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FRONTAGE HOLDINGS CORPORATION

方達控股公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1521)

ANNOUNCEMENT UNAUDITED FINANCIAL INFORMATION FOR THE FIRST QUARTER OF 2023

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

In addition, this announcement is made by the Company with a view to ensuring that all the shareholders of the Company have equal and timely access to the information of the Company, in light of the announcement by its controlling shareholder, Hangzhou Tigermed Consulting Co., Ltd. (a company listed on the Main Board of the Hong Kong Stock Exchange with stock code: 3347 and on ChiNext market of the Shenzhen Stock Exchange with stock code: 300347), of its unaudited first quarter results of 2023 for the three months ended March 31, 2023 on the Hong Kong Stock Exchange on April 25, 2023.

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company and potential investors of the following unaudited consolidated financial information of the Group, which were prepared in accordance with the International Financial Reporting Standards based on its unaudited consolidated management accounts: For the three months ended March 31, 2023, the Group recorded net loss of approximately US\$0.9 million as compared to net profit of approximately US\$4.9 million the same period in 2022, on revenue of approximately US\$59.0 million, as compared to approximately US\$60.1 million the same period in 2022. After excluding share-based compensation expenses, amortization of acquired intangible assets from mergers and acquisitions, and gain or loss arising from financial liabilities measured as fair value through profit or loss, the adjusted net profit of the Group was approximately US\$1.9 million, as compared to approximately US\$8.3 million the same period in 2022.

The net loss for the Group, including a decrease in adjusted net profit during the first quarter of 2023 compared to the same period last year, was primarily attributable to several factors including: (1) significant increase in the number of COVID-19 cases among the Frontage employees in China during the early months of 2023, which led to temporary delays in the execution of clients’ projects; hence, negatively impacting the revenue and profit in the first quarter of 2023; and (2) expenses in relation to significant investments made in China, including Suzhou preclinical, Shanghai Lin-Gang, and Wuhan chemistry facilities in anticipation of an increase in business post-Covid.

During the three months ended March 31, 2023, Frontage continued to execute its strategy by establishing world-class preclinical and chemistry labs and implementing high quality standards (e.g. AAALAC and GLP certifications in our Suzhou facility) to meet local and overseas clients' expectations prior to being fully operational. While these efforts required additional investments and expenses were incurred for them, the Board believes they are key components in the Company's strategy for driving revenue growth for future periods, especially in the preclinical, GLP bioanalytical and chemistry business areas and the Company remains committed to its expansion plan. The Company expects that the positive impact of these investments will gradually materialize in the next few quarters.

As of March 31, 2023, the unaudited consolidated net assets of the Group were approximately US\$336.3 million, compared to approximately US\$335.8 million as of December 31, 2022.

Shareholders and potential investors of the Company should note that the information contained in this announcement is unaudited and has not been reviewed by the Company's auditors or the audit committee of the board of directors of the Company and may be subject to possible adjustments. 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, April 25, 2023

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

* *For identification purpose only*