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 ANNUAL 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 annual 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 ANNUAL RESULTS OF 2021

1. Period for the results estimate: January 1, 2021 to December 31, 2021

2. Trend of results estimate:

   ☐Loss ☐Turn loss into profit ☑Up year-on-year ☐Down year-on-year

3. Results estimate is as follows:

Item	Current reporting period	Same period last year
Revenue	Revenue: 7,341.0434 million-7,495.0513 million Growth compared with the same period of last year: 43% – 46%	Revenue: 5,133.5968 million
Net profit attributable to owners of the parent	Profit: 1,582.7162 million – 1,699.9545 million Growth compared with the same period of last year: 35% – 45%	Profit: 1,172.3824 million

Item	Current reporting period	Same period last year
Net profit attributable to owners of the parent excluding non-recurring gains or losses *(Note 2)*	Profit: 1,281.0885 million – 1,361.1565 million Growth compared with the same period of last year: 60% – 70%	Profit: 800.6803 million
Basic earnings per share	1.9925/share – 2.1401/share	Profit: 1.4825/share
Non-IFRSs adjusted net profit attributable to owners of the parent *(Note 3)*	Profit: 1,393.8783 million – 1,500.2812 million Growth compared with the same period of last year: 31% – 41%	Profit: 1,064.0292 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 amount of non-recurring gains or losses attributable to owners of the parent in 2021 was approximately RMB300 million to RMB350 million and mainly included:

1) During the reporting period, the Company's gains on fair value change and disposal of listed and unlisted equity investments as presented in other non-current financial assets were approximately RMB150 million;

2) On June 18, 2021, the Company issued a zero-coupon convertible bond with a principal amount of US$300 million due in 2026 and a zero-coupon convertible bond with a principal amount of RMB1,916 million settled in USD due in 2026 on The Stock Exchange of Hong Kong Limited;

   The share conversion option of the USD principal bonds has embedded derivative features, and it is split from the convertible bonds as a whole, treated separately as a derivative financial instrument, and initially recognized and subsequently measured at fair value;

   Based on the preliminary valuation results of a third-party valuer engaged by the Company, during the reporting period, mainly due to the fluctuation of the Company's H-share price, gains from changes in the non-cash book fair value of the above embedded derivative financial instruments were approximately RMB60 million to RMB80 million;

3) 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, 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 gains and losses and the income statement impact of the gains or losses of the corresponding foreign exchange hedging instruments; 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 expence 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 ACCOUNTING FIRM

The Company has pre-communicated with the accounting firm on matters related to the results estimate, and there is no major disagreement between the Company and the accounting firm on the financial data related to the results estimate.

The results estimate has not been audited or pre-audited by the certified public accountants.

III. REASONS FOR CHANGES IN RESULTS

During the reporting period, the company's net profit attributable to owners of the parent increased as compared with the corