FRONTAGE HOLDINGS CORPORATION

方達控股公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1521)

ANNOUNCEMENT ON ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

		2025 ***US$ million***	2024 *US$ million*	Change
Revenue		**256.7**	254.9	**0.7%**
Gross Profit		**69.2**	69.8	**(0.9)%**
Gross Profit Margin		**27.0%**	27.4%	
EBITDA		**54.0**	50.0	**8.0%**
EBITDA Margin		**21.1%**	19.6%	
Adjusted EBITDA		**55.8**	54.0	**3.3%**
Adjusted EBITDA Margin		**21.7%**	21.2%	
Net Profit		**6.8**	0.6	**1,033.3%**
Net Profit Margin		**2.6%**	0.2%	
Adjusted Net Profit		**15.7**	13.2	**18.9%**
Adjusted Net Profit Margin		**6.1%**	5.2%	
		US$	US$	
Earnings per share	– Basic	**0.0034**	0.0004	**750.0%**
	– Diluted	**0.0033**	0.0004	**725.0%**
Adjusted Earnings per share	– Basic	**0.0078**	0.0066	**18.2%**
	– Diluted	**0.0078**	0.0066	**18.2%**

The Board does not recommend any payment of final dividend for the Reporting Period.

(1) Calculation of adjusted EBITDA is modified and calculated as EBITDA for the Reporting Period, excluding the share-based compensation expenses, gain or loss arising from financial assets/liabilities measured as fair value through profit or loss, goodwill impairment and expenses in relation to mergers and acquisitions to better reflect the Company's current business and operations.

(2) Calculation of adjusted net profit is modified and calculated as net profit for the Reporting Period, excluding the share-based compensation expenses, amortization of acquired intangible assets from mergers and acquisitions, gain or loss arising from financial assets/liabilities measured as fair value through profit or loss, goodwill impairment and expenses in relation to mergers and acquisitions to better reflect the Company's current business and operations.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRSs, the Company has provided adjusted net profit, adjusted net profit margin and adjusted basic and diluted earnings per share (excluding the share-based compensation expenses, amortization of acquired intangible assets from mergers and acquisitions, gain or loss arising from financial assets/liabilities measured as fair value through profit or loss, goodwill impairment and expenses in relation to mergers and acquisitions) as additional financial measures, which are not required by, or presented in accordance with, the IFRSs. The Company believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRSs financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRSs. The adjusted results should not be viewed on a stand-alone basis or as a substitute for results under IFRSs.

The Board of the Company is pleased to announce the consolidated annual results of the Group for the Reporting Period together with comparative figures for the corresponding period in 2024 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	NOTES	**2025** ***US$'000***	2024 *US$'000*
Revenue	*4*	**256,691**	254,907
Cost of services		**(187,492)**	(185,096)
Gross profit		**69,199**	69,811
Other income	*6*	**2,777**	4,300
Other gains and losses, net	*7*	**1,518**	(195)
Research and development expenses		**(4,300)**	(5,592)
(Impairment losses)/reversal of recognized on			
– trade receivables		**(1,959)**	(929)
– goodwill		**(1,491)**	–
– unbilled revenue		**(1)**	(120)
– others		**–**	314
Selling and marketing expenses		**(7,655)**	(8,489)
Administrative expenses		**(39,230)**	(47,050)
Share of profit of an associate		**282**	258
Finance costs	*8*	**(7,553)**	(9,564)
Profit before tax	*9*	**11,587**	2,744
Income tax expense	*10*	**(4,825)**	(2,125)
Profit for the year		**6,762**	619
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**4,797**	(5,749)
Share of other comprehensive income of associates		**155**	(98)
		4,952	(5,847)
Total comprehensive income for the year		**11,714**	(5,228)

	NOTES	2025 *US$'000*	2024 *US$'000*
Profit/(loss) for the year attributable to:			
Owners of the Company		**6,793**	791
Non-controlling interests		**(31)**	(172)
		6,762	619
Total comprehensive income for the year attributable to:			
Owners of the Company		**11,718**	(5,031)
Non-controlling interests		**(4)**	(197)
		11,714	(5,228)
		US$	US$
Earnings per share	*11*		
– Basic		**0.0034**	0.0004
– Diluted		**0.0033**	0.0004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	NOTES	2025 US$'000	2024 US$'000
Non-current Assets			
Property, plant and equipment		**123,331**	126,423
Right-of-use assets		**45,253**	54,253
Goodwill		**187,658**	187,014
Intangible assets		**23,205**	29,984
Interest in an associate		**7,184**	6,747
Deferred tax assets		**10,598**	7,451
Financial assets at fair value through profit or loss ("**FVTPL**")		**4,813**	2,995
Restricted bank deposits	*14*	**–**	300
Other long-term deposits		**816**	693
		402,858	415,860
Current Assets			
Inventories		**2,979**	2,876
Trade and other receivables and prepayments	*12*	**72,206**	69,091
Unbilled revenue	*13*	**20,125**	18,889
Structured deposits		**2,845**	–
Income tax recoverable		**3,017**	2,401
Restricted bank deposits	*14*	**695**	385
Cash and cash equivalents	*14*	**36,299**	44,091
		138,166	137,733
Current Liabilities			
Trade and other payables	*15*	**18,596**	19,294
Advances from customers	*16*	**27,795**	30,336
Bank borrowings	*17*	**47,497**	51,228
Income tax payable		**887**	573
Amounts due to shareholders		**210**	210
Lease liabilities		**8,511**	9,899
		103,496	111,540
Net Current Assets		**34,670**	26,193
Total Assets less Current Liabilities		**437,528**	442,053

	NOTES	**2025** ***US$'000***	2024 *US$'000*
Non-current Liabilities			
Bank borrowings	*17*	**28,181**	44,442
Deferred government grant		**1,936**	1,998
Deferred tax liabilities		**15,939**	12,548
Lease liabilities		**43,426**	48,796
		89,482	107,784
Net Assets		**348,046**	334,269
Capital and Reserves			
Share capital	*18*	**20**	20
Treasury shares	*19*	**(313)**	(313)
Reserves		**347,079**	333,298
Equity attributable to owners of the Company		**346,786**	333,005
Non-controlling interests		**1,260**	1,264
Total Equity		**348,046**	334,269

1. GENERAL INFORMATION

Frontage Holdings Corporation (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on April 16, 2018 under the Company Law of the Cayman Islands, and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since May 30, 2019 ("**Listing Date**"). The immediate holding company of the Company is Hongkong Tigermed Co., Limited ("**Hongkong Tigermed**"), a company incorporated under the laws of Hong Kong with limited liability. The ultimate holding company of the Company is Hangzhou Tigermed Consulting Co., Ltd. ("**Hangzhou Tigermed**"), a company established in Hangzhou, the PRC and whose shares have been listed on the ChiNext market of the Shenzhen Stock Exchange and the Main Board of The Stock Exchange.

The Company is a holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are to provide laboratory and related services to pharmaceutical and agrochemical companies. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The principal place of business in the United States of America (the "**USA**") and Hong Kong is 700 Pennsylvania Drive, Exton, PA 19341, USA and Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, respectively.

The functional currency of the Company and the operating subsidiaries incorporated in the USA is US dollars ("**US$**"). The functional currency of the PRC operating subsidiaries is Renminbi ("**RMB**"). The functional currency of the operating subsidiaries incorporated in Canada is Canadian dollars ("**CAD**"). The functional currency of the operating subsidiary incorporated in Italy is Euro ("**EUR**"). The reporting currency used for the presentation of the consolidated financial statements is US$, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Adoption of amendments to IFRS Accounting Standards – effective January 1, 2025

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 *Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on historical cost basis except for certain financial instrument that is measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

4. REVENUE

The Group's revenue streams are categorized as follows:

– Drug Discovery Unit, consisting of medicinal chemistry, pharmacology, and efficacy & absorption, distribution, metabolism, and excretion ("**ADME**") screening;

– Drug Development Unit, comprising drug metabolism and pharmacokinetics ("**DMPK**"), safety and toxicology, early phase clinical services, as well as a suite of bioequivalence and related services such as pharmacology, medical writing and regulatory support;

– Pharmaceutical Product Development Unit, encompassing intermediate and active pharmaceutical ingredient ("**API**") synthesis, process and formulation development, and clinical trial material manufacturing;

– Laboratory Testing Unit is to offer extensive laboratory testing support to clients worldwide involved in drug development. Their services encompass regulated and non-regulated bioanalysis (both small and large molecules), biomarkers, genomics, chemistry, manufacturing and controls ("**CMC**") analytical testing, and central laboratory services.

The Group had two main divisions: Global Drug Discovery & Development Services and Global Laboratory Services.

The Global Drug Discovery & Development Services division aims to provide comprehensive services in the drug discovery and development process. It includes three subunits: (i) the Drug Discovery Unit, (ii) the Drug Development Unit, and (iii) the Pharmaceutical Product Development Unit.

The Global Laboratory Services division offers laboratory testing support for clients involved in drug development.

The consolidation of services allows the Group to respond to client needs more effectively and provide tailored solutions of exceptional quality. By aligning and streamlining operations, the Group can optimize synergies, allocate resources efficiently, and foster innovation and growth across all business units. This strategic realignment sets the foundation for the Group to achieve its goals and sustain growth in the global drug discovery and development services industry.

