FRONTAGE HOLDINGS CORPORATION
方達控股公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1521)

ANNOUNCEMENT ON INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

		Six months ended June 30,		
		2026	2025	Change
		US$ million	*US$ million*	
Revenue		**148.2**	126.6	17.1%
Gross Profit		**37.9**	35.3	7.4%
Gross Profit Margin		**25.6%**	27.9%	
EBITDA		**31.7**	27.0	17.4%
EBITDA Margin		**21.4%**	21.4%	
Adjusted EBITDA[(1)]		**34.5**	28.1	22.8%
Adjusted EBITDA Margin		**23.3%**	22.2%	
Net Profit		**6.8**	2.9	134.5%
Net Profit Margin		**4.6%**	2.3%	
Adjusted Net Profit[(2)]		**13.4**	7.7	74.0%
Adjusted Net Profit Margin		**9.1%**	6.1%	
		US$	*US$*	
Earnings per share	– Basic	**0.0033**	0.0014	135.7%
	– Diluted	**0.0033**	0.0014	135.7%
Adjusted Earnings per share	– Basic	**0.0066**	0.0038	73.7%
	– Diluted	**0.0066**	0.0038	73.7%

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2026.

(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 measured as fair value through profit or loss, losses from restructuring and resource integration initiatives 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 measured as fair value through profit or loss, losses from restructuring and resource integration initiatives 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, adjusted EBITDA, adjusted EBITDA 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 measured as fair value through profit or loss, losses from restructuring and resource integration initiatives and expenses in relation to mergers and acquisitions to better reflect the Company's current business and operations) 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 unaudited condensed consolidated interim results of the Group for the Reporting Period together with comparative figures for the corresponding period in 2025 as set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	NOTES	Six months ended 6/30/2026 US$'000 (Unaudited)	6/30/2025 US$'000 (Unaudited)
Revenue	3	**148,190**	126,578
Cost of services		**(110,295)**	(91,267)
Gross profit		**37,895**	35,311
Other income	5	**1,834**	1,360
Other gains and losses, net	6	**(2,103)**	662
Research and development expenses		**(3,043)**	(2,173)
Reversal of impairment/(impairment losses) recognized on			
– trade receivables		**1,112**	(763)
– unbilled revenue		**13**	(53)
Selling and marketing expenses		**(3,959)**	(4,283)
Administrative expenses		**(18,912)**	(20,824)
Share of profit of associates		**111**	85
Finance costs	7	**(3,488)**	(4,215)
Profit before tax	8	**9,460**	5,107
Income tax expense	9	**(2,672)**	(2,184)
Profit for the period		**6,788**	2,923
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**913**	3,131
Total comprehensive income for the period		**7,701**	6,054

	NOTES	Six months ended 6/30/2026 *US$'000* (Unaudited)	6/30/2025 *US$'000* (Unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		**6,755**	2,927
Non-controlling interests		**33**	(4)
		6,788	2,923
Total comprehensive income for the period attributable to:			
Owners of the Company		**7,628**	6,054
Non-controlling interests		**73**	–
		7,701	6,054
Earnings per share	*10*		
– Basic (US$)		**0.0033**	0.0014
– Diluted (US$)		**0.0033**	0.0014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	NOTES	**As at 6/30/2026 *US$'000* (Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Non-current Assets			
Property, plant and equipment		**119,137**	123,331
Right-of-use assets		**39,622**	45,253
Goodwill		**196,584**	187,658
Intangible assets		**29,857**	23,205
Interests in associates		**9,817**	7,184
Deferred tax assets		**11,484**	10,598
Financial assets at fair value through profit or loss ("**FVTPL**")		**5,528**	4,813
Other long-term deposits		**813**	816
		412,842	402,858
Current Assets			
Inventories		**8,984**	2,979
Trade and other receivables and prepayment	*12*	**85,054**	72,206
Unbilled revenue	*13*	**33,236**	20,125
Structured deposits		**2,263**	2,845
Tax recoverable		**2,836**	3,017
Restricted bank deposits	*14*	**704**	695
Cash and cash equivalents	*14*	**34,555**	36,299
		167,632	138,166
Current Liabilities			
Trade and other payables	*15*	**25,540**	18,596
Advances from customers	*16*	**37,732**	27,795
Bank borrowings	*17*	**48,065**	47,497
Income tax payable		**787**	887
Amounts due to shareholders		**210**	210
Lease liabilities		**6,748**	8,511
		119,082	103,496
Net Current Assets		**48,550**	34,670
Total Assets less Current Liabilities		**461,392**	437,528

	NOTES	**As at 6/30/2026 *US$'000* (Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Non-current Liabilities			
Bank borrowings	*17*	**47,924**	28,181
Deferred government grant		**2,010**	1,936
Deferred tax liabilities		**17,082**	15,939
Lease liabilities		**38,150**	43,426
		105,166	89,482
Net Assets		**356,226**	348,046
Capital and Reserves			
Share capital	*18*	**20**	20
Treasury shares	*19*	**(313)**	(313)
Reserves		**355,186**	347,079
Equity attributable to owners of the Company		**354,893**	346,786
Non-controlling interests		**1,333**	1,260
Total Equity		**356,226**	348,046

1. GENERAL INFORMATION

Frontage Holdings Corporation (the "**Company**" or "**Frontage**") 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. 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 the "**Group**") are to provide laboratory and related services to pharmaceutical and agrochemical companies as well as bioequivalence clinical and chemical services. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The principal places of business in the United States of America (the "**USA**") and Hong Kong are 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$**"). The functional currency of the PRC operating subsidiaries is Renminbi ("**RMB**"). The functional currency of the operating subsidiary incorporated in Canada is Canadian dollars ("**CAD**"). The functional currency of the operating subsidiary incorporated in Europe is Euro ("**EUR**"). The reporting currency used for the presentation of the condensed consolidated financial statements is US$, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Basis of preparation of the financial statements

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2025.

