



(Incorporated in Bermuda with limited liability)
(Stock code: 0500.HK)

Strategy Update & Capital Raise

Hong Kong: Frontier Services Group (FSG, Company or Group), the leading service provider of integrated security, insurance and logistics solutions for companies operating in frontier markets, today provides an update on its strategy and announces a significant capital raise and expansion of its shareholders base.

Highlights

- Total new money to be raised: HK\$832 million (US\$ 107 million)
- CITIC increasing its shareholding from 15.84% to 28.4%
- China Taiping joining the shareholder register with 7.48%
- Company positioned optimally to become the leading integrated security, logistics and insurance service provider in the market, active in 20 countries across the globe
- Funds will be utilized to expand global office footprint, expand teams, grow asset base and support operational working capital requirements for projects across the Belt & Road.

Strategy Update

Since FSG's inception in 2014, the firm has been active in supporting companies operating in frontier markets overcome complex security and logistics challenges. In 2016, FSG clearly defined its strategy as integrated security, logistics and insurance service solutions and aligned with the Belt & Road initiative. Moreover, the Group has identified security as a critical service offering for companies supporting the Belt & Road initiative to guarantee the safety of their staff and success of their projects. Over the past 12 months, FSG has expanded significantly its global footprint of offices in key markets, portfolio of security licenses, world-class training facilities and built a team of first-class multinational, multilingual security professionals.

The Group proudly announces today, subject to Shareholder approval, the increased investment from CITIC Group and the addition of China Taiping and Trinity Gate as shareholders. The proposed investment from these prestigious firms is a testament to the business model, global footprint, strategy and team that FSG has built over the past several years. It is also an acknowledgement of the strategic importance that FSG will play in helping to overcome the complex and unique challenges of the Belt & Road initiative.

Security

With the proceeds from the proposed capital raise, the Company intends to strengthen its security capabilities by establishing training facilities for security personnel, adding new security licenses, expanding its international team, and purchasing equipment and vehicles to support operations.

In 2017, the group invested in the International Security and Defense College (ISDC) in Beijing, China. ISDC provides the group with one of China's most complete security training platforms training FSG staff to international standards as well as preparing clients before they head abroad. In addition, the Group has established regional offices to support its business in Asia, Middle East and Africa with centralized management and governance from its Global Security Center in Dubai.

FSG is positioned to become the leading provider of international standard security services using multi-national, multi-lingual professionals working together across projects in each of its target markets. The group will continue to expand its portfolio of security licenses as well as procuring the vehicles and equipment necessary to support operations.

Logistics

The Group's logistics business, which began in 2013, has expanded from Africa into the Middle East and Asia in order to align itself with and capture the wide opportunities of China's Belt and Road initiative. Proceeds from the capital raise will help to grow its global footprint, procure additional assets, expand the team of global logistics professionals and support working capital for operations. The Company expects to grow its clientele throughout Africa, Asia and Middle East regions supporting them through a footprint of local offices and coordination from its Global Logistics Centre in Shanghai, China. With senior logistics professionals managing global large-scale programs, the Group is able to provide an international client base with end-to-end, worldwide secure logistics solutions. These secure logistics solutions integrate security and insurance services to meet the requirements of frontier markets and guarantee that goods arrive on time and without financial impact to the project.

The Group maintains a fleet of over 20 aircraft with aviation platforms in Europe, Africa and Central Asia. Being able to move personnel and materiel, combined with security and insurance services gives FSG a clear advantage in frontier markets. Whether it is a medevac, mass evacuation or simply rotating crews to a worksite, FSG is able to offer a total integrated project solution. With an emphasis on 'last mile' logistics, the Group is uniquely positioned in the market with local expertise from an office footprint that includes 20 strategic markets around the globe. Across air, land and sea, FSG is able to provide secure transportation of personnel, equipment and products across the Belt & Road.

Insurance

With the proceeds from the capital raise, FSG will look to expand its team of international insurance professionals and integrate them into key regional offices in target markets. The Group's insurance division will complement its security and logistics services as a part of a complete, integrated risk management solution. Insurance by itself helps with the impact of eventualities but mitigating risks is an essential part of risk management. The risks and challenges of frontier markets have unique challenges with no off-the-shelf solutions.

FSG looks to approach projects as a whole assessing risk and creating a risk management solution that integrates design, training, physical & technical measures and transportation combined with insurance. With strategic partnerships with leading Chinese domestic and international insurers, the Group's insurance team develops unique and innovative insurance services. Leveraging the Group's full-spectrum capabilities in security, logistics, and insurance services into a complete risk management solution is a new and innovative approach to the traditional, reactive practice of companies operating in frontier markets. The Group benefits from having local teams able to meet with clients face to face, understand their needs and create customized service solutions while being able to access the global insurance market. This truly differentiates FSG amongst other service providers. The addition of China Taiping Insurance, will only strengthen the group's capabilities and ability to offer unique insurance service solutions to its clients.

The transaction is still subject to shareholder approval which shall be decided at a Shareholders General Meeting (SGM) at a date to be determined.

The full announcement posted to the Hong Kong Stock Exchange can be found here: <http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0302/LTN201803021658.pdf>

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About Frontier Services Group

Frontier Services Group Limited ("FSG") (SEHK: 00500) is a publicly listed company on the Hong Kong Stock Exchange with its headquarters in Hong Kong, business center in Beijing and offices in Shanghai, Dubai, Nairobi, and Johannesburg. FSG supports businesses operating in frontier markets overcome complex security, logistics and operational challenges. From Asia to Africa, FSG helps transport and protect your people, goods and equipment across air, sea and ground.

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