been reached yet as at 31 December 2025.

The Board of the Company, with the assistance of legal advisor, is of the opinion that the Group has reasonable grounds to its defense against the Indemnification Demands from the Claimant and that it is not probable, despite there remains a possibility, that the Group will incur damages resulting from the Indemnification Demands as at the date of these consolidated financial statements. Also, the Group has a reasonable and legally supported claim for specific performance and for the payment of substantial damages arising from a series of related contractual breaches, tortious actions, and potentially fraudulent conduct.

(ii) During the year ended 31 December 2023, a customer (the "**SH Claimant**") of Frontier Logistics (Shanghai) Company Limited ("**SH Logistics**"), an indirectly wholly-owned subsidiary of the Company, filed a claim against it for an amount of RMB28,700,000 (equivalent to approximately HK$31,800,000) in relation to a logistic service contract conducted in 2021 (the "**SH Claims**"). At the same time, SH Logistics also filed a counterclaim against that customer for the outstanding amount due by that customer to the Group of RMB10,384,000 (equivalent to approximately HK$11,505,000) (the "**SH Counterclaims**") on services rendered. Both claims are currently handled by Shanghai Maritime Affairs Court (the "**Maritime Court**").

On 25 January 2024, the Maritime Court decided to combine the two claims together for consideration on that date. On 22 February and 10 April 2024, the first and the second hearing of the SH Claims were conducted.

On 20 November 2024, SH Logistics engaged another legal adviser (the "**Second Legal Advisor**") to review both claims based on further information and evidence exchanged at the Second Hearing. The Second Legal Advisor considered that the initial settlement plan proposed by the judge at the Maritime Court was unfair. The settlement amount proposed by the Second Legal Advisor to SH Logistics should be limited to RMB4,500,000 (equivalent to HK$4,956,000) because SH Logistics should have sufficient and reasonable ground to defend against those claims from the SH Claimant.

On 31 July 2025, SH Logistics has received an initial conclusion issued by the Maritime Court, pursuant to which SH Logistics is required to compensate the SH Claimant a sum of approximately RMB18,592,000 (equivalent to HK$20,584,000). Such amount may be partially set off against the accounts receivable due from the SH Claimant to SH Logistics in the amount of approximately RMB10,383,000 (equivalent to HK$11,497,000). After such set-off, SH Logistics is obligated to make a settlement payment of approximately RMB8,209,000 (equivalent to HK$9,087,000) to the SH Claimant. After taking into account the provisions previously set aside, a further loss of approximately RMB14,092,000 (equivalent to HK$15,399,000) was charged to the consolidated financial statements of the Group during the year ended 31 December 2025. With the assistance of the Second Legal Advisor, on 20 August 2025, the management of SH Logistics had filed an appeal to the Shanghai High People's Court against the initial decision and conclusion made by the judge at the Maritime Court. In February 2026, the Shanghai High People's Court lodged a judgment that the conclusion remained unchanged. On 21 April 2026, SH Logistics reached a final settlement agreement with the SH Claimant and the ultimate claimed amount after the set-off was fixed at RMB7,315,000 (equivalent to HK$8,097,000). Pursuant to the Ruling for Enforcement issued by the Maritime Court dated 24 July 2026 (the "**Ruling for Enforcement**"), SH Logistics has settled the above-mentioned amount in full to the SH Claimant as well as the legal proceeding costs. SH Logistics does not owe any further obligations or responsibilities towards the SH Claimant after settling the aforesaid claimed amount.

(iii) During the year ended 31 December 2025, two of the Group's subsidiaries in Kenya received additional tax assessments from the Kenya Revenue Authority (the "**KRA**") with a total assessed amount of KES176,281,000 (approximately HK$10,362,000). The Group has applied appeals in respect of these additional assessments. On 30 June 2026, the Commissioner of the KRA reached a dispute resolution agreement with one of the two subsidiaries in Kenya and the total assessed amount reduced from the initial amount of KES59,896,000 to the settled amount of KES4,867,000 (equivalent to approximately HK$286,000). Such amount has been reflected in the consolidated financial statements of the Group for the six-month period ended 30 June 2026. By reference to tax advisors' inputs and management's assessment, the board of directors of the Company are of the opinion that they have strong grounds for defense against the remaining claimed amount of KES116,385,000 (equivalent to approximately HK$6,846,000). As a result, no provision has been recognised as at 30 June 2026 (31 December 2025: Nil).