An analysis of the Group's revenue is as follows:

	2025	2024
	US$'000	*US$'000*
– Drug discovery	**25,841**	31,225
– Drug development	**83,989**	81,868
– Pharmaceutical product development	**10,579**	9,272
– Laboratory testing	**136,282**	132,542
	256,691	254,907

All revenue of the Group listed above are recognized over time as the Group's performance does not create an asset with an alternative future use since the Group cannot redirect the asset for use on another customer, and the contract terms specify the Group has an enforceable right to payment for performance completed to date.

Transaction Price Allocated to Future Performance Obligations

IFRS 15 requires that the Group to disclose the aggregate amount of transaction price that is allocated to each performance obligation that has not yet been satisfied as at year-end. The guidance provides certain practical expedients that limit this requirement and, therefore, for the vast majority of contracts, the Group does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which revenue is recognized at the amount to which the Group has the right to invoice for services performed.

For the service contracts for which the Group does not recognize revenue at the amount to which the Group has the right to invoice for services performed, management has assessed whether there are any contracts with an original expected length greater than one year. While contracts do occasionally extend beyond one year, the timing of the services performed is contingent upon when the customer provides items for testing, and is not subject to a contractual term. Accordingly, for these contracts management is unable to determine whether the original contract term will exceed one year and has not disclosed the related unsatisfied performance obligations.

5. SEGMENT INFORMATION

Operating segments are determined based on the Group's internal reports which are submitted to chief executive officer, being the chief operating decision maker ("**CODM**") of the Group, for the purpose of performance assessment and resources allocation. This is also the basis upon which the Group is organized and managed.

The Group's consolidated revenue and results are primarily attributable to the markets in the USA, Canada and Europe (together as "**North America and Europe**") and the PRC and all of the Group's consolidated assets and liabilities are either located in North America and Europe or the PRC.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of performance assessment and resources allocation.

The following are the Group's reportable segments under IFRS 8 "*Operating Segments*":

– North America and Europe segment, including drug discovery, drug development, pharmaceutical product development and laboratory testing in the USA, Canada and Europe;

– PRC segment, including drug discovery, drug development, pharmaceutical product development and laboratory testing in the PRC.

Segment revenues and results

The following is an analysis of the Group's revenue by reportable segments.

For the year ended December 31, 2025

	North America and Europe *US$'000*	PRC *US$'000*	Total *US$'000*
Revenue			
– Drug discovery	**12,628**	**13,213**	**25,841**
– Drug development	**65,627**	**18,362**	**83,989**
– Pharmaceutical product development	**7,071**	**3,508**	**10,579**
– Laboratory testing	**112,327**	**23,955**	**136,282**
	197,653	**59,038**	**256,691**
Cost of services	**(141,378)**	**(46,114)**	**(187,492)**
Other income	**1,119**	**1,658**	**2,777**
Other gains and losses, net	**711**	**807**	**1,518**
Research and development expenses	**–**	**(4,300)**	**(4,300)**
Impairment losses recognized on trade receivables, goodwill, unbilled revenue and others	**(3,293)**	**(158)**	**(3,451)**
Selling and marketing expenses	**(5,610)**	**(2,045)**	**(7,655)**
Administrative expenses	**(31,706)**	**(7,524)**	**(39,230)**
Share of profit of associates	**–**	**282**	**282**
Finance costs	**(6,057)**	**(1,496)**	**(7,553)**
Profit before tax	**11,439**	**148**	**11,587**

For the year ended December 31, 2024

	North America and Europe *US$'000*	PRC *US$'000*	Total *US$'000*
Revenue			
– Drug discovery	18,581	12,644	31,225
– Drug development	66,680	15,188	81,868
– Pharmaceutical product development	6,168	3,104	9,272
– Laboratory testing	106,782	25,760	132,542
	198,211	56,696	254,907
Cost of services	(140,155)	(44,941)	(185,096)
Other income	1,187	3,113	4,300
Other gains and losses, net	749	(944)	(195)
Research and development expenses	–	(5,592)	(5,592)
Impairment losses recognized on trade receivables, unbilled revenue and others	(690)	(45)	(735)
Selling and marketing expenses	(6,494)	(1,995)	(8,489)
Administrative expenses	(38,251)	(8,799)	(47,050)
Share of profit of associates	–	258	258
Finance costs	(7,743)	(1,821)	(9,564)
Profit before tax	6,814	(4,070)	2,744

The material accounting policies of reportable segments are the same as the Group's material accounting policies.

Other segment information

Amounts included in the measure of segment profit or loss:

For the year ended December 31, 2025

	North America and Europe ***US$'000***	**PRC** ***US$'000***	**Total** ***US$'000***
Depreciation of property, plant and equipment	**(10,934)**	**(7,808)**	**(18,742)**
Depreciation of right-of-use assets	**(6,156)**	**(2,560)**	**(8,716)**
Amortization of intangible assets	**(6,988)**	**(449)**	**(7,437)**
Interest income	**163**	**126**	**289**
Gain on disposal of property, plant and equipment	**113**	**212**	**325**
Income tax (expense)/credit	**(5,370)**	**545**	**(4,825)**

For the year ended December 31, 2024

	North America and Europe *US$'000*	PRC *US$'000*	Total *US$'000*
Depreciation of property, plant and equipment	(10,247)	(8,421)	(18,668)
Depreciation of right-of-use assets	(6,418)	(3,764)	(10,182)
Amortization of intangible assets	(8,443)	(379)	(8,822)
Interest income	340	472	812
Gain on disposal of property, plant and equipment	2	130	132
Income tax (expense)/credit	(3,652)	1,527	(2,125)

Geographical information

The Group's operations and non-current assets are located in North America and Europe, and the PRC.

An analysis of the Group's revenue from external customers, analyzed by the customer's respective country/region of operation, is presented below:

	2025 ***US$'000***	2024 *US$'000*
Revenue from external customers		
– USA and Canada	**195,215**	188,187
– PRC	**46,312**	45,197
– Rest of the world	**15,164**	21,523
	256,691	254,907

Information about the Group's non-current assets by geographical location of the assets are presented below:

	2025 ***US$'000***	2024 *US$'000*
Non-current assets excluding financial assets and deferred tax assets		
– North America and Europe	**313,015**	322,395
– PRC	**73,616**	82,026
	386,631	404,421

Information about major customers

No customers contributed more than 10% of the Group revenue during the year ended December 31, 2025 and 2024.

6. OTHER INCOME

	2025	2024
	US$'000	*US$'000*
Interest income	**289**	812
Government grants related to income	**1,601**	658
Income from rendering service	**887**	2,830
	2,777	4,300

7. OTHER GAINS AND LOSSES, NET

	2025	2024
	US$'000	*US$'000*
Net foreign exchange gain	**789**	1,270
Fair value change on financial liabilities measured at FVTPL	**–**	(159)
Fair value change on financial assets measured at FVTPL	**1,725**	(488)
Gain on disposal of property, plant and equipment	**325**	132
Others	**(1,321)**	(950)
	1,518	(195)

8. FINANCE COSTS

	2025	2024
	US$'000	*US$'000*
Interest expense on lease liabilities	**2,989**	3,119
Interest expense on bank borrowings	**4,564**	6,445
	7,553	9,564

9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2025	2024
	US$'000	*US$'000*
Staff costs (including directors' emoluments):		
– Salaries and other benefits	**107,136**	114,566
– Share-based payment expense	**2,017**	3,144
– Retirement benefit scheme contributions	**7,002**	7,817
	116,155	125,527
Auditors' remuneration	**547**	281

10. INCOME TAX EXPENSE

	2025	2024
	US$'000	*US$'000*
Current tax:		
– PRC Enterprise Income Tax ("**EIT**")	**979**	811
– US Federal Tax	**800**	2,359
– US State Tax	**1,479**	531
– Canada Corporate Tax	**971**	288
Under-provision of EIT, US Federal Tax and US State Tax in prior year	**317**	129
	4,546	4,118
Deferred tax:		
– Current year	**279**	(1,993)
Total income tax expense	**4,825**	2,125

The group entities incorporated in the USA are subject to Federal and State Income taxes, and the effective weighted average income tax rate is 26.41% for the year ended December 31, 2025 (2024: 24.66%). The Tax Cuts and Jobs Act (the "**2017 Tax Act**") was signed into law on December 22, 2017. The 2017 Tax Act includes a tax on the mandatory deemed repatriation of accumulated previously untaxed foreign earnings (the "**Transition Tax**"). The USA group entities are subject to Transition Tax for the years ended December 31, 2025 and December 31, 2024, which is included in the Federal tax expense above.

BRI Biopharmaceutical Research, Inc. ("**BRI**"), a wholly owned subsidiary of the Group, as a non-Canadian-controlled private corporation ("**CCPC**") and engaged in active business in British Columbia, Canada, has been subject a flat tax rate of 27%.

Nucro-Technics, Inc. ("**Nucro**"), a wholly owned subsidiary of the Group, as a non-CCPC and engaged in active business in Ontario, Canada, has been subject an effective corporate tax rate of 26.5%.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless subject to tax exemption set out below.

