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FRONTAGE HOLDINGS CORPORATION

方達控股公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1521)

APPOINTMENT OF EXECUTIVE DIRECTOR AND CHANGE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Introduction

The board (the “**Board**”) of directors (the “**Director(s)**”) of Frontage Holdings Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce with effect from February 10, 2021, (i) Dr. Song Li has been appointed as an executive Director; and (ii) Dr. Song Li has been elected as the Chairman of the Board and appointed as the Chief Executive Officer of the Company in place of Dr. Zhihe Li, who resigned from such positions and from his roles as a member of the remuneration committee of the Board and a member of the nomination committee of the Board but continues to serve as an executive Director and the Senior Vice President of the Company’s subsidiary, Frontage Laboratories, Inc. (“**Frontage Labs**”).

The Company has been continually reviewing and optimizing its management team to determine ways in which it can more efficiently organize its corporate operations. Given the growth of the Group’s business in North America and in the PRC, the Company has reconfigured the management of Frontage Labs by creating a more specific management position to oversee the day-to-day affairs of the North America region and by appointing a new President of the China region. In doing so, Frontage Labs recently hired Mr. Yining Qi (“**Mr. Qi**”) in August 2020 as the President of China operations and promoted Mr. Glenn Washer (“**Mr. Washer**”) in January 2021 as President of North America operations, both of whom report directly to Dr. Song Li. Mr. Washer has assumed many of the day-to-day responsibilities that Dr. Song Li had previously handled related to the North America business. Both Mr. Washer and Mr. Qi have brought extensive experience to their new roles.

The Board and the nomination committee of the Board also considered it in the Company's interest to expand the size of the Board in order to accommodate the Group's need for strategic leadership and governance. Accordingly, given that Dr. Song Li, the Company's Honorary Chairman, is the founder of the Group, has extensive knowledge in the industry and is well recognized within the Group as well as externally by business partners of the Group, the Board invited Dr. Song Li to join the Board as an executive Director to enhance its talent and strength and to further contribute to the Group by devoting his time and energy at the Company's level. Dr. Song Li accepted the Board's invitation and was then appointed as an executive Director and a member of the remuneration committee and nomination committee of the Board, elected by the Board as its Chairman and appointed as the Chief Executive Officer of the Company. In light of the new responsibilities of Dr. Song Li, Dr. Zhihe Li resigned as the Chairman of the Board and the Chief Executive Officer of the Company and from his roles as a member of the remuneration committee of the Board and a member of the nomination committee of the Board in order to devote more time and energy to his role as a Senior Vice President of Frontage Labs.

Information on Dr. Song Li

The biographic details of Dr. Song Li are summarized below.

Dr. Song Li, aged 63, is the Honorary Chairman of the Company and the chief executive officer of Frontage Labs. In 2001, he founded Frontage Labs and has been the chief executive officer ever since and has led the Group's strategic, technical and commercial success. His visionary leadership of Frontage Labs has earned him widespread respect in the industry and within the Group.

Prior to joining the Group, Dr. Song Li held management positions at Great Valley Pharmaceuticals and Wyeth. During this time, he led numerous projects related to the development of pharmaceutical products. Dr. Song Li was formerly a director of Hangzhou Tigermed Consulting Co., Ltd., a company listed on the Shenzhen Stock Exchange under stock code 300347 and on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") under stock code 3347, from June 2017 to April 2018.

Dr. Song Li has authored numerous scientific publications spanning a wide range of topics, including chiral separations, drug-protein interactions, pharmacokinetics, and analytical chemistry. Dr. Song Li has been the recipient of numerous awards, including the Healthcare CEO award from Philadelphia Alliance for Capital and Technologies, the Ernst & Young Entrepreneur of the Year Award, the "Realizing the American Dream" award from the Pennsylvania Welcoming Society, and the Outstanding 50 Asian Americans in Business Award from the Asian American Business Development Center.