(b) Application of amendments to IFRSs – effective for annual period beginning on or after January 1, 2026

In the current interim period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standard Board, for the first time, which are mandatory effective for the annual period beginning on or after January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity

The application of the amendments to IFRS in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. 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.

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

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Drug discovery	**12,027**	13,180
Drug development	**46,756**	41,732
Pharmaceutical product development	**4,551**	4,790
Laboratory testing	**84,856**	66,876
	148,190	126,578

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.

4. 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 from continuing operations.

For the six months ended June 30, 2026 (Unaudited)

	North America and Europe *US$'000*	**PRC** *US$'000*	**Total** *US$'000*
Revenue			
– Drug discovery	**5,088**	**6,939**	**12,027**
– Drug development	**36,080**	**10,676**	**46,756**
– Pharmaceutical product development	**3,153**	**1,398**	**4,551**
– Laboratory testing	**61,976**	**22,880**	**84,856**
	106,297	**41,893**	**148,190**
Cost of services	**(77,325)**	**(32,970)**	**(110,295)**
Other income	**80**	**1,754**	**1,834**
Other gains and losses, net	**389**	**(2,492)**	**(2,103)**
Research and development expenses	**–**	**(3,043)**	**(3,043)**
Reversal of impairment recognized on trade and other receivables and unbilled revenue	**994**	**131**	**1,125**
Selling and marketing expenses	**(2,812)**	**(1,147)**	**(3,959)**
Administrative expenses	**(14,398)**	**(4,514)**	**(18,912)**
Share of profit of associates	**–**	**111**	**111**
Finance costs	**(2,550)**	**(938)**	**(3,488)**
Segment profit/(loss)	**10,675**	**(1,215)**	
Profit before tax			**9,460**

For the six months ended June 30, 2025 (Unaudited)

	North America and Europe *US$'000*	PRC *US$'000*	Total *US$'000*
Revenue			
– Drug discovery	6,760	6,420	13,180
– Drug development	33,139	8,593	41,732
– Pharmaceutical product development	2,949	1,841	4,790
– Laboratory testing	55,737	11,139	66,876
	98,585	27,993	126,578
Cost of services	(68,653)	(22,614)	(91,267)
Other income	424	936	1,360
Other gains and losses, net	568	94	662
Research and development expenses	–	(2,173)	(2,173)
Impairment losses recognized on trade and other receivables and unbilled revenue	(701)	(115)	(816)
Selling and marketing expenses	(3,105)	(1,178)	(4,283)
Administrative expenses	(16,938)	(3,886)	(20,824)
Share of profit of associates	–	85	85
Finance costs	(3,407)	(808)	(4,215)
Segment profit/(loss)	6,773	(1,666)	
Profit before tax			5,107

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

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:

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Revenue from external customers		
– USA and Canada	**101,592**	99,649
– PRC	**35,627**	21,485
– Rest of the world	**10,971**	5,444
	148,190	126,578

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

	6/30/2026	12/31/2025
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Non-current assets excluding financial assets and deferred tax assets		
– North America and Europe	**303,324**	313,015
– PRC	**91,693**	73,616
	395,017	386,631

5. OTHER INCOME

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest income	**26**	189
Government grants related to income	**1,173**	757
Income from rendering technical support service	**635**	414
	1,834	1,360

6. OTHER GAINS AND LOSSES, NET

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
(Losses)/gains on disposal of property, plant and equipment	**(3,576)**	3
Gains on Lease termination	**918**	–
Fair value change on financial assets measured at FVTPL	**555**	–
Net foreign exchange gain	**74**	693
Others	**(74)**	(34)
	(2,103)	662

7. FINANCE COSTS

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest expense on lease liabilities	**1,286**	1,588
Interest expense on bank borrowings	**2,202**	2,627
	3,488	4,215

8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments):		
– Salaries and other benefits	**59,371**	52,857
– Retirement benefit scheme contributions	**4,613**	3,985
– Share-based payment expense	**290**	1,112
	64,274	57,954
Depreciation of property, plant and equipment	**10,743**	9,063
Depreciation of right-of-use assets	**3,921**	4,804
Amortization of intangible assets	**4,075**	3,847

9. INCOME TAX EXPENSE

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current tax:		
– PRC Enterprise Income Tax ("**EIT**")	**287**	303
– U.S. Federal Tax	**2,360**	2,814
– U.S. State Tax	**645**	795
– Canada Corporate Tax	**371**	417
	3,663	4,329
Deferred tax:		
– Current period	**(991)**	(2,145)
Total income tax expense	**2,672**	2,184

The Company and U.S. subsidiaries are subject to U.S. Federal and State Income taxes, with the combined income tax rate being 26.27% for the six months ended June 30, 2026 (the six months ended June 30, 2025: 27.05%).