Frontage Laboratories (Shanghai) Co., Ltd. ("**Frontage Shanghai**"), a wholly owned subsidiary of the Group in the PRC, was accredited as a "High and New Technology Enterprise" in November 2020 and renewed its status in November 2023, and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2023.

Acme Biopharma Co. (Shanghai) Ltd. ("**Acme Shanghai**"), a wholly owned subsidiary of the Group in the PRC, was accredited as an "Advanced Technology Enterprise" in December 2022 and renewed its status in December 2025, and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2025.

Wuhan Heyan Biomedical Technology Co., Ltd. ("**Heyan Biotech**"), a 70% owned subsidiary of the Group in the PRC, was accredited as a "High and New Technology Enterprise" in December 2020 and renewed its status in October 2023, and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2023.

The group entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profits for the years ended December 31, 2025 and 2024. On March 21, 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The two-tiered profits tax rates regime is applicable to the Group's Hong Kong subsidiaries with estimated assessable profits for its annual reporting periods ending on or after April 1, 2018.

The group entities incorporated in the Cayman Islands are not subject to income or capital gains tax under the law of the Cayman Islands.

No provision for Italy income tax has been made as the Group did not generate any assessable profits in Italy during the years ended December 31, 2025 and 2024.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attribute to owners of the Company is based on the following data:

	2025	2024
	US$'000	*US$'000*
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share	**6,793**	791

Number of Shares:

	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,027,056,628**	2,026,464,720
Effect of dilutive potential ordinary shares:		
Share options	**50,755**	794,758
Share awards	**679,309**	4,151,393
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,027,786,692**	2,031,410,871

Note:

(i) The weighted average number of ordinary shares shown above has been adjusted for issue of new shares and treasury shares.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
	US$'000	*US$'000*
Trade receivables		
– third parties	**65,882**	63,448
– related parties	**2,053**	425
Less: loss allowance for trade receivables	**(5,402)**	(4,045)
	62,533	59,828
Other receivables		
– third parties	**1,996**	2,570
Less: loss allowance for other receivables	**(37)**	(37)
	1,959	2,533
Notes receivable		
– third parties	**102**	88
Prepayments		
– third parties	**6,018**	3,755
– related parties	**287**	39
	6,305	3,794
Value added tax recoverable	**1,307**	2,848
	72,206	69,091

The Group allows a credit period ranging from 30 to 90 days to its customers. The following is an aging analysis of trade receivables (net of loss allowance), presented based on the invoice dates, at the end of the reporting period:

	2025	2024
	US$'000	*US$'000*
Within 90 days	**53,727**	44,885
91 to 180 days	**3,436**	8,132
181 days to 1 year	**2,975**	4,270
Over 1 year	**2,395**	2,541
	62,533	59,828

13. UNBILLED REVENUE

	2025	2024
	US$'000	*US$'000*
Unbilled revenue		
– third parties	**17,286**	18,604
– related parties	**3,662**	1,072
Less: loss allowance for unbilled revenue	**(823)**	(787)
	20,125	18,889

Generally, significant payment terms are disclosed within the contents of a given contract and are in the form of either milestone payment terms representing a percentage of the total budgeted contract price or corresponding directly with the value to the customer of the Group's performance. Revenues recognized in excess of billings are recognized as contract assets and disclosed in the consolidated statement of financial position as unbilled revenue.

14. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

Cash and cash equivalents comprise of cash held by the Group and short-term bank deposits with an original maturity of three months or less. The bank deposits carry interest at market rates which ranged from 0.02% to 3.5% per annum as at December 31, 2025 (2024: from 0.02% to 4.33% per annum).

According to the lease agreement for the property at Secaucus, NJ, a cash deposit of US$300,000 was required as a guarantee over the property.

As at December 31, 2025, a cash deposit of US$392,000 (2024: US$381,000) was required by Pennsylvania dept of environmental protection, Bureau of radiation protection in the USA for radiology license in the USA, and the amount is restricted. As at December 31, 2025, the remaining amount in the collateral account was US$392,000 (2024: US$381,000), which has been included in restricted bank deposits.

As at December 31, 2025, certain bank deposits with balances of approximately RMB24,000 (equivalent to approximately US$3,000) (2024: RMB26,000 (equivalent to approximately US$4,000)), were pledged to secure bills payable and bank facilities granted to the Group.

15. TRADE AND OTHER PAYABLES

	2025	2024
	US$'000	*US$'000*
Trade payables		
– third parties	**8,389**	8,360
– related parties	**971**	299
	9,360	8,659
Other payables		
– third parties	**1,997**	3,344
– related parties	**–**	11
	1,997	3,355
Note payables	**838**	–
Salary and bonus payables	**5,813**	6,418
Other taxes payable	**588**	862
	18,596	19,294

Payment terms with suppliers are mainly on credit ranging from 30 to 90 days from the invoice date. The following is an aging analysis of trade payables, presented based on invoice date, at the end of each reporting period:

	2025	2024
	US$'000	*US$'000*
Within 90 days	**9,360**	7,878
91 days to 1 year	**–**	28
Over 1 year	**–**	753
	9,360	8,659

16. ADVANCES FROM CUSTOMERS

	2025	2024
	US$'000	*US$'000*
Advances from customers		
– third parties	**26,371**	29,439
– related parties	**1,424**	897
	27,795	30,336

Amounts received in accordance with contracted payment schedules but in excess of revenues earned are recognized as contract liabilities and disclosed in the consolidated statement of financial position as advances from customers. Changes in advances from customers primarily relate to the Group's performance of services under the related contract

Revenue of US$18,863,000 was recognized in 2025 (2024: US$20,295,000) that were included in the advances from customers at the beginning of the year.

17. BANK BORROWINGS

Bank Loans

	2025	2024
	US$'000	*US$'000*
Secured and unguaranteed bank loans	**75,678**	95,670

	2025	2024
	US$'000	*US$'000*
Within one year and shown under current liabilities	**47,497**	51,228
More than one year, but not exceeding two years	**19,522**	14,192
More than two years, but not exceeding five years	**8,659**	30,250
	75,678	95,670
Less: Amounts shown under current liabilities	**(47,497)**	(51,228)
Amounts shown under non-current liabilities	**28,181**	44,442
Loan interest at rate per annum in the range of	**2.65% – 6.09%**	2.75% – 6.73%

Bank Facilities

The Group has aggregated banking facilities of RMB622,174,000 (equivalent to US$88,518,000) (2024: RMB510,000,000 (equivalent to US$70,948,000)), of which RMB211,061,000 (equivalent to approximately US$30,028,000) (2024: RMB177,344,000 (equivalent to approximately US$24,670,000)) was utilized as borrowings as at December 31, 2025.

On May 31, 2022, Frontage Labs, one of the subsidiaries of the Company, entered into a three-year committed senior secured revolving credit agreement with a bank. On July 28, 2023 the bank has agreed to extend to Frontage Labs a revolving line of credit in the maximum principal amount of US$54,000,000 and extend the maturity date to four years from the loan commencement date. As at December 31, 2025, US$20,500,000 (2024: US$35,000,000) of the facility were utilized as borrowings. Frontage Labs is obligated to grant to the bank security interest in and to the collateral of some of its designated subsidiaries in the U.S.

On July 22, 2022, Frontage Labs entered into a credit agreement with a bank under which the bank has agreed to provide Frontage Labs a non-revolving term loan facility in an aggregate principal amount of US$49,000,000. As at December 31, 2025, US$25,150,000 (2024: US$36,000,000) of the facility were utilized as borrowings. The Company, as the guarantor, is obligated to guarantee for the liabilities, obligations and the full satisfaction of Frontage Labs under this facility. This facility is collateralized by Frontage Labs' assets in some of its designated subsidiaries in the U.S.

The Group had aggregated revolving banking facilities of RMB362,275,000 (equivalent to approximately US$51,541,000) (2024: RMB304,436,000 (equivalent to approximately US$42,351,000)) and US$33,500,000 (2024: US$19,000,000) which were unutilized as at December 31, 2025.

18. SHARE CAPITAL

	Number of shares	Amount *US$*
Ordinary shares of US$0.00001 each		
Authorized:		
As at January 1, 2024, December 31, 2024, January 1, 2025 and December 31, 2025	5,000,000,000	50,000

	Number of shares	Amount *US$*	Shown in the consolidated financial statements as *US$'000*
Issued and Fully Paid:			
As at January 1, 2024	2,062,645,910	20,628	21
Exercise of share options *(note (a))*	36,179,000	362	–
Cancellation of shares *(note (b))*	(63,100,000)	(631)	(1)
As at December 31, 2024, January 1, 2025 and December 31, 2025	2,035,724,910	20,359	20

Notes:

(a) During the year ended December 31, 2025, no (2024: 36,179,000) share options was exercised, with a deduction from equity-settled share based compensation reserve of US$nil (2024: US$2,312,000) and an increase of US$nil (2024: US$9,530,000) in share premium.

(b) During the year ended December 31, 2024, the Company cancelled 63,100,000 shares with a deduction from the treasury shares of US$15,122,000, including a reduction of US$1,000 in share capital, and US$15,121,000 in share premium. The Company did not cancel any shares during the year ended December 31, 2025.

