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FRONTAGE HOLDINGS CORPORATION

方達控股公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1521)

POSITIVE PROFIT ALERT

This announcement is made by Frontage Holdings Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and the potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group (prepared in accordance with the International Financial Reporting Standards (IFRS)) for the six months ended June 30, 2021, the Group is expected to record a net profit of more than approximately US\$8.5 million for the six months ended June 30, 2021, which substantially increased by more than 88.9% from US\$4.5 million for the six months ended June 30, 2020, and the adjusted net profit (excluding the share-based compensation expenses, amortization of acquired intangible assets from mergers and acquisitions and fair value change on financial liabilities measured at fair value through profit or loss) of the Group is expected to be no less than approximately US\$14.0 million for the six months ended June 30, 2021. Such increase was primarily attributable to: (i) a significant growth in revenue driven by an increased demand for our services; (ii) efficiency enhancement of the Group’s business operation; and (iii) the recovery from reduced capacity utilization and lowered delivery efficiency due to the COVID-19 pandemic in the first half of 2020.

The Company is still in the process of finalizing the interim results of the Group for the six months ended June 30, 2021. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2021, which are subject to finalization and other potential adjustments, if any, and have not been reviewed or confirmed by the auditors of the Group or the audit and risk management committee of the Board. Shareholders and potential investors of the Company should refer to the interim results announcement of the Group for the six months ended June 30, 2021, which is expected to be published by the end of August 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, August 2, 2021

As at the date of this announcement, the Board comprises Dr. Song Li and Dr. Zhihe Li as executive director; 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*