BRI Biopharmaceutical Research, Inc. ("**BRI**"), a wholly owned subsidiary of the Group and 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 2023 and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2023 to the end of 2025 and in the process of renew the High and New Technology Enterprise status in 2026.

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 2025, and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2025 to the end of 2027.

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 October 2023 and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2023 to the end of 2025 and in the process of renew the High and New Technology Enterprise status in 2026.

Suzhou Frontage New Drug Development Co., Ltd., a wholly owned subsidiary of the Group in the PRC, was accredited as a "High and New Technology Enterprise" in December 2023 and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2023 to the end of 2025 and in the process of renew the High and New Technology Enterprise status in 2026.

Acme Biopharma (Wuhan) Co., Ltd., a wholly owned subsidiary of the Group in the PRC, was accredited as a "High and New Technology Enterprise" 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 to the end of 2027.

Teddy Clinical Research Laboratory (Shanghai) Ltd., a wholly owned subsidiary of the Group in the PRC, was accredited as a "High and New Technology Enterprise" in December 2024 and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2024 to the end of 2026.

Teddy Clinical Research Laboratory (Wuxi) Ltd., a wholly owned subsidiary of the Group in the PRC, was accredited as a "High and New Technology Enterprise" in November 2025 and therefore is entitled to a preferential tax rate of 15% for a three-year period commencing from the beginning of 2025 to the end of 2027.

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 six months ended June 30, 2026 and 2025. 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 28 March 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 six months ended June 30, 2026 and 2025.

10. 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:

	Six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share	**6,755**	2,927

Number of Shares:

	Six months ended	
	6/30/2026	6/30/2025
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,029,748,194**	2,026,369,855
Effect of dilutive potential ordinary shares:		
Share options	**3,387,312**	101,510
Share awards	**–**	1,361,117
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,033,135,506**	2,027,832,482

Note:

(i) The weighted average number of ordinary shares shown above has been adjusted for treasury shares as set out in Note 19.

11. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period (six months ended June 30, 2025: nil).

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 6/30/2026 ***US$'000*** **(Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Trade receivables		
– third parties	**71,992**	65,882
– related parties	**4,395**	2,053
Less: loss allowance for trade receivables	**(4,551)**	(5,402)
	71,836	62,533
Other receivables		
– third parties	**2,291**	1,996
– related parties	**1**	–
Less: loss allowance for other receivables	**(50)**	(37)
	2,242	1,959
Notes receivables		
– third parties	**566**	102
Prepayments		
– third parties	**8,545**	6,018
– related parties	**48**	287
	8,593	6,305
Value-added tax recoverable	**1,817**	1,307
	85,054	72,206

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

	As at 6/30/2026 ***US$'000*** **(Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Within 90 days	**62,804**	53,727
91 to 180 days	**3,052**	3,436
181 days to 1 year	**2,690**	2,975
Over 1 year	**3,290**	2,395
	71,836	62,533

13. UNBILLED REVENUE

	As at 6/30/2026 ***US$'000*** **(Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Unbilled revenue		
– third parties	**29,707**	17,286
– related parties	**4,606**	3,662
Less: loss allowance for unbilled revenue	**(1,077)**	(823)
	33,236	20,125

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 condensed consolidated statement of financial position as unbilled revenue.

14. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

At the end of each reporting period, cash and cash equivalents of the Group comprised of bank balances and cash held. The bank deposits carry interest at market rates which ranged from 0.02% to 2.8% per annum as at June 30, 2026 (December 31, 2025: from 0.02% to 3.5% 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 June 30, 2026, the cash deposits of US$399,000 (December 31, 2025: US$392,000) were required by Pennsylvania department of environmental protection, Bureau of radiation protection and the state of Ohio Bureau of radiation protection in the USA for radiology license in the USA, and the amount were restricted. As at June 30, 2026, the remaining amount in the collateral account were US$399,000 (December 31 2025: US$392,000), which had been included in restricted bank deposits.

As at June 30, 2026, certain bank deposits with balances of approximately RMB40,000 (equivalent to approximately US$6,000) (December 31, 2025: RMB24,000 (equivalent to approximately US$3,000)) were pledged to secure bank facilities granted to the Group.

15. TRADE AND OTHER PAYABLES

	As at 6/30/2026 ***US$'000*** **(Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Trade payables		
– third parties	**13,214**	8,389
– related parties	**927**	971
	14,141	9,360
Notes payables		
– third parties	**467**	838
Other payables		
– third parties	**2,909**	1,997
Salary and bonus payables	**6,615**	5,813
Other taxes payable	**1,408**	588
	25,540	18,596

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

	As at 6/30/2026 ***US$'000*** **(Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Within 90 days	**13,031**	9,360
91 days to 1 year	**1,110**	–
	14,141	9,360

16. ADVANCES FROM CUSTOMERS

	As at 6/30/2026 ***US$'000*** **(Unaudited)**	As at 12/31/2025 *US$'000* (Audited)
Advances from customers		
– third parties	**36,001**	26,371
– related parties	**1,731**	1,424
	37,732	27,795

Amounts received in accordance with contracted payment schedules but in excess of revenues earned are recognized as contract liabilities and disclosed in the condensed 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 contracts.