19. TREASURY SHARES

	2025		2024	
	Number of shares	**Cost of acquisition *US$'000***	Number of shares	Cost of acquisition *US$'000*
At beginning of year	**12,084,002**	**313**	28,741,064	4,232
Repurchase of shares	**–**	**–**	50,788,000	11,203
Cancellation of shares	**–**	**–**	(63,100,000)	(15,122)
Vesting of share awards	**(4,087,564)**	**–**	(4,345,062)	–
At end of year	**7,996,438**	**313**	12,084,002	313

20. EVENT AFTER THE REPORTING PERIOD

On October 10, 2025, Frontage Shanghai, a wholly-owned subsidiary of the Company (as purchaser), Hangzhou Tigermed (as vendor in respect of Sale Shares I) and Jiaxing Xinge, a wholly-owned subsidiary of Hangzhou Tigermed (as vendor in respect of Sale Shares II), entered into the Share Transfer Agreement, pursuant to which Frontage Shanghai has conditionally agreed to acquire, and each of Hangzhou Tigermed and Jiaxing Xinge has conditionally agreed to sell the sale Shares, representing the entire issued share capital of Teddy Clinical Research Laboratory (Shanghai) Ltd. (the "**Target Company**") upon completion of the repurchase and capital reduction, at the total cash consideration of RMB270,000,000 (equivalent to US$38,413,000).

The acquisition was completed on March 3, 2026. Immediately following the completion of acquisition, the Target Company has become a wholly-owned subsidiary of the Company and the financial results of the Target Company and its subsidiaries will be consolidated into the financial statements of the Group. For details of the acquisition, please refer to the announcement of the Company dated October 10, 2025,January 7, 2026 and March 3, 2026 and the circular of the Company dated December 15, 2025.

Given the completion was close to the date of this announcement, it is not practicable to provide an estimate of financial effect of the above acquisition until the Group has a detailed review.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Frontage is a globally integrated, science-driven CRO delivering high-quality research and development services to the pharmaceutical, biotechnology, chemical, and life sciences industries. With a commitment to scientific excellence and customer-centric solutions, Frontage offers comprehensive services from drug discovery to clinical trials. Our services are designed to help biopharmaceutical companies accelerate their product development and achieve their goals with efficiency and precision. Additionally, we support academic institutions and start-up companies in discovering and developing new therapeutics for human health.

In 2025, the biopharmaceutical industry navigated a complex operating environment. Geopolitical tensions, pricing pressures, evolving regulatory expectations, and heightened scrutiny from sponsors and governments, each factor influenced development strategies and commercialization plans.

In 2025, Frontage continued to enhance its research and development capabilities. With its two core service divisions, Global Drug Discovery & Development Services and Global Laboratory Services, Frontage has refined its operational structure to offer more comprehensive and integrated solutions. The Global Drug Discovery & Development Services division continued to expand and strengthen its offerings in discovery chemistry, biology, pharmacology, DMPK, Safety & Toxicology, CMC & Contract Research, Development, and Manufacturing Organization ("**CRDMO**") services, and the Global Laboratory Services continued to enhance its technical capabilities, expand service capacity across bioanalysis, central lab services, genomics, biologics, and biomarker diagnostics.

Artificial intelligence ("**AI**") is becoming increasingly important across all aspects of society including the biopharmaceutical industry. In response, Frontage established a dedicated AI applications team to enhance both commercial and laboratory operations. By supporting key activities such as client engagement, quotation process, project management, as well as quality control ("**QC**") and quality assurance ("**QA**") reportings, this AI initiative has greatly improved operational visibility and established a strong foundation for Frontage to compete with industry peers in an increasingly AI-driven future.

Overall, the Group's revenue increased by 0.7% from approximately US$254.9 million for the year ended December 31, 2024 to approximately US$256.7 million for the year ended December 31, 2025. Additionally, the Group's contract future revenue, which represents future service revenues from work not yet completed or performed under all signed contracts or customer's purchase orders in effect at that time, achieved approximately US$433.7 million as at December 31, 2025, representing an increase of 11.0% compared to approximately US$390.6 million as at December 31, 2024.

ENHANCED CAPABILITIES AND EXPERTISE

We firmly believe that aspiring to excel in the CRO industry requires a steadfast commitment to continuously enhancing our service capabilities, regardless of macro-environmental fluctuations. During the Reporting Period, we continued to enhance our capabilities and expertise in each of our service unit through organic growth and strategic acquisitions in order to provide more comprehensive and high-quality services for our customers on a global scale.

North America and Europe

The CRO services market size was valued at US$92.27 billion in 2025, with the North American market holding a dominating market share of 50.10%.[1] Europe is expected to be the second-largest region in the market with a value of US$25.77 billion in 2026 and is estimated to hold a CAGR of 8.3% during the forecast period.[2] Headquartered in Exton, Pennsylvania with a presence in Europe, Frontage continues to strengthen its presence in these two key markets. Through the delivery of comprehensive and integrated "one-stop shop" solutions, Frontage has achieved strong market recognition and consistently provided high-value services that address the evolving needs of clients in North America and Europe.

In May 2025, we officially opened a new 46,300-square-foot **CRDMO** facility, in Exton, Pennsylvania. This state-of-the-art facility features nine (9) Good Manufacturing Practice ("**GMP**") suites including two (2) high-potent suites, two (2) aseptic suites, and five (5) non-sterile suites, supporting manufacturing for injectables, tablets, capsules, creams, gels, ointments, ophthalmic and nasal preparations. This new facility also houses two (2) formulation development labs, and three (3) analytical labs including a micro lab. This new site had completed GMP facility validation in October 2025, and has been fully operational with ongoing Clinical Phase III, Process Performance Qualification ("**PPQ**") batches and small-scale commercial manufacturing. This expansion significantly enhances Frontage's manufacturing capabilities and strengthens our position as a full-service drug development partner. In parallel, we also completed the relocation of our chemistry services from the site in Palo Alto, California to Exton, Pennsylvania as part of our ongoing efforts to optimize operational efficiency and resource allocation across the organization.

[1] https://www.fortunebusinessinsights.com/industry-reports/contract-research-organization-cro-services-market-100864
[2] https://www.fortunebusinessinsights.com/industry-reports/contract-research-organization-cro-services-market-100864

In 2025, we established a dedicated AI applications team to enhance both commercial and laboratory operations, supporting client interactions, Requests for Information ("**RFIs**"), lead management, quotations, improvement of the QC and QA reportings, and project timeline management, laying the foundation for future AI-driven analytics and operational efficiencies.

Frontage's two core business divisions: Global Drug Discovery & Development Services and Global Laboratory Services have further integrated resources across the United States, Canada, and Europe in 2025. These coordinated efforts supported stable and sustained progress across the North American and European markets and positioned the Company for continued momentum during the Reporting Period.

- Global Drug Discovery & Development Services

  During the Reporting Period, our Global Drug Discovery & Development Services division continued to expand and strengthen our offerings in discovery chemistry, biology, pharmacology and DMPK services, including IND-enabling studies and C-14 radiolabeled human absorption, metabolism and excretion studies.

  During the Reporting Period, we continued to enhance our Product Development and Manufacturing ("**PDM**") capabilities through targeted investments in industry-leading equipment for mixing and filling operations, supporting expanded product manufacturing activities. We leveraged our established analytical laboratories to provide comprehensive testing services, including extractables and leachables, nitrosamine analysis, and specialized in-vitro analytical techniques, strengthening our integrated CMC support offering.

  During the Reporting Period, we established manufacturing capabilities to support Phase III clinical trial materials, with a focus on sterile ophthalmic injections and oral solid dosage forms. These capabilities are intended to support late-stage development programs and advance client projects toward New Drug Application ("**NDA**") submission, further reinforcing Frontage's position as an end-to-end partner across the clinical development and regulatory lifecycle. We have also established an approximately 800-square-foot manufacturing laboratory at our headquarter in Exton, Pennsylvania to support U.S.-based demand for active pharmaceutical ingredients ("**APIs**") production. This new laboratory is currently undergoing GMP certification and is expected to be operational in early Q2 of 2026.

  During the Reporting Period, our Chicago, Illinois site successfully launched new service platforms, including mass radiolabeled balance studies for multiple species, enhanced analytical methods for radioactive compounds, and specialized dietary study capabilities, along with upgraded data management systems to improve study efficiency and regulatory compliance.

  At our Concord, Ohio site, we established comprehensive electrophysiology laboratory capabilities with validated assays for safety pharmacology testing and expanded genetic toxicology offerings with new validated assays and enhanced our non-human primate capabilities through specialized equipment and colony establishment.

- Global Laboratory Services

  During the Reporting Period, the Global Laboratory Services continued to enhance its technical capabilities, expand service capacity across bioanalysis, central lab services, genomics, biologics, and biomarker diagnostics.

  During the Reporting Period, the Global Laboratory Services advanced its laboratory digital transformation by implementing a fully paperless ecosystem, leveraging tools such as IDBS ELN, Integrated Electronic Binder System ("**IEBS**"), Watson LIMS, and StudyDoc automated reporting tool, and establishes a strong foundation for AI-driven applications. This digital framework strengthens compliance through robust audit trails and version control, accelerates reporting timelines, and enables seamless global collaboration with sponsors.