Dr. Song Li received his PhD degree in analytical chemistry from McGill University, Canada in 1992 and a Bachelor of Science in Chemistry from Zhengzhou University, China.

Dr. Song Li's remuneration as CEO of the Company will continue at the same rate as his employment as CEO of Frontage Labs, pursuant to which he is entitled to a base salary of US\$735,000 per annum, which was determined based on his extensive experience, his duties and responsibilities with the Group, prevailing market rates and following approval by the Board and the remuneration committee of the Board. Dr. Song Li's bonus will continue to be determined by the Board and the remuneration committee of the Board. The Company has entered into a director appointment letter with Dr. Song Li relating to his service as a director for a term of 3 years commencing from February 10, 2021, pursuant to which he will not be entitled to any additional remuneration. Dr. Song Li's appointment to the Board is subject to retirement by rotation and re-election at annual general meetings pursuant to the articles of association of the Company. Except pursuant to the said service contract, Dr. Song Li is not entitled to receive any other director's fee.

As at the date of this announcement, Dr. Song Li has interests in 161,891,320 shares of the Company (the “**Shares**”) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). He is the beneficial owner of 25,083,050 Shares and is the founder and a trustee of each of The Linna Li GST Exempt Trust, The Wendy Li GST Exempt Trust and The Yue Monica Li GST Exempt Trust, which, as of the date of this announcement, hold 45,600,090 Shares, 45,602,090 Shares and 45,606,090 Shares, respectively. In addition, on January 25, 2021, the Board resolved to grant 1,850,000 awarded shares to Dr. Song Li pursuant to the 2021 Share Award Scheme adopted by the Company on January 22, 2021. Such grant remains subject to the fulfillment of the applicable requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), as disclosed in the announcement published by the Company on January 26, 2021.

Save as disclosed above, as at the date of this announcement, Dr. Song Li (i) does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) does not hold any other position with the Company and other members of the Group; (iii) does not have other major appointments and professional qualifications; and (iv) does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company (each as defined in the Listing Rules).

Save as disclosed above, there is no other information relating to Dr. Song Li which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters relating to the appointment of Dr. Song Li as an executive Director that need to be brought to the attention of the shareholders of the Company.

Compliance with the Corporate Governance Code

Upon the appointment of Dr. Song Li as the Chairman of the Board and the Chief Executive Officer of the Company on February 10, 2021, Dr. Song Li will perform the roles of both the Chairman of the Board and the Chief Executive Officer of the Company. This deviates from code provision A.2.1 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, which requires that the roles of Chairman and the Chief Executive Officer of the Company to be separated and should not be performed by the same individual. After evaluation of the current direction of the Group as detailed above and taking into account of Dr. Song Li’s extensive experience in the industry and deep understanding of the Group’s businesses, the Board is of the opinion that it is appropriate and in the best interest of the Company at the present stage for the roles of the Chairman of the Board and the Chief Executive Officer of the Company to be performed by the same person as it helps to facilitate the execution of the Group’s business strategies and maximizes the effectiveness of its operations. The Company has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. Considering the above, the Board is of the view that the deviation from code provision A.2.1 of the CG Code is appropriate in the circumstances of the Company.

Other information

The Board and Dr. Zhihe Li confirm that they have no disagreement with each other and that there is no matter relating to Dr. Zhihe Li's resignation as Chairman of the Board and Chief Executive Officer of the Company that needs to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to express its gratitude to Dr. Zhihe Li for his service as Chairman of the Board and Chief Executive Officer of the Company, and would like to extend its warm welcome to Dr. Song Li for his new roles in the Company.

By Order of the Board
Frontage Holdings Corporation
Dr. Song Li
Chairman

Hong Kong, February 10, 2021

As at the date of this announcement, the Board comprises Dr. Song Li and Dr. Zhihe Li as executive directors; Mr. Jun Gao as non-executive director; and Mr. Yifan Li, Mr. Erh Fei Liu and Dr. Jingsong Wang as independent non-executive directors.

* *For identification purpose only*