17. BANK BORROWINGS

Bank Loans

	As at 6/30/2026 *US$'000* (Unaudited)	As at 12/31/2025 *US$'000* (Audited)
Secured and unguaranteed bank loans	**95,989**	75,678

	6/30/2026 *US$'000* (Unaudited)	12/31/2025 *US$'000* (Audited)
Within one year	**48,065**	47,497
More than one year, but not exceeding two years	**8,705**	19,522
More than two years, but not exceeding five years	**8,239**	8,659
More than five years	**30,980**	–
	95,989	75,678
Less: Amount shown under current liabilities	**(48,065)**	(47,497)
Amount shown under non-current liabilities	**47,924**	28,181
Loan interest of rate per annum in the range of	**2.30%-5.82%**	2.65%-6.09%

18. SHARE CAPITAL

	Number of shares	**Amount** *US$*
Ordinary shares of US$0.00001 each		
Authorized:		
As at January 1, 2025, December 31, 2025, January 1, 2026 and June 30, 2026	5,000,000,000	50,000

	Number of shares	**Amount** *US$*	**Show in the financial statements as** *US$'000*
Issued and fully paid:			
As at January 1, 2025 (Unaudited), December 31, 2025 (Audited) and January 1, 2026 (Unaudited)	**2,035,724,910**	**20,359**	**20**
Exercise of share options	**6,350,000**	**64**	**–**
As at June 30, 2026 (Unaudited)	**2,042,074,910**	**20,423**	**20**

19. TREASURY SHARES

	As at June 30, 2026		As at December 31, 2025	
	Number of shares	**Cost of acquisition**	Number of shares	Cost of acquisition
		US$'000		*US$'000*
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Balance brought forward	**7,996,438**	**313**	12,084,002	313
Vesting of share awards	**–**	**–**	(4,087,564)	–
Balance carried forward	**7,996,438**	**313**	7,996,438	313

Note: The Company acquired its own shares in the open market which are held as treasury shares.

20. CAPITAL COMMITMENTS

The Group has capital commitments under non-cancellable contracts as follows:

	As at 6/30/2026	As at 12/31/2025
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Purchase of property, plant and equipment	**634**	429
Acquisition of subsidiaries	**–**	38,413
	634	38,842

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 March 2026, the Group completed the acquisition of Teddy Lab, a leading central laboratory in China, further strengthening its laboratory capabilities across pathology, flow cytometry, and molecular biology, while expanding its service experience in next-generation modalities such as cell and gene therapy, vaccines, and radiopharmaceuticals.

With the addition of Teddy Lab, Frontage now operates 25 sites worldwide. Headquartered in Exton, Pennsylvania, Frontage operates across key global markets, including North America (U.S. and Canada), China, and Europe (Italy), positioning the Group to capitalize on growth opportunities globally. The Group is committed to expanding its expertise and capabilities to become a leading global CRO offering exceptional service to clients and fulfilling career opportunities for its employees. The Group's diverse client base includes small, mid-sized, and large biopharmaceutical companies, biotechnology companies, CROs, agricultural and industrial chemical companies, life science companies, contract manufacturing companies, and diagnostic and other commercial entities, as well as hospitals, academic institutions, and government agencies. The Group's customer base is geographically diverse with well-established relationships in North America, China, Europe, India, Japan, South Korea, and Australia.

The Group also continued to invest in Artificial Intelligence ("**AI**")-assisted workflows and laboratory automation across its global platform, implementing AI-assisted report generation for in vitro ADME studies and deploying advanced laboratory automation infrastructure to improve efficiency, consistency, and turnaround time.

Overall, the Group's revenue increased by 17.1% from approximately US$126.6 million for the six months ended June 30, 2025 to approximately US$148.2 million for the six months ended June 30, 2026. 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$543.2 million as at June 30, 2026, representing an increase of 34.2% compared to approximately US$404.7 million as at June 30, 2025.

ENHANCED CAPABILITIES AND EXPERTISE

North America and Europe

During the first half of 2026, Frontage's two core business divisions, Global Drug Discovery & Development Services and Global Laboratory Services, continued to advance their technical capabilities and service capacity across North America and Europe. Advancements in AI-assisted workflows, laboratory automation, expanded manufacturing platforms, and new analytical technologies enhanced operational efficiency and strengthened the Group's readiness for an increasingly AI-enabled future.

- Global Drug Discovery & Development Services

  During the Reporting Period, the Global Drug Discovery & Development Services division continued to expand and innovate across the full research and development spectrum from preclinical to clinical development.

  The Safety and Toxicology group enhanced its biomarker and bioanalysis capabilities with the addition of the Meso Scale Discovery ("**MSD**") platform, broadening the scope of integrated safety assessment services. The CMC-Product Development & Manufacturing team added technical capabilities to support aseptic filling of IV bags for infusion, roller compaction for processing poor-flow and water-sensitive active pharmaceutical ingredients, and bilayer tablet manufacturing. These advancements expand the formulation and manufacturing options available to clients and reinforce the Group's commitment to addressing increasingly complex development requirements.

  The Global Drug Discovery & Development Services continued its digital transformation through the implementation of AI-assisted workflows, enhancing operational efficiency, consistency, quality, and turnaround times while upholding rigorous scientific standards.

  During the Reporting Period, we expanded the sterile manufacturing platform, increasing sterile bulk solution compounding capabilities to 400 liters per batch and expanding the sterile vial filling operation to accommodate batch sizes of up to 10,000 vials, increasing fill-finish throughput for larger clinical studies and multi-site patient supply requirements.

  We further strengthened laboratory capabilities by adding advanced analytical technologies and upgrading laboratory infrastructure. These upgrades increased analytical capacity and throughput, expanded scientific capabilities, and improved the Group's ability to support a broad range of regulated and discovery programs with high-quality analytical services.