  During the Reporting Period, the Global Laboratory Services built organoid research platforms to offer comprehensive organoid-based services to pharmaceutical companies, academic institutions, and hospitals. These services include the commercialization of organoid models and biobanks for drug screening, bioanalytical assays, and detailed organoid characterization using techniques such as immunohistochemistry ("**IHC**"), immunofluorescence (IF), flow cytometry, RNA sequencing ("**RNA-Seq**"), whole exome sequencing ("**WES**"), and single-cell RNA sequencing ("**scRNA-seq**").

  During the Reporting Period, Frontage Europe, S.r.l. located in Milan, Italy expanded its capabilities to include biologics bioassay and biomarker services and also expanded our central lab services capabilities in the third quarter of 2025, and successfully achieved GLP and GCP certifications in 2025.

  Alongside our expanded and enhanced services, 2025 was marked by exceptional performances in quality and regulatory compliance across our operations in North America and Europe. Our facilities across the United States, Canada, and Europe (Italy) all successfully completed regulatory inspections by U.S. FDA, U.S. Drug Enforcement Administration ("**DEA**"), and other government authorities. We also achieved recertification of the ISO/IEC Information Security Management System across multiple sites and successfully obtained EU-US Data Privacy Framework certifications, reinforcing our commitment to operational integrity, data security, and regulatory excellence.

China

China's role in the global biopharmaceutical sector has grown significantly in recent years. It is the world's largest supplier of APIs. In the first quarter of 2025 alone, Chinese companies accounted for 32% of global biotech licensing deal value versus 21% in both 2023 and 2024, according to a July report from New York investment firm, Jefferies Group LLC.[3] While geopolitical uncertainty and evolving cross-border regulatory policies continue to shape how companies collaborate globally, China remains an important driver of innovation, manufacturing capacity, and deal activity in the biopharmaceutical industry.

Frontage has been actively operating in China for more than two decades, building strong and unparalleled local presence and experience. In 2025, our operations in China demonstrated significant progress across multiple service lines while maintaining comprehensive capabilities spanning drug discovery, preclinical research, and clinical development.

- Global Drug Discovery & Development Services

  During the Reporting Period, we continued to strengthen our established capabilities across chemistry, DMPK, pharmacology, CMC, and Safety & Toxicology. To support nucleic acid-based drug discovery, we launched new chemistry services for oligonucleotides and further expanded our services in vitro and in vivo platforms for siRNA and other oligonucleotide modalities.

  During the Reporting Period, we conducted non-human primate ("**NHP**") studies for in vivo CAR-T programs. In addition, we developed and manufactured placebo formulations for Traditional Chinese Medicines ("**TCM**").

  During the Reporting Period, we expanded our CMC capabilities to include comprehensive ophthalmic GMP manufacturing for both liquid and suspension products. The new production lines incorporate advanced technologies including high-shear mixing systems, blow-fill-seal capabilities, and integrated quality control systems. Our CMC group achieved key regulatory milestones, receiving the China Manufacturing License in July 2025, and obtained CNAS certification issued in August 2025.

[3] https://www.ddw-online.com/is-china-the-next-global-biopharma-powerhouse-38210-202510/

The Chemistry team introduced advanced continuous flow platforms to support specialized process development, enhancing our capabilities in complex chemical synthesis. In parallel, the Process Scale-Up Hub in Wuhan underwent major expansion, more than doubling its laboratory space and increasing capacity with new kilo-scale facilities and upgraded purification capabilities.

During the Reporting Period, the Clinical Services expanded capabilities in complex formulation products, gaining extensive experience across diverse dosage forms including advanced delivery systems and biosimilars. The Clinical Services unit successfully managed multicenter bioequivalence studies in both healthy volunteers and patient populations across various therapeutic areas, demonstrating our capability to handle sophisticated clinical programs.

- Global Laboratory Services

  During the Reporting Period, the Global Laboratory Services advanced its bioanalytical capabilities by developing an integrated platform that combines small molecule and large molecule analysis within a unified workflow. This integrated system enhances operational efficiency and accelerates timelines for pharmacokinetic, immunogenicity, and biomarker studies across diverse therapeutic modalities including antibody-drug conjugates, peptide-drug conjugates, and mRNA vaccines.

  During the Reporting Period, the Global Laboratory Services launched a real-time quality control dashboard to track assay performance metrics and turnaround times. This tool enables early identification of potential issues, improves data quality oversight, and has increased overall operational efficiency by 25%.

  During the Reporting Period, to support the growing demand for biomarker discovery and validation in precision medicine, the Global Laboratory Services implemented the Alamar NULISA HT-Argo platform. This high-throughput technology expands our biomarker assay capabilities and enables more comprehensive biomarker profiling to meet growing project demand in 2025.

THE GROUP'S FACILITIES

As of December 31, 2025, the Group had thirteen (13) facilities in North America and Europe, consisting of:

- four (4) facilities in Exton, PA, USA;
- two (2) facilities in Hayward, CA, USA;
- one (1) facility in Secaucus, NJ, USA;
- one (1) facility in Concord, OH, USA;
- one (1) facility in Deerfield, FL, USA;
- one (1) facility in Chicago, IL, USA;
- one (1) facility in Vancouver, Canada;
- one (1) facility in Toronto, Canada; and
- one (1) facility in Milan, Italy.

In addition, as of December 31, 2025, the Group had ten (10) facilities in China, consisting of:

- four (4) facilities in Shanghai;
- three (3) facilities in Suzhou, Jiangsu Province;
- one (1) facility in Zhengzhou, Henan Province; and
- two (2) facilities in Wuhan, Hubei Province.

QUALITY ASSURANCE

The Group's quality compliance programs are managed by a dedicated group responsible for quality compliance. Our independent quality units have overseen and also implemented the quality management systems, including global computer system validation. Within each regulated business segment, we have established quality assurance units responsible for risk-based internal audit programs to manage regulatory requirements and customer expectations. The quality assurance units operate independently from those individuals that direct and conduct studies, manufacturing or analytical testing. Our quality assurance team works closely with study teams to ensure compliance with protocols, Standard Operating Procedures ("**SOPs**") and regulatory guidelines to ultimately protect research subject safety as well as the integrity and validity of study data. Our quality assurance team also provides services including regulatory training, internal system audits, SOP oversight, hosting of client audits and regulatory inspections, as well as performs third party audits of critical vendors and investigative sites on behalf of our customers.

Virtually all facets of the Group's service offerings are subject to quality programs and procedures, including accuracy and reproducibility of tests, turnaround time, customer service, and data integrity. This includes licensing, credentialing, training and competency of professional and technical staff, and internal auditing. In addition to the Group's internal quality programs, our laboratories, facilities, and processes are subject to on-site regulatory agency inspections and accreditation evaluations, as applicable, by local or national government agencies, and inspections and audits by customers and vendors.

During the Reporting Period, our facilities in the U.S. and Canada were inspected by the FDA, DEA (Drug Enforcement Administration), CNSC (Canadian Nuclear Safety Commission; for radiation safety), PHAC (Public Health Agency of Canada; for biosafety), Clinical Laboratory Improvement Amendments/The College of American Pathologists (CLIA/CAP), DOH (Department of Health), AAALAC and USDA (United States Department of Agriculture) and none of the inspections resulted in any materially adverse issues being identified.

Our facilities in China were also inspected by the NMPA and none of the inspections resulted in any materially adverse issues being identified.

Frontage Labs has deployed ZenQMS solution to manage all quality system, SOP, Training, Quality Assurance KPI to ensure all business operations operate under the same quality and compliance standards.

INFORMATION TECHNOLOGY

The Group has implemented a wide area network (SDWAN) to connect all sites in North America and Europe into a unified network. Frontage Lab China established its own separate SDWAN network, distinct from the global Frontage SDWAN in order to comply with data security and privacy regulations in both China and the United States, including GDPR (General Data Protection Regulation). During the Reporting Period, Frontage successfully obtained ISO 27001 certification for data security. Additionally, Frontage has deployed the NetSuite and Salesforce systems for project management, providing comprehensive transparency in financial reporting, cost control, procurement, and risk monitoring.

Animal Welfare

We focus on animal welfare issues in our business operations and are committed to following strict procedures in upholding animal rights. According to the Guide of the Care and Use of Laboratory Animals and all relevant laws and regulations, we implement our SOPs and quality animal care program to treat animals humanely. As responsible researchers, we have established plans and procedures on the living environment, animal facility control, back-up veterinary care plan, transferal, and termination/euthanasia procedures. We regularly monitor animal conditions and assess the adequacy of our existing protocols, as well as keeping abreast of recent scientific developments in this area. Training and education are also provided to the responsible people for carrying out their duties. During the Reporting Period, we did not receive any non-compliance reports from the USDA and FDA.