Save as disclosed in this interim result announcement, the Group had no other material contingent liabilities as at 30 June 2026.

Supplementary Information

On 12 June 2023, the Bureau of Industry and Security of the United States Department of Commerce ("**Bureau**") added the Company to the export control list (the "**Entity List**") for allegedly providing training to Chinese military pilots utilising Western and NATO resources, an action purportedly contrary to the United States' national security and foreign policy objectives. In response, on the same date, the Board published a clarification announcement firmly denying any involvement in the alleged activities and confirmed that the Company has neither engaged in such activities nor been approached by the Bureau regarding these allegations.

The Group's principal operations are entirely unrelated to the accused activities, and its business is geographically confined to Africa, China (including Hong Kong), Asia and the Middle-East, with no commercial presence in the United States.

Since the occurrence of these accusations, the Company has retained external legal and professional advisers to address the matter with the Bureau. In September 2024, the lawyer submitted a petition on behalf of the Company for removal (the "**Petition**") following the examination conducted by the professional advisor. The Company found no basis for the stated allegations and reported the same to the Bureau as part of the Petition. Subsequently, multiple follow-up letters have been sent to the Bureau with an aim to provide further updates on the Company's efforts and commitments on removal. On 2 March 2026, the Company filed a complaint in the United States District Court against the Bureau seeking removal from the Entity List. As at 30 June 2026, a comprehensive compliance policy and a new oversight framework have been implemented under the direct supervision of the Risk Committee of the Company.

Subsequent to 30 June 2026, the Bureau issued a response to the Company denying the request for removal. The Company will continue to work closely with its legal and the professional advisors and its in-house compliance officer in addressing this matter.

Subsequent Events

Save as disclosed above and elsewhere in this interim result announcement, the Group and the Company did not have any material subsequent events after 30 June 2026 and up to the approval date of this interim result announcement that need to be disclosed.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its listed securities during the six-month period ended 30 June 2026. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six-month period ended 30 June 2026. The Company did not hold any treasury shares during the six-month period ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the six-month period ended 30 June 2026, the Board of the Company has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with all applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules to regulate the directors' securities transactions. Having made specific enquiry of all the Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code, throughout their respective tenure during the six-month period ended 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed a total of 2,055 (30 June 2025: 2,362) employees. Total employee benefit expenses (including Directors' remuneration) for the six-month period ended 30 June 2026 amounted to HK$166,772,000 (30 June 2025: HK$155,725,000). Remuneration is determined with reference to market level of salaries paid by comparable companies, the respective responsibilities of the individual employee and the performance of the Group. In addition to a basic salary, benefits in kind and discretionary bonuses were offered to those employees according to the assessment of individual performance.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with the written terms of reference in compliance with the Listing Rules. As of the date of this announcement, the Audit Committee comprises three independent non-executive directors of the Company namely Mr. Yap Fat Suan, Henry (Chairman), Mr. Cui Liguo and Mr. Hooi Hing Lee.

The Audit Committee has reviewed with the management of the Company the unaudited condensed consolidated interim financial statements and the unaudited interim results of the Group for the six-month period ended 30 June 2026, including the accounting principles and practices adopted by the Group.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: Nil).

PUBLICATION OF INTERIM REPORT

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.fsgroup.com. The interim report of the Company for the six-month period ended 30 June 2026 containing all information required by the Listing Rules will be published on the aforesaid websites in due course and will be despatched to Shareholders in accordance with the applicable requirements of the Listing Rules.

By Order of the Board
FRONTIER SERVICES GROUP LIMITED
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 28 August 2026

As at the date of this announcement, the non-executive Directors are Mr. Chang Zhenming (Chairman), Mr. Yang Feng, Mr. Chan Kai Kong and Ms. Ye Ying; the executive Directors are Mr. Ko Chun Shun, Johnson (Deputy Chairman) and Mr. Zhang Yi (Chief Executive Officer); and the independent non-executive Directors are Mr. Yap Fat Suan, Henry, Mr. Hooi Hing Lee and Mr. Cui Liguo.

** For identification purposes only*