- Global Laboratory Services

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

  The Bioanalytical Services team expanded its support for complex therapeutic modalities and regulatory bioanalytical programs, successfully supporting a wide range of studies including pharmacokinetic, toxicokinetic, bioequivalence, drug-drug interaction, and biomarker programs across small molecules, peptides, oligonucleotides, antibody-drug conjugate (ADC)-related analytes, and targeted protein degrader compounds.

A strategic initiative during the Reporting Period was the launch of CLIA-based Laboratory Developed Test (LDT) capability development, broadening Frontage's service offerings beyond traditional PK/TK bioanalysis into clinical biomarker testing and precision medicine applications. By integrating LC-MS/MS technologies with CLIA laboratory operations, the Group is positioned to provide comprehensive solutions spanning drug development and clinical biomarker testing.

The Biomarker Services team launched the NULISA proteomics platform, including ultra-sensitive discovery assays such as the CNS 120-panel and Inflammation 250-panel, achieving certified service provider status. The team also expanded its cytokine testing portfolio to support full-spectrum testing from discovery through clinical application with multiplex and ultra-sensitive assays, and established a comprehensive biomarker organizational model integrating soluble, IVD, LC-MS, tissue, and genomic biomarker offerings.

The Biologics team completed a major laboratory automation expansion, including the buildout of Hamilton infrastructure with multiple Hamilton STAR systems and STARlet deployment. Automated workflows for ADC, PK, and ADA sample preparation, quality control, normalization, and buffer additions were implemented, with dedicated laboratory automation leadership established to drive operational efficiency improvements.

The Central Laboratory team expanded with the opening of a new kitting and biobanking laboratory at 75 East Uwchlan Avenue in Exton, Pennsylvania, enhancing specimen management and storage operations. The team expanded its global partner network, launched a client portal providing real-time sample information access, and formalized rapid protocol-amendment workflows.

In Europe, the Central Laboratory expanded its activities with the implementation of a PBMC processing laboratory and the addition of ultralow freezer sample storage capabilities.

In addition to the service expansions and enhancements, the first half of 2026 demonstrated continued strong performance in quality and regulatory compliance across operations in North America and Europe. The Exton facility successfully completed a Pennsylvania Department of Environmental Protection radiation inspection with no observations and achieved AAALAC reaccreditation.

China

During the first half of 2026, the Group's operations in China continued to advance across multiple service lines while actively pursuing strategic acquisitions and capability expansions. The Group completed the acquisition of Teddy Lab, a leading central laboratory in China, further enlarging Frontage's market presence in Asia and strengthening laboratory capabilities across analytical platforms including pathology, flow cytometry, and molecular biology, while enabling the accumulation of extensive laboratory service experience in next-generation modalities such as cell and gene therapy, vaccines, and radiopharmaceuticals.

- Global Drug Discovery & Development Services

  During the Reporting Period, new services were developed at the Preclinical Services facility in Suzhou, China, including tests for developmental and reproductive toxicity (DART), juvenile toxicology, genotoxicity (comet assay), and tissue cross-reactivity. The Preclinical Services team supported multiple projects with cynomolgus monkey animal models for in vivo CAR-T studies, with these capabilities meeting the needs of global pharmaceutical clients.

  The Chemistry team further advanced two key technology platforms, High-Throughput Experimentation (HTE) and Continuous Flow, with hundreds of challenging reactions optimized during the period. The Group offers robust continuous-flow process development, scale-up, heat and mass transfer optimization, and safe handling of hazardous reactions including nitration, diazotization, hydrogenation, and oxidation, with standardized workflows from process design to technology transfer delivering safer, more efficient, and greener solutions.

  During the Reporting Period, Global Drug Discovery & Development Services implemented a range of operational and laboratory enhancements to improve efficiency, optimize facility utilization, and strengthen scientific capabilities. These initiatives increased operational capacity, enhanced laboratory productivity, and expanded bioanalytical capabilities, where facility and laboratory enhancements increased animal housing capacity by approximately 11% and bioanalytical capacity by approximately 30%.

  The pharmaceutical intermediate R&D and technical service operations achieved ISO 9001:2015 certification, demonstrating the Group's commitment to maintaining a robust quality management system aligned with international standards. During the Reporting Period, the Group also obtained several recognized certifications, including National High-Tech Enterprise, China Advanced Service Enterprise, and Technology-Based SME certifications.

- Global Laboratory Services

  During the Reporting Period, the Global Laboratory Services in China was strengthened through the completion of the Teddy Lab acquisition. The integration of Teddy Lab's established client relationships, experienced scientific team, and diversified testing platforms complements Frontage's existing bioanalytical and biomarker service offerings in China, creating a more comprehensive laboratory services platform capable of supporting the full spectrum of clinical development programs.

  During the Reporting Period, the Global Laboratory Services in China continued to build on the integrated bioanalytical platform established in 2025, which combines small molecule and large molecule analysis within a unified workflow. The platform was further refined to support an expanding range of therapeutic modalities, with optimized workflows deployed for emerging drug formats, accelerating timelines for pharmacokinetic, immunogenicity, and biomarker studies and enabling more efficient cross-modality project execution.

  The real-time quality control dashboard introduced in 2025 to track assay performance metrics and turnaround times was further enhanced during the Reporting Period with expanded data visualization. The dashboard has been integrated into routine laboratory operations, supporting proactive identification of performance deviations, and continuous process improvement.