Business Development

Our global business development team supports global commercial activities by creating relationships with prospective customers and growing relationships with our existing customers. We rely heavily on our past project performance, experienced teams, and new capabilities, in securing and developing new business opportunities. Our business development representatives collaborate closely with our seasoned scientific experts and operational leaders from the beginning of the sales process to ensure proposals meet customers' needs in a strategic and solution-based manner. Our business development personnel work with our clients throughout the life of the project by partnering with project managers and strategic alliance executives to optimize timely completion of the projects and foster long-term relationships with the customers.

The specific role of the business development team is to grow the business across all service areas across the entire continuum of drug development. Our global business development team is strategically located across the United States, China, and Canada and is responsible for managing all accounts within their geographical territory. In addition to significant client engagement and key account development experience, many of our project managers possess advanced scientific and technical degrees to support our customers' complex product development endeavors and challenges within various market segments (global biopharmaceutical, small and mid-sized pharmaceutical and biotechnology companies, and academic and government institutions). This enhances our ability to meet client needs by offering customized solutions across our entire portfolio ranging from discovery services to late phase clinical trial management specifically through the application of central laboratory and early phase clinical services.

Marketing

The marketing team is focused on building global brand awareness, trust and driving deeper client engagement through demand generation initiatives. The marketing team leverages several key channels to include digital marketing, conferences and events, and high-profile publications. Potential customers are directed to our website where they can access a wide range of scientific content including whitepapers, video material, webinars, case studies, scientific posters, and other resources.

Our core marketing initiatives focus on driving long-term client engagement and stimulating demand for our entire services portfolio. We believe that our ability to provide comprehensive solutions addressing all aspects of our customers' research and development needs are increasingly attractive. As a result, we continue to market our ability to provide clients with scientific expertise, complex solutions that meet high quality standards.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Acquisitions of Teddy Labs

In October 2025, Frontage Shanghai, a wholly-owned subsidiary of the Company, entered into a share transfer agreement (the "**Share Transfer Agreement**") with Hangzhou Tigermed and Jiaxing Xinge to acquire 45,169,326 shares representing 100% of the entire issued share capital of Teddy Clinical Research Laboratory (Shanghai) Ltd. ("**Teddy Lab**") at the total consideration of RMB270 million upon completion of a repurchase and capital reduction by the Teddy Lab (the "**Acquisition**").

The Acquisition constitutes (i) a major transaction under Chapter 14 of the Listing Rules as the highest applicable percentage ratio exceeds 25% but is less than 100%; and (ii) a connected transaction under Chapter 14A of the Listing Rules as Hangzhou Tigermed is the controlling shareholder of the Company and the highest applicable percentage ratio exceeds 5%, and was subject to the reporting, disclosure and shareholder approval requirements under the Listing Rules. For details, please refer to the announcement of the Company dated October 10, 2025 and the circular of the Company dated December 15, 2025.

Save as disclosed above, there were no significant investments held, no material acquisitions or disposals of subsidiaries, affiliates and joint ventures of the Company during the year ended December 31, 2025.

Events After the Reporting Period

On January 7, 2026, an extraordinary general meeting of the Company was held at which the independent shareholders approved the Share Transfer Agreement and the Acquisition. On March 3, 2026, all the conditions precedent as set out in the Share Transfer Agreement have been satisfied and the Acquisition was completed. Following the completion, Teddy Lab has become a wholly-owned subsidiary of the Company and the financial results of Teddy Lab and its subsidiaries will be consolidated into the financial statements of the Group.

Save as disclosed above, the Board is not aware of any significant events affecting the Group, which have occurred subsequent to December 31, 2025 and up to the date of this announcement.

Prospects

Looking ahead, Frontage is well positioned to navigate a dynamic global biopharmaceutical landscape. We provide comprehensive, integrated "one-stop-shop" solutions across North America, Europe, and China, supported by decades of experience in biopharmaceutical development. We are strategically focused on expanding our capacity to meet rising study volumes and the increasing complexity of therapeutic programs.

At the same time, we are also investing in digital transformation initiatives, including AI, to strengthen data consistency and drive operational efficiency.

As we move into 2026, Frontage is committed to driving innovation and quality, leveraging advanced technologies like AI, and building the capabilities and expertise to continue to meet the evolving needs of the biopharmaceutical industry.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 0.7% from approximately US$254.9 million for the year ended December 31, 2024 to approximately US$256.7 million for the year ended December 31, 2025.

Revenue from operations in North America and Europe decreased by 0.3% from approximately US$198.2 million for the year ended December 31, 2024 to approximately US$197.7 million for the year ended December 31, 2025. Excluding the impact of currency translation, the revenue from operations in China increased by 4.4% from approximately RMB403.5 million (equivalent to approximately US$56.7 million) for the year ended December 31, 2024 to approximately RMB421.2 million (equivalent to approximately US$59.0 million) for the year ended December 31, 2025.

The slightly decrease in revenue from operations in North America and Europe was mainly attributable to the decline in revenue generated from drug discovery businesses. This decline was negatively affected by the pharmaceutical and biotechnology companies remained focused on optimizing research and development portfolios and exercising prudent control over development spending. However, it was partially offset by the fairly strong demand for laboratory testing services.

The growth of revenue from operations in China was mainly attributable to improvement of capacity utilization and marketing efforts made by the Group.

The following table sets forth a breakdown of our revenue by type of service during the Reporting Period:

	For the year ended December 31,	
	2025	2024
	US$'000	*US$'000*
Drug discovery	**25,841**	31,225
Drug development	**83,989**	81,868
Pharmaceutical product development	**10,579**	9,272
Laboratory testing	**136,282**	132,542
	256,691	254,907

An analysis of the Group's revenue from external customers, analyzed by the customer's respective country/region of operation, is presented below:

	For the year ended December 31,			
	2025		2024	
	US$'000	***%***	*US$'000*	*%*
Revenue				
– USA and Canada	**195,215**	**76.1**	188,187	73.9
– China	**46,312**	**18.0**	45,197	17.7
– Rest of the world*(Note)*	**15,164**	**5.9**	21,523	8.4
Total	**256,691**	**100.0**	254,907	100.0

Note: Rest of the world primarily includes Europe, India, Japan, South Korea and Australia.

Top 5 customers' revenue increased by 15.3% from approximately US$37.2 million for the year ended December 31, 2024 to approximately US$42.9 million for the year ended December 31, 2025, accounting for 16.7% of total revenue for the year ended December 31, 2025 as compared to 14.6% for the year ended December 31, 2024.

Top 10 customers' revenue increased by 8.8% from approximately US$52.5 million for the year ended December 31, 2024 to approximately US$57.1 million for the year ended December 31, 2025, accounting for 22.3% of total revenue for the year ended December 31, 2025, as compared to 20.6% for the year ended December 31, 2024.

Cost of Services

The cost of services of the Group increased by 1.3% from approximately US$185.1 million for the year ended December 31, 2024 to approximately US$187.5 million for the year ended December 31, 2025. The increase in the cost of services was in line with the increased revenue.

The cost of services of the Group consists of direct labor costs, cost of raw materials and overhead. Direct labor costs primarily consist of salaries, bonuses and social security costs for the employees in the Group's business units. Cost of raw materials primarily consists of costs incurred for the purchase of raw materials used in rendering of our services. Overheads primarily consist of depreciation charges of the facilities and equipment used in rendering the Group's services, utilities and maintenance.

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by 0.9% from approximately US$69.8 million for the year ended December 31, 2024 to approximately US$69.2 million for the year ended December 31, 2025. The Group's gross profit margin decreased from approximately 27.4% for the year ended December 31, 2024 to approximately 27.0% for the year ended December 31, 2025. In particular, gross profit margin in North America and Europe decreased from approximately 29.3% for the year ended December 31, 2024 to approximately 28.5% for the year ended December 31, 2025, which was primarily due to the decline in revenue generated from drug discovery business. Gross profit margin in China increased from approximately 20.7% for the year ended December 31, 2024 to approximately 21.9% for the year ended December 31, 2025, mainly due to the decrease of cost driven by the improvement in capacity utilization.

Other Income

The Group's other income decreased by 34.9% from approximately US$4.3 million for the year ended December 31, 2024 to approximately US$2.8 million for the year ended December 31, 2025, primarily due to a decreased income from rendering service.

Other Gains and Losses, Net

The Group's net other gains and losses changed from approximately US$0.2 million of loss for the year ended December 31, 2024 to approximately US$1.5 million of gain for the year ended December 31, 2025, primarily due to the gain from fair value change on financial assets measured at FVTPL.

Selling and Marketing Expenses

Selling and marketing expenses of the Group decreased by 9.4% from approximately US$8.5 million for the year ended December 31, 2024 to approximately US$7.7 million for the year ended December 31, 2025, as a result of cost driven by the improvement in efficiency.

Administrative Expenses

The Group's administrative expenses decreased by 16.8% from approximately US$47.1 million for the year ended December 31, 2024 to approximately US$39.2 million for the year ended December 31, 2025. Excluding share-based compensation expense and amortization of intangible assets acquired from mergers and acquisitions and expenses in relation to mergers and acquisitions, the Group's administrative expenses decreased by 14.2% from approximately US$35.1 million for the year ended December 31, 2024 to approximately US$30.1 million for the year ended December 31, 2025, primarily due to the decrease in labor cost and improvement of efficiency.

