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Pharmaron Beijing Co., Ltd.*

康龍化成（北京）新藥技術股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3759)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS

COMMISSIONED EXPERIMENTS AND RESEARCH FRAMEWORK AGREEMENT

The Board announces that on June 16, 2020, the Company (for itself and subsidiaries of the Company) entered into the Commissioned Experiments and Research Framework Agreement with Newbay Technology (for itself and its subsidiaries) pursuant to which both parties agreed that the Group shall provide certain pharmaceutical research and development, manufacturing, clinical research and other technical services to the Newbay Group, for a term of one year until June 15, 2021 (both days inclusive).

LISTING RULES IMPLICATIONS

Reference is made to the announcement of the Company dated April 28, 2020.

As the Board has voluntarily treated Newbay Technology and Newbay Medical as connected persons of the Company in the announcement dated April 28, 2020, the entering into of the Commissioned Experiments and Research Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the Commissioned Experiments and Research Framework Agreement is more than 0.1% but less than 5%, and all other applicable percentage ratios are less than 5%, the Commissioned Experiments and Research Framework Agreement is only subject to the reporting and announcement requirements but does not require the approval by independent Shareholders of the Company.

EXISTING AGREEMENTS WITH NEWBAY GROUP

Reference is made to the announcement of the Company dated April 28, 2020. The transactions under the existing agreements between the Group and the Newbay Group became continuing connected transactions of the Company since April 8, 2020, such existing transactions will be subject to the Commissioned Experiments and Research Framework Agreement.

COMMISSIONED EXPERIMENTS AND RESEARCH FRAMEWORK AGREEMENT

Date

June 16, 2020

Parties

(1) the Company; and

(2) Newbay Technology.

Term

The Commissioned Experiments and Research Framework Agreement is for a term of one year commencing from June 16, 2020 to June 15, 2021.

Scope of services under the Commissioned Experiments and Research Framework Agreement

Pursuant to the Commissioned Experiments and Research Framework Agreement, the Group provides certain pharmaceutical research and development, manufacturing, clinical research and other technical services to the Newbay Group.

With respect to specific service requests that may be identified in the future, our Group members and the relevant members of the Newbay Group will enter into separate individual agreements or work orders to provide for the specific terms and conditions including service scope, service fee and other terms, subject to and in accordance with the Commissioned Experiments and Research Framework Agreement.

Pricing policy

Services fees will be charged at rates no less favorable than rates at which our Group charges independent third parties for comparable transactions and will be determined by the relevant parties through arm's length negotiations based on a number of factors applicable to all customers, including but not limited to the nature, complexity, and value of tasks completed by the Group at each stage under each work order, the materials required to complete the tasks, the fees charged for historical transactions of similar nature and the then prevailing market rates.

Annual caps

The consideration of the existing agreements between the Group and the Newbay Group has been disclosed in the announcement of the Company dated April 28, 2020. For the year ending December 31, 2020, the total service fees receivable by the Group from the Newbay Group for the services under the Commissioned Experiments and Research Framework Agreement is not expected to exceed RMB40 million, based on the value of the abovementioned existing agreements and the estimated consideration of new agreements to be entered into between the Group and the Newbay Group during the year ending December 31, 2020.

The Board will determine the annual cap of the transactions under the Commissioned Experiments and Research Framework Agreement for the period beginning from January 1, 2021 until June 15, 2021 in due course and comply with all applicable requirements under the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COMMISSIONED EXPERIMENTS AND RESEARCH FRAMEWORK AGREEMENT

The provisions of pharmaceutical research and development, manufacturing, clinical research and other technical services under the Commissioned Experiments and Research Framework Agreement are in the ordinary and usual course of business of the Group. The transactions under the Commissioned Experiments and Research Framework Agreement can fulfill the business needs of the company and maintain its normal and continuous operations.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the aforesaid agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

Information on the Group

The Group is a leading fully-integrated pharmaceutical research and development service platform with global operations to accelerate drug innovation for its customers.

Information on the Newbay Group

The Newbay Group is principally engaged in the business of medical technology development, consulting, services and transfer. Please refer to the announcement of the Company dated April 28, 2020 for other information of the Newbay Group.

BOARD'S APPROVAL

The annual cap for the year ending December 31, 2020 and the ongoing and expected transactions with Newbay Group were approved by the Board. Since Mr. LOU Xiaoqiang is a director of Newbay Technology, Mr. LOU Xiaoqiang, Dr. LOU Boliang and Ms. ZHENG Bei have abstained from voting on the relevant resolutions of the Board approving the transactions with the Newbay Group.

LISTING RULES IMPLICATION

Reference is made to the announcement of the Company dated April 28, 2020.

As the Board has voluntarily treated Newbay Technology and Newbay Medical as connected persons of the Company in the announcement dated April 28, 2020, the entering into of the Commissioned Experiments and Research Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the Commissioned Experiments and Research Framework Agreement is more than 0.1% but less than 5%, and all other applicable percentage ratios are less than 5%, the Commissioned Experiments and Research Framework Agreement is only subject to the reporting and announcement requirements but does not require the approval by independent Shareholders of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

"associate(s)"	have the same meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Company"	Pharmaron Beijing Co., Ltd.* (康龍化成(北京)新藥技術股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the predecessor of which, Pharmaron Beijing Ltd.* (康龍化成(北京)新藥技術有限公司) was established under the laws of the PRC as an enterprise legal person in July 2004, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300759) and if the context requires, includes its predecessor
"connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time
"PRC"	the People's Republic of China excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan for the purpose of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"subsidiary"	has the meaning ascribed to it under the Listing Rules and the term "subsidiaries" shall be construed accordingly
"substantial Shareholders"	has the meaning ascribed to it under the Listing Rules

"Newbay Medical"	Ningbo Newbay Medical Technology Co., Ltd.* (寧波新灣醫藥科技有限公司), a company incorporated in the PRC on December 19, 2016, a wholly owned subsidiary of Newbay Technology
"Newbay Group"	Newbay Technology and its subsidiaries
"Newbay Technology"	Ningbo Newbay Technology Development Co., Ltd.* (寧波新灣科技發展有限公司), a company incorporated in the PRC on July 25, 2016
"%"	per cent

By order of the Board
Pharmaron Beijing Co., Ltd.*
康龍化成(北京)新藥技術股份有限公司
Chairman
Dr. Lou Boliang

Beijing, People's Republic of China
June 16, 2020

As at the date of this announcement, the Board of Directors comprises Dr. Lou Boliang, Mr. Lou Xiaoqiang and Ms. Zheng Bei as executive Directors; Mr. Chen Pingjin, Mr. Hu Baifeng, Mr. Li Jiaqing and Mr. Zhou Hongbin as non-executive Directors; Mr. Dai Lixin, Ms. Li Lihua, Ms. Chen Guoqin, Ms. Shen Rong and Mr. Tsang Kwan Hung Benson as independent non-executive Directors.

* *For identification purposes only*