These continued advancements in platform integration, quality systems, and biomarker technologies position the Global Laboratory Services division in China to deliver increasingly comprehensive and efficient analytical solutions to pharmaceutical and biotechnology clients across domestic and international markets.

THE GROUP'S FACILITIES

As of June 30, 2026, the Group had 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 June 30, 2026, the Group had 12 facilities in China, consisting of:

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

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 17.1% from approximately US$126.6 million for the six months ended June 30, 2025 to approximately US$148.2 million for the six months ended June 30, 2026.

Revenue from operations in North America and Europe increased by 7.8% from approximately US$98.6 million for the six months ended June 30, 2025 to approximately US$106.3 million for the six months ended June 30, 2026. Excluding the impact of currency translation, the revenue from operations in China increased by 43.6% from approximately RMB200.9 million (equivalent to approximately US$28.0 million) for the six months ended June 30, 2025 to approximately RMB288.4 million (equivalent to approximately US$41.9 million) for the six months ended June 30, 2026.

The increase in revenue from operations in North America and Europe was mainly attributable to the strong demand for laboratory testing services and improvement of capacity utilization and marketing efforts made by the Group.

The growth of revenue from operations in China was mainly attributable to the acquisition of Teddy Lab and 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 six months ended	
	6/30/2026	6/30/2025
	US$'000	*US$'000*
Drug discovery	**12,027**	13,180
Drug development	**46,756**	41,732
Pharmaceutical product development	**4,551**	4,790
Laboratory testing	**84,856**	66,876
	148,190	126,578

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 six months ended June 30,			
	2026		2025	
Revenue	***US$'000***	***%***	*US$'000*	*%*
– USA and Canada	**101,592**	**68.6**	99,649	78.7
– China	**35,627**	**24.0**	21,485	17.0
– Rest of the world[(Note)]	**10,971**	**7.4**	5,444	4.3
Total	**148,190**	**100.0**	126,578	100.0

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

Top 5 customers' revenue increased by 32.4% from approximately US$18.8 million for the six months ended June 30, 2025 to approximately US$24.9 million for the six months ended June 30, 2026, accounting for 16.8% of total revenue for the six months ended June 30, 2026 as compared to 14.8% for the six months ended June 30, 2025.

Top 10 customers' revenue increased by 22.9% from approximately US$27.5 million for the six months ended June 30, 2025 to approximately US$33.8 million for the six months ended June 30, 2026, accounting for 22.8% of total revenue for the six months ended June 30, 2026, as compared to 21.7% for the six months ended June 30, 2025.

Cost of Services

The cost of services of the Group increased by 20.8% from approximately US$91.3 million for the six months ended June 30, 2025 to approximately US$110.3 million for the six months ended June 30, 2026. The increase in the cost of services was in line with the increased revenue, plus the impact of the acquisition of Teddy Lab.

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 increased by 7.4% from approximately US$35.3 million for the six months ended June 30, 2025 to approximately US$37.9 million for the six months ended June 30, 2026. The Group's gross profit margin decreased from approximately 27.9% for the six months ended June 30, 2025 to approximately 25.6% for the six months ended June 30, 2026.

In particular, gross profit margin in North America and Europe decreased from approximately 30.4% for the six months ended June 30, 2025 to approximately 27.3% for the six months ended June 30, 2026, which was primarily due to a shift in revenue mix toward lower-margin programs and higher input costs, partially offset by operational efficiency improvements. Gross profit margin in China increased from approximately 19.2% for the six months ended June 30, 2025, to approximately 21.3% for the six months ended June 30, 2026, which was mainly contributed by the acquisition of Teddy Lab which has a higher gross profit.

Other Gains and Losses, Net

The Group's net other gains and losses changed from approximately US$0.7 million of gains for the six months ended June 30, 2025 to approximately US$2.1 million of losses for the six months ended June 30, 2026, primarily due to the losses from restructuring and resource integration initiatives, the Group closed a facility in China as part of its efforts to improve operational efficiency.

Selling and Marketing Expenses

Selling and marketing expenses of the Group decreased by 7.0% from approximately US$4.3 million for the six months ended June 30, 2025 to approximately US$4.0 million for the six months ended June 30, 2026, as a result of cost driven by the improvement in efficiency.

Administrative Expenses

The Group's administrative expenses decreased by 9.1% from approximately US$20.8 million for the six months ended June 30, 2025 to approximately US$18.9 million for the six months ended June 30, 2026. 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 10.0% from approximately US$16.0 million for the six months ended June 30, 2025 to approximately US$14.4 million for the six months ended June 30, 2026, primarily due to the decrease of 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 increased by 36.4% from approximately US$2.2 million for the six months ended June 30, 2025 to approximately US$3.0 million for the six months ended June 30, 2026, primarily due to the acquisition of Teddy Lab.

Finance Costs

The Group's finance costs decreased by 16.7% from approximately US$4.2 million for the six months ended June 30, 2025 to approximately US$3.5 million for the six months ended June 30, 2026, primarily due to the repayment of bank borrowings with higher interest rate in North America.

Income Tax Expense

The income tax expense of the Group increased from approximately US$2.2 million for the six months ended June 30, 2025 to approximately US$2.7 million for the six months ended June 30, 2026, primarily due to an increase in pretax income.