Research and Development Expenses

Our research and development activities mainly focused on (i) developing technologies and methodologies to continue to enhance our services; and (ii) improving the quality and efficiency of our services.

The Group's research and development expenses decreased by 23.2% from approximately US$5.6 million for the year ended December 31, 2024 to approximately US$4.3 million for the year ended December 31, 2025, primarily due to the implementation of cost reduction and efficiency improvement measures to enhance research and development efficiency and reduce costs.

Finance Costs

The Group's finance costs decreased by 20.8% from approximately US$9.6 million for the year ended December 31, 2024 to approximately US$7.6 million for the year ended December 31, 2025, primarily due to the repayment of bank borrowings.

Income Tax Expense

The income tax expense of the Group increased by 128.6% from approximately US$2.1 million for the year ended December 31, 2024 to approximately US$4.8 million for the year ended December 31, 2025, primarily due to an increase in pretax income.

Net Profit and Net Profit Margin

The Group recorded net profit of approximately US$6.8 million for the year ended December 31, 2025, as compared to net profit of approximately US$0.6 million for the year ended December 31, 2024. The Group recorded net profit margin of 2.6% for the year ended December 31, 2025, as compared to net profit margin of 0.2% for the year ended December 31, 2024. The higher net profit and net profit margin compared to the year ended December 31, 2024 was mainly attributable to the implementation of cost reduction and efficiency improvement measures to enhance efficiency.

Adjusted Net Profit

The following table presents a reconciliation of adjusted net profit to the net profit for the periods, the most directly comparable IFRS measure, for each of the periods indicated:

	For the year ended ended December 31,	
	2025	2024
	US$'000	*US$'000*
Net Profit	**6,762**	619
Add: Share – based compensation expense	**2,017**	3,144
Amortization of acquired intangible assets from mergers and acquisitions	**7,150**	8,581
Loss arising from financial liabilities measured as fair value through profit or loss	**–**	159
(Gain)/Loss arising on financial assets measured as fair value through profit or loss	**(1,725)**	488
Goodwill impairment	**1,491**	–
Expenses in relation to mergers and acquisitions	**3**	252
Adjusted Net Profit	**15,698**	13,243
Adjusted Net Profit Margin	**6.1%**	5.2%

The adjusted net profit of the Group increased by 18.9% from approximately US$13.2 million for the year ended December 31, 2024 to approximately US$15.7 million for the year ended December 31, 2025. The adjusted net profit margin of the Group for the year ended December 31, 2025 was 6.1%, compared to 5.2% for the year ended December 31, 2024. The higher adjusted net profit and adjusted net profit margin of the Group for the year ended December 31, 2025 was primarily due to a higher net profit and net profit margin as discussed above.

EBITDA

The EBITDA[4] of the Group increased by 8.0% from approximately US$50.0 million for the year ended December 31, 2024 to approximately US$54.0 million for the year ended December 31, 2025. The EBITDA margin of the Group for the year ended December 31, 2025 was 21.1%, compared to 19.6% for the year ended December 31, 2024. The increase of EBITDA is in line with the net profit which had been discussed above.

Adjusted EBITDA

The adjusted EBITDA[5] of the Group increased by 3.3% from approximately US$54.0 million for the year ended December 31, 2024 to approximately US$55.8 million for the year ended December 31, 2025. The adjusted EBITDA margin of the Group increased from 21.2% for the year ended December 31, 2024 to 21.7% for the year ended December 31, 2025. The increase of adjusted EBITDA is in line with the EBITDA which had been discussed above.

Basic and Diluted Earnings Per Share

The basic earnings per share of the Group increased from US$0.0004 for the year ended December 31, 2024 to US$0.0034 for the year ended December 31, 2025. The diluted earnings per share of the Group increased from US$0.0004 for the year ended December 31, 2024 to US$0.0033 for the year ended December 31, 2025. The increase in the basic and diluted earnings per share was primarily due to the increase in the net profit as discussed above.

The adjusted basic earnings per share for the year ended December 31, 2025 amounted to US$0.0078, representing an increase of 18.2% as compared with that of US$0.0066 for the year ended December 31, 2024. The adjusted diluted earnings per share of the Group for the year ended December 31, 2025 amounted to US$0.0078 when compared with that of US$0.0066 for the year ended December 31, 2024. The increase in both the adjusted basic and the adjusted diluted earnings per share was primarily due to the increase in the adjusted net profit as discussed above.

[4] EBITDA represents net profit before (i) interest expenses; (ii) income tax expenses; and (iii) amortization and depreciation.

[5] Calculation of adjusted EBITDA is modified and calculated as EBITDA for the Reporting Period, excluding the share-based compensation expenses, gain or loss arising from financial liabilities measured as fair value through profit or loss, gain or loss arising from financial assets measured as fair value through profit or loss, goodwill impairment and expenses in relation to mergers and acquisitions to better reflect the Company's current business and operations.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Company has provided adjusted net profit, adjusted net profit margin, and adjusted basic and diluted earnings per share (excluding the share-based compensation expenses, amortization of acquired intangible assets from mergers and acquisitions, gain or loss arising from financial liabilities measured as fair value through profit or loss, gain or loss arising from financial assets measured as fair value through profit or loss, goodwill impairment and expenses in relation to mergers and acquisitions) as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non – operating items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. The adjusted results should not be viewed on a stand-alone basis or as a substitute for results under IFRS.

Right-of-Use Assets

The Group recorded approximately US$45.3 million right-of-use assets as at December 31, 2025, which decreased by 16.6% from approximately US$54.3 million as at December 31, 2024. The decrease was mainly due to the depreciation charges of existing leases.

Intangible Assets

The Group recorded approximately US$23.2 million intangible assets as at December 31, 2025, which decreased by 22.7% from approximately US$30.0 million as at December 31, 2024. The decrease was mainly due to the amortization.

Trade and Other Receivables and Prepayment

The trade and other receivables and prepayment of the Group increased by 4.5% from approximately US$69.1 million as at December 31, 2024 to approximately US$72.2 million as at December 31, 2025. Such change is within the normal fluctuation range of the Group's business development.

Trade and Other Payables

The trade and other payables of the Group decreased by 3.6% from approximately US$19.3 million as at December 31, 2024 to approximately US$18.6 million as at December 31, 2025, primarily due to the payments for other payables.

Advances from Customers

The Group has recorded a decrease of 8.3% in advance from customers, which were converted to revenue during the Reporting Period.

Liquidity and Capital Resources

The Group's bank balances and cash amounted to approximately US$36.3 million in total as at December 31, 2025, as compared to approximately US$44.1 million as at December 31, 2024, as a result of payments for purchase of property, plant and equipment and repayment of bank borrowings, plus cash inflow from operating activities. The cash and cash equivalents held by the Company are composed of RMB, HK$, CAD, EUR and US$. Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved.

The following table sets forth a condensed summary of the Group's consolidated statements of cash flows for the periods indicated and analysis of balances of cash and cash equivalents for the periods indicated:

	For the year ended December 31,	
	2025	2024
	US$'000	*US$'000*
Net cash generated from operating activities	**43,926**	40,638
Net cash used in investing activities	**(13,846)**	(41,482)
Net cash used in financing activities	**(37,362)**	(10,217)
Net decrease in cash and cash equivalents	**(7,282)**	(11,061)
Cash and cash equivalents at the beginning of the period	**44,091**	53,186
Effect of exchange rate changes	**(510)**	1,966
Cash and cash equivalents at the end of the period	**36,299**	44,091

Capital Expenditures

Our principal capital expenditures relate primarily to purchases of property, plant and equipment, and intangible assets relation to the expansion and enhancement of our facilities and purchases of equipment and intangible assets used in providing our services. Approximately US$11.7 million of capital expenditures were incurred for the year ended December 31, 2025, which decreased by 54.8% when compared to approximately US$25.9 million for the year ended December 31, 2024, primarily due to the decreased expenditures for enhancement of facilities.

Indebtedness

Borrowings

The Group had total bank borrowings of US$75.7 million as at December 31, 2025 compared to US$95.7 million as at December 31, 2024. On December 31, 2025, the effective interest rate of the Group's bank borrowings ranged from 2.65% to 6.09%. US$ borrowings amounted to US$45.7 million and RMB borrowings amounted to RMB211.1 million (equivalent to US$30.0 million).

Lease Liabilities

The Group leased some of our equipment and facilities under lease agreements with lease terms of three to twenty-five years and right-of-use assets agreements. The Group recorded approximately US$51.9 million lease liabilities as at December 31, 2025, compared to approximately US$58.7 million as at December 31, 2024 due to the payments for existing leases.

Contingent Liabilities and Guarantees

As at December 31, 2025, the Group did not have any material contingent liabilities or guarantees.

Currency Risk

The functional currency of the Company and the operating subsidiaries incorporated in the USA is US$. The functional currency of the PRC operating subsidiaries is RMB. The functional currency of the operating subsidiary incorporated in Canada is CAD. The functional currency of the operating subsidiary incorporated in Italy is EUR. Particularly, the PRC operating subsidiaries have foreign currency sales and purchases, which expose the Group to foreign currency risk.

The PRC operating subsidiaries are mainly exposed to foreign currencies of US$ and EUR. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position.

