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)

INSIDE INFORMATION ANNOUNCEMENT REGARDING THE ESTIMATE FOR INTERIM RESULTS OF 2021

This announcement is made by Pharmaron Beijing Co., Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following is the estimate of the Company for the interim results of 2021. The financial data contained in this results estimate has not been audited and is, except for non-IFRSs (International Financial Reporting Standards) adjusted net profit attributable to owners of the parent or as otherwise indicated, prepared in accordance with the PRC Accounting Standards for Business Enterprises.

I. ESTIMATE FOR INTERIM RESULTS OF 2021

1. Period for the results estimate: January 1, 2021 to June 30, 2021

2. Trend of results estimate:

   ☐Loss ☐Turn loss into profit ✓Up year-on-year ☐Down year-on-year ☐Other

3. Results estimate is as follows:

Item	Current reporting period	Same period last year
Revenue	Revenue: 3,114.2966 million – 3,333.6132 million Growth compared with the same period of last year: 42%－52%	Revenue: 2,193.1666 million
Net profit attributable to owners of the parent	Profit: 498.1186 million － 593.9106 million Growth compared with the same period of last year: 4%－24%	Profit: 478.9602 million
Net profit attributable to owners of the parent excluding non-recurring gains or losses *(Note 2)*	Profit: 528.5796 million － 600.9877 million Growth compared with the same period of last year: 46%－66%	Profit: 362.0408 million
Basic earnings per share	0.6282/share –0.7492/share	Profit: 0.6053/share
Non-IFRSs adjusted net profit attributable to owners of the parent *(Note 3)*	Profit: 582.6700 million － 668.9915 million Growth compared with the same period of last year: 35%－55%	Profit: 431.6074 million

Note 1:

The "million" in this results estimate is in RMB million, unless otherwise defined.

Note 2:

According to the preliminary estimate by the Company, the non-recurring gains or losses attributable to owners of the parent for the interim period of 2021 would be in the range of approximately RMB-40.00 million and RMB10.00 million, which mainly includes:

1) on June 18, 2021, the Company issued two series of zero coupon convertible bonds due 2026 with an aggregate principal amount of USD300.00 million (the "**USD Convertible Bonds**") and RMB1,916.00 million (the "**RMB Convertible Bonds**"), respectively, on the Hong Kong Stock Exchange. The USD Convertible Bonds comprise liability and derivative components, since the conversion option of USD Convertible Bonds exhibits characteristics of an embedded derivative and is separated from the liability component. The derivative financial instruments are measured at fair value and change in fair value are accounted for in the income statements in the respective period. These derivative financial instruments do not have a quoted market price in an active market, and the valuation model is sensitive to changes in certain key inputs including volatility of share prices, risk-free rate and dividend yield. Based on the preliminary valuation results of a third-party valuer engaged by the Company, it is expected that the losses on fair value change of the derivative financial instruments related to the above USD Convertible Bonds amounted to approximately RMB70.00 million to RMB120.00 million as of June 30, 2021.

2) gains related to investments in medium-and low-risk bank wealth management products, government grants and subsidies included in profit or loss, foreign exchange related losses or gains arised from ineffective hedge of foreign currency forward contracts and options, and gains from changes in fair value of other non-current financial assets, etc.

Note 3:

To supplement the financial statements prepared by us, we use non-IFRSs adjusted net profit attributable to owners of the parent as an additional financial measure. We define non-IFRSs adjusted net profit attributable to owners of the parent as net profit before certain expenses/(gains): 1) share-based compensation expenses; 2) foreign exchange related gains or losses; 3) realized and unrealized related gains or losses from equity investments; 4) fair value gains or losses from derivative component of convertible bonds (as listed in the non-recurring gains or losses mentioned above); 5) issuance expense of convertible bonds.

The Company believes that the consideration of the non-IFRSs adjusted net profit attributable to owners of the parent by eliminating the impact of certain incidental, non-cash or non-operating items is useful for better understanding and assessing underlying business performance and operating trends for the Company's management, shareholders and potential investors.

The non-IFRSs adjusted net profit attributable to owners of the parent is not an alternative to (i) profit before tax or net profit (as determined in accordance with IFRSs) as a measure of our operating performance, (ii) cash flows from operating, investing and financing activities as a measure of our ability to satisfy our cash needs, or (iii) any other measures of performance or liquidity. In addition, the presentation of the non-IFRSs adjusted net profit attributable to owners of the parent is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRSs. Shareholders and potential investors should not view the non-IFRSs adjusted net profit attributable to owners of the parent on a stand-alone basis or as a substitute for results under the IFRSs, or as being comparable to results reported or forecasted by other companies.

II. COMMUNICATION STATUS WITH THE AUDITORS

The results estimate has not been audited or pre-audited by the auditors.

III. REASONS FOR CHANGES IN RESULTS

During the reporting period, the net profit attributable to owners of the parent increased as compared with the corresponding period of 2020, which is mainly due to:

1. the orderly implementation of the business plan of the Company. In the first half of 2021, the Company reported stable growth in revenue in its principal business and a gradual growth of operational efficiency, which improved profitability and resulted in corresponding growth in results.

2. the non-recurring gains or losses attributable to owners of the parent for the first half of 2021 would be in the range of approximately RMB-40.00 million and RMB10.00 million, significantly decreased as compared with the same period of last year which is amounted to approximately RMB116.92 million, which is mainly due to:

   1) On April 3, 2020, Zentalis Pharmaceuticals, Inc., an equity investment of the Company, was listed in Nasdaq Global Market. The accumulated gains on fair value change in the first half of 2020 was approximately RMB100.84 million, and the related gains on fair value change in the first half of 2021 amounted to approximately RMB2.00 million;

   2) In the first half of 2021, fair value loss from derivative component of USD Convertible Bonds amounted to approximately RMB70.00 million to RMB120.00 million.

IV. RISK WARNING

1. The results estimate disclosed in this announcement is only a preliminary estimate made by the finance department of the Company and has not been audited by the auditors.

2. Details of the Company's results for interim period of 2021 prepared under the PRC Accounting Standards for Business Enterprises or IFRSs will be disclosed in the interim report 2021 to be published by the Company on the Shenzhen Stock Exchange or The Stock Exchange of Hong Kong Limited, respectively. Investors are advised to exercise caution and pay attention to investment risks involved.

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
Dr. Lou Boliang
Chairman

Beijing, the PRC
July 16, 2021

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. Chen Guoqin, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.

* *For identification purposes only*