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 LISTED SECURITIES

On 1 June 2015, the Group disposed of 10,805,178 Reorient Shares on the market through the trading platform of the Stock Exchange, at an average price of approximately HK$23.08 per Reorient Share for a gross sale proceeds of approximately HK$249.41 million (excluding transaction costs).

As one of the percentage ratios as set out in the Listing Rules exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company.

THE DISPOSAL

On 1 June 2015, the Group disposed of 10,805,178 Reorient Shares on the market through the trading platform of the Stock Exchange, at an average price of approximately HK$23.08 per Reorient Share for a gross sale proceeds of approximately HK$249.41 million (excluding transaction costs).

As the Disposal was made on the market, the Company is not aware of the identity(ies) of the purchaser(s) of the Reorient Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchaser(s) of the Reorient Shares and their ultimate beneficial owner(s) are third party(ies) independent of the Company and its Connected Persons.

Assets disposed

The Group had a total of 17,805,178 Reorient Shares before the Disposal as a result of the share swap with Reorient, detail of which was disclosed in the circular of the Company dated 20 December 2013. The Disposal involved 10,805,178 Reorient Shares, representing approximately 2.37% of the issued share capital of Reorient held by the Group as at the date of this announcement (based on the 455,808,602 Reorient Shares according to public information available to the Company).

* *For identification purposes only*

Consideration

The gross sale proceeds of the Disposal is approximately HK$249.41 million (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the Reorient Shares at the time of the Disposal.

REASONS FOR AND BENEFITS OF, AND THE FINANCIAL EFFECT OF THE DISPOSAL

The Group is principally engaged in the provision of aviation and logistics services. The Group intends to provide complete logistics solutions in frontier markets with a particular focus on Africa.

The purpose of the Disposal is to realize the investment in the Reorient Shares. As a result of the Disposal, the Group is expected to recognize a gain of approximately HK$223.48 million which is calculated on the basis of the difference between the cost of the 10,805,178 Reorient Shares (i.e. approximately HK$25.93 million) and the consideration of the Disposal (i.e. approximately HK$249.41 million) (excluding transaction costs). The Group intends to use the proceeds of the Disposal for general working capital.

The Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposal, which enabled the Group to recognize a gain and realize the investment in the Reorient Shares, is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON REORIENT

Reorient is a company incorporated in Hong Kong with limited liability and its shares are listed and traded on the Main Board of the Stock Exchange (stock code: 00376). Reorient, through its subsidiaries, is principally engaged in the provision of securities brokerage, securities underwriting and placements, and consultancy and advisory services.

The following information is extracted from the 2014 annual report of Reorient:

	For the year ended 31 December	
	2014	2013
	HK$'000	*HK$'000*
Revenue	133,370	77,516
Profit/(loss) before taxation	759,327	(87,360)
Taxation	(450)	—
Profit/(loss) for the year	758,877	(87,360)

GENERAL

As one of the percentage ratios as set out in the Listing Rules exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company.

The Company intends to continue disposing the rest of its holding in the Reorient Shares (being 7,000,000 shares) in near future and will make further announcement(s) in compliance with the Listing Rules, if required.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"Board"	the board of Directors
"Company"	Frontier Services Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Connected Person(s)"	has the meanings ascribed to the Listing Rules
"Director(s)"	director(s) of the Company
"Disposal"	the disposal by the Company of a total of 10,805,178 Reorient Shares on the market through the trading perform of the Stock Exchange on 1 June 2015 for an aggregate consideration of approximately HK$249.41 million (excluding transaction costs)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the 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
"percentage ratio(s)"	has the meanings ascribed to the Listing Rules
"Reorient"	Reorient Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00376)

"Reorient Share(s)"	issued ordinary share(s) in the capital of Reorient
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Hong Kong, 1 June 2015

As at the date of this announcement, the executive Directors are Mr. Erik D. Prince (Chairman), Mr. Ko Chun Shun, Johnson (Deputy Chairman), Mr. Luo Ning (Deputy Chairman), Mr. Gregg H. Smith (Chief Executive Officer), and Mr. Hu Qinggang; and the independent non-executive Directors are Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung, Mr. William J. Fallon and Dr. Harold O. Demuren.