Gearing Ratio

The gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents and structured deposits divided by total equity and multiplied by 100%. The gearing ratios were 25.4% and 33.0% as at December 31, 2025 and December 31, 2024, respectively. The decrease in the Company's gearing ratio was primarily due to the repayment of bank borrowings.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2025, the Group had a total of 1,523 employees, of whom 845 were located in North America and Europe and 678 were located in China; 1,321 were scientific and technical support staff and 202 were sales, general & administrative staff. Approximately 85% of employees hold a bachelor's degree or above, and we have 535 employees that hold an advanced degree (a master's level degree or higher such as Ph.D, M.D. or other doctorate level degrees).

The staff costs, including Directors' emoluments but excluding any contributions to retirement benefit scheme contributions and share-based compensation expenses, were approximately US$107.1 million for the year ended December 31, 2025, as compared to approximately US$114.6 million for the year ended December 31, 2024. The remuneration packages of employees generally include salary and bonus elements. In general, the Group determines the remuneration packages based on the qualifications, position and performance of its employees. The Group also makes contributions to pension schemes, social insurance funds, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund as applicable to the countries where the Group operates.

As at the date of this announcement, the Group has adopted the Pre-IPO Share Incentive Plans, the 2018 Share Incentive Plan and the 2021 Share Award Scheme to provide incentives or rewards to eligible participants for their contribution or potential contribution to the Group.

In addition, the Group has training systems, including orientation and on-the-job training for all staff, to accelerate the learning progress and improve the knowledge and skill levels of its workforce. The Group also has a training program for senior management that focuses on management skills, conflict resolution and effective communication skills and sessions on how to recruit and retain talent. The orientation process covers corporate culture and policies, work ethics, introduction to the drugs development process, quality management and occupational safety. The periodic on-the-job training covers certain technical aspects of the Group's services, environmental, health and safety management systems and mandatory training required by applicable laws and regulations.

FINAL DIVIDEND

The Board does not recommend any payment of a final dividend for the Reporting Period (2024: Nil).

ANNUAL GENERAL MEETING

The Annual General Meeting ("**AGM**") of the Company will be held on Tuesday, June 2, 2026 and the notice of the AGM will be published in accordance with the Articles of Association and the Listing Rules and dispatched to the Shareholders in due course upon request of the Shareholders.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, May 27, 2026 to Tuesday, June 2, 2026, both dates inclusive, during which period no transfer of Shares will be registered. The record date will be Tuesday, June 2, 2026. In order to be eligible to attend and vote at the AGM, all share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, May 26, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) for the year ended December 31, 2025 (including sale of treasury shares (as defined under the Listing Rules)). As at December 31, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the Reporting Period.

CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has followed the principles and complied with the code provisions set out in the Part 2 of the CG Code effective until June 30, 2025 which are applicable to the Company's corporate governance report and annual report for the year ended December 31, 2025. The amendments to the CG Code effective July 1, 2025 will apply to the corporate governance reports and annual report of the Company for the financial years commencing on or after July 1, 2025. The principles and code provisions set out in this announcement refer to the CG Code prior to the revision, not the revised CG Code.

REVIEW OF ANNUAL RESULTS BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee has reviewed, together with the Company's management, the accounting principles and policies, internal controls, risk management and financial reporting adopted by the Group, and the audited consolidated financial statements of the Group for the Reporting Period. The Audit and Risk Management Committee is satisfied that the audited consolidated financial statements of the Group for the Reporting Period were prepared in accordance with the applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Period as set out in the preliminary announcement have been compared by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period and the amounts were found to be in agreement. The work performed by BDO Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

PUBLICATION OF THE 2025 ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.frontagelab.com). The annual report of the Company for the Reporting Period containing all the information required under the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Shareholders upon request of the Shareholders.

"2008 Share Incentive Plan"	the pre-IPO share incentive plan approved by Frontage Labs in 2008 and assumed by the Company on April 17, 2018
"2015 Share Incentive Plan"	the pre-IPO share incentive plan approved by Frontage Labs in 2015 and assumed by the Company on April 17, 2018
"2017 Tax Act" or "Transition Tax"	The Tax Cuts and Jobs Act was signed into law on December 22, 2017, has resulted in significant changes to the U.S. corporate income tax system. These changes reduce tax rates and modify policies, credits and deductions for businesses. The 2017 Tax Act also transitions the U.S. international taxation from a worldwide system to a modified territorial system and includes base erosion prevention measures on non-U.S. earnings, which could result in subjecting certain earnings of Frontage Shanghai to U.S. taxation. These changes are effective beginning in 2018. The 2017 Tax Act also includes a tax on the mandatory deemed repatriation of accumulated previously untaxed foreign earnings of Frontage Shanghai (the "**Transition Tax**")
"2018 Share Incentive Plan"	the post-IPO share incentive plan adopted by the Company on May 11, 2019
"2021 Share Award Scheme"	the "2021 Share Award Scheme" constituted by the rules adopted on January 22, 2021, in its present form or as amended from time to time in accordance with the provisions therein
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit and Risk Management Committee"	the audit and risk management committee of the Board
"Award Participants"	the selected participants who were awarded the Awarded Shares under the 2021 Share Award Scheme
"Awarded Shares"	the 22,950,500 Shares granted by the Company to the Award Participants pursuant to the terms of the 2021 Share Award Scheme
"Board of Directors" or "Board"	the board of directors of the Company from time to time
"BRI"	BRI Biopharmaceutical Research Inc., a company incorporated under the laws of Canada on February 18, 2003, and a subsidiary of the Company
"CAD"	Canadian Dollars, the lawful currency of Canada

"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"CMC"	stands for Chemistry, Manufacturing and Controls. The Group's portfolio of CMC services spans from drug discovery to the post-approval phase, including lead compound quantification and analytical testing for the discovery phase, formulation development, Good Laboratory Practice toxicology batch studies, release and product testing, stability testing, Clinical Trial Materials and Good Manufacturing Practice manufacturing, extractability and leachability studies and commercial product release following approval of an application
"CODM"	the chief operating decision maker of the Group
"Company"	Frontage Holdings Corporation, a company incorporated under the laws of the Cayman Islands with limited liability on April 16, 2018
"Controlling Shareholder(s)"	has the meaning given to it under the Listing Rules and unless the context requires otherwise, refers to Hangzhou Tigermed and Hongkong Tigermed
"CRO"	Contract research organization
"Director(s)"	the director(s) of the Company from time to time
"DMPK"	Drug Metabolism and Pharmacokinetics, refers to studies designed to determine the absorption and distribution of an administered drug, the rate at which a drug takes effect, the duration a drug maintains its effects and what happens to the drug after being metabolized by the body
"EIT"	PRC Enterprise Income Tax
"EIT Law"	Enterprise Income Tax Law of the PRC
"FDA"	the U.S. Food and Drug Administration
"Frontage Labs"	Frontage Laboratories, Inc., a company incorporated under the laws of Pennsylvania, United States on April 21, 2004 and the wholly-owned subsidiary of the Company
"Frontage Shanghai"	Frontage Laboratories (Shanghai) Co., Ltd., a company established in the PRC on August 2, 2005 and a subsidiary of the Company

"Frontage Suzhou"	Frontage Laboratories (Suzhou) Co, Ltd., a company established in the PRC on January 7, 2014, and a subsidiary of the Company
"GLP"	Good Laboratory Practice, a quality system of management controls for research laboratories and organizations to try to ensure the uniformity, consistency, reliability, reproducibility, quality and integrity of chemical and pharmaceuticals non-clinical safety tests
"Group", "We", "Our" or "Us"	the Company and its subsidiaries
"Hangzhou Tigermed"	Hangzhou Tigermed Consulting Co., Ltd., a company established in the PRC on December 15, 2004 with its shares being listed on ChiNext market of the Shenzhen Stock Exchange with stock code 300347 and on the Main Board of the Hong Kong Stock Exchange with stock code 3347, which is one of the controlling shareholders of the Company
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hongkong Tigermed"	Hongkong Tigermed Co., Limited, a company incorporated under the laws of Hong Kong with limited liability on September 14, 2011 and which is a wholly-owned subsidiary of Hangzhou Tigermed and one of the controlling shareholders of the Company
"IFRSs"	International Financial Reporting Standards
"IPO"	initial public offering
"Jiaxing Xinge"	Jiaxing Xinge Medical Consulting Co., Ltd.* (嘉興欣格醫藥科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Hangzhou Tigermed
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	May 30, 2019, being on the date the Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issues contained in Appendix C3 to the Listing Rules

"PRC" or "China"	the People's Republic of China, but for the purposes of this announcement only, except where the context requires, references to the PRC or China exclude Hong Kong, Macau and Taiwan
"Pre-IPO Share Incentive Plans"	the 2008 Share Incentive Plan and the 2015 Share Incentive Plan
"Reporting Period"	the year ended December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares(s) with nominal value US$0.00001 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

In this announcement, the terms "associate", "connected person", "controlling shareholder" and "subsidiary" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

Hong Kong, March 30, 2026

As at the date of this announcement, the Board comprises Dr. Song Li, Dr. Wentao Zhang and Dr. Zhongping Lin as executive Directors; 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*