Net Profit and Net Profit Margin

The Group's net profit increased from approximately US$2.9 million for the six months ended June 30, 2025 to approximately US$6.8 million for the six months ended June 30, 2026. The Group's net profit margin of increased from approximately 2.3% for the six months ended June 30, 2025 to approximately 4.6% for the six months ended June 30, 2026. The higher net profit and net profit margin compared to the six months ended June 30, 2025 was mainly attributable to the operational efficiency improvements.

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 six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Net Profit	**6,788**	2,923
Add: Share-based compensation expense	**290**	1,112
Amortization of acquired intangible assets from mergers and acquisitions	**3,858**	3,703
Gain arising from financial assets measured as fair value through profit or loss	**(555)**	–
Losses from restructuring and resource integration initiatives	**2,691**	–
Expenses in relation to mergers and acquisitions	**364**	–
Adjusted Net Profit	**13,436**	7,738
Adjusted Net Profit Margin	**9.1%**	6.1%

The adjusted net profit of the Group increased by 74.0% from approximately US$7.7 million for the six months ended June 30, 2025 to approximately US$13.4 million for the six months ended June 30, 2026. The adjusted net profit margin of the Group for the six months ended June 30, 2026 was 9.1%, compared to 6.1% for the six months ended June 30, 2025. The higher adjusted net profit and adjusted net profit margin of the Group for the six months ended June 30, 2026 was primarily due to a higher net profit and net profit margin as discussed above.

EBITDA

The EBITDA[1] of the Group increased by 17.4% from approximately US$27.0 million for the six months ended June 30, 2025 to approximately US$31.7 million for the six months ended June 30, 2026. The EBITDA margin of the Group for the six months ended June 30, 2026 was 21.4%, compared to 21.4% for the six months ended June 30, 2025. The increase of EBITDA is in line with the net profit which had been discussed above.

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

Adjusted EBITDA

The adjusted EBITDA[2] of the Group increased by 22.8% from approximately US$28.1 million for the six months ended June 30, 2025 to approximately US$34.5 million for the six months ended June 30, 2026. The adjusted EBITDA margin of the Group increased from 22.2% for the six months ended June 30, 2025 to 23.3% for the six months ended June 30, 2026. 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 for the six months ended June 30, 2026 amounted to US$0.0033, representing an increase of 135.7% as compared with that of US$0.0014 for the six months ended June 30, 2025. The Group recorded diluted earnings per share of US$0.0033 for the six months ended June 30, 2026, as compared to diluted earnings per share of US$0.0014 for the six months ended June 30, 2025.

The adjusted basic earnings per share for the six months ended June 30, 2026 amounted to US$0.0066, representing an increase of 73.7% as compared with that of US$0.0038 for the six months ended June 30, 2025. The adjusted diluted earnings per share of the Group for the six months ended June 30, 2026 amounted to US$0.0066 when compared with that of US$0.0038 for the six months ended June 30, 2025. 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 in the above.

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 assets measured as fair value through profit or loss, losses from restructuring and resource integration initiatives 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.

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[2] 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 measured as fair value through profit or loss, losses from restructuring and resource integration initiatives and expenses in relation to mergers and acquisitions to better reflect the Company's current business and operations.

Right-of-Use Assets

The Group recorded approximately US$39.6 million right-of-use assets as at June 30, 2026, which decreased by 12.6% from approximately US$45.3 million as at December 31, 2025. The decrease was mainly due to the depreciation charges of existing leases.

Intangible Assets

The Group recorded approximately US$29.9 million intangible assets as at June 30, 2026, which increased by 28.9% from approximately US$23.2 million as at December 31, 2025. The increase was mainly due to the acquisition of Teddy Lab.

Trade and Other Receivables and Prepayment

The trade and other receivables and prepayment of the Group increased by 17.9% from approximately US$72.2 million as at December 31, 2025 to approximately US$85.1 million as at June 30, 2026. The increase was mainly due to the Group's business development and the acquisition of Teddy Lab.

Unbilled Revenue

The Group's unbilled revenue increased by 65.2% from approximately US$20.1 million as at December 31, 2025 to approximately US$33.2 million as at June 30, 2026. The increase was mainly due to the Group's business development and the acquisition of Teddy Lab.

Trade and Other Payables

The trade and other payables of the Group increased by 37.1% from approximately US$18.6 million as at December 31, 2025 to approximately US$25.5 million as at June 30, 2026, primarily due to the Group's business development and the acquisition of Teddy Lab.

Advances from Customers

The advances from customers of the Group increased by 35.6% from approximately US$27.8 million as at December 31, 2025 to approximately US$37.7 million as at June 30, 2026. The increase was mainly due to the Group's business development and the acquisition of Teddy Lab.

Liquidity and Capital Resources

The Group's bank balances and cash amounted to approximately US$34.6 million in total as at June 30, 2026, as compared to approximately US$36.3 million as at December 31, 2025, as a result of payments for purchase of property, plant and equipment and repayment of bank borrowings and the acquisition of Teddy Lab, plus cash inflow from operating activities. The cash and cash equivalents held by the Company are composed of RMB, HK$, 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 six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
Net cash generated from operating activities	**25,660**	18,764
Net cash used in investing activities	**(39,972)**	(3,551)
Net cash generated from/(used in) financing activities	**11,766**	(25,200)
Net decrease in cash and cash equivalents	**(2,546)**	(9,987)
Cash and cash equivalents at the beginning of the period	**36,299**	44,091
Effect of exchange rate changes	**802**	(442)
Cash and cash equivalents at the end of the period	**34,555**	33,662

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$6.2 million of capital expenditures were incurred for the six months ended June 30, 2026, which was increased by 67.6% when compared to approximately US$3.7 million for the six months ended June 30, 2025, primarily due to the increased expenditures for enhancement of facilities.

Indebtedness

Borrowings

The Group had total bank borrowings of US$96.0 million as at June 30, 2026 compared to US$75.7 million as at December 31, 2025. On June 30, 2026, the effective interest rate of the Group's bank borrowings ranged from 2.30% to 5.82%. US$ borrowings amounted to US$34.4 million and RMB borrowings amounted to RMB419.8 million (equivalent to US$61.6 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$44.9 million lease liabilities as at June 30, 2026, compared to approximately US$51.9 million as at December 31, 2025 due to the payments for existing leases.

Contingent Liabilities and Guarantees

As at June 30, 2026, 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 Europe 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 Euro. 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 29.2% and 25.4% as at June 30, 2026 and December 31, 2025, respectively. The increase is primarily due to the addition of bank borrowings for the acquisition of Teddy Lab.

Employees and Remuneration Policies

As at June 30, 2026, the Group had a total of 1,800 employees, of whom 829 were located in North America and Europe and 971 were located in China; 1,505 were scientific and technical support staff and 295 were sales, general and administrative staff. Approximately 83% of employees hold a bachelor's degree or above, and we have 608 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$64.3 million for the six months ended June 30, 2026, as compared to approximately US$52.9 million for the six months ended June 30, 2025. 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.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to June 30, 2026 and up to the date of this announcement.

PROSPECTS

The global CRO services market is estimated at approximately US$99.87 billion in 2026 and is projected to reach US$199.28 billion by 2034, growing at a CAGR of 9.0%.[3] As the industry evolves, clients increasingly seek comprehensive CROs which can navigate complex regulatory pathways across multiple jurisdictions, deliver specialized laboratory and bioanalytical services, support advanced therapeutic modalities, and manage manufacturing processes with precision and quality. Frontage is well-positioned to meet this demand through its comprehensive, integrated "one-stop-shop" solutions across North America, Europe, and China, supported by decades of experience in biopharmaceutical development.

The Group is focused on expanding its capabilities in high-growth service areas and advancing its integrated drug development platform. Across the broader organization, the Group is accelerating its adoption of AI and automation technologies to improve operational efficiency, data quality, and turnaround times.

Frontage will continue to pursue growth through ongoing capability development, strategic acquisitions, expanded collaborations with industrial groups, scientific organizations, and the strengthening of global partnerships.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In October 2025, Frontage Shanghai, a wholly-owned subsidiary of the Company, entered into a 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 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.

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3 https://www.fortunebusinessinsights.com/industry-reports/contract-research-organization-cro-services-market-100864

The Acquisition was completed on March 3, 2026. Immediately following the completion of Acquisition, Teddy Lab has become a wholly-owned subsidiary of Frontage Shanghai.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

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) during the six months ended June 30, 2026 (including sale of treasury shares (as defined under the Listing Rules)). As at June 30, 2026, 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 six months ended June 30, 2026.

CORPORATE GOVERNANCE CODE

During the six months ended June 30, 2026, the Company has followed the principles and complied with the code provisions set out in the CG Code.

REVIEW OF INTERIM 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, the unaudited condensed consolidated financial statements, interim results announcement and interim report of the Group for the Reporting Period. The Audit and Risk Management Committee is satisfied that the unaudited condensed consolidated financial statements, interim results announcement and interim report 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 and that adequate disclosures had been made in accordance with the requirements of the Listing Rules.

PUBLICATION OF THE 2026 INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.frontagelab.com). The interim 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
"AAALAC"	Association for Assessment and Accreditation of Laboratory Animal Care
"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
"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
"CLIA"	Clinical Laboratory Improvement Amendments
"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 (方達控股公司), a company incorporated under the laws of the Cayman Islands with limited liability on April 16, 2018
"Connected Award Participants"	the Award Participants who are connected with the Company or connected persons of the Company
"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
"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. (方達醫藥技術(上海)有限公司), 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
"Group", "We", "Our" or "Us"	the Company and its subsidiaries
"Hangzhou Tigermed"	Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司), 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 (香港泰格醫藥科技有限公司), 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
"IVD"	In Vitro Diagnostics
"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
"LC-MS/MS"	Liquid Chromatography–Tandem Mass Spectrometry
"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
"Non-connected Award Participants"	the Award Participants who are not connected with the Company or connected persons of the Company
"NULISA"	Nucleic acid Linked Immuno-Sandwich Assay
"PBMC"	Peripheral Blood Mononuclear Cell
"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
"Prospectus"	the prospectus of the Company dated May 17, 2019
"Reporting Period"	the six months ended June 30, 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares(s) with nominal value USD0.00001 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares
"STAR"	Sequential Transfer and Aliquoting Robot
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Teddy Lab"	Teddy Clinical Research Laboratory (Shanghai) Ltd. (上海觀合醫藥科技股份有限公司), a joint stock company established in the PRC with limited liability
"US$" or "USD"	United States Dollars, the lawful currency of the U.S.
"USA", the "United States" or the "U.S."	the United States of America
%	per cent

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, August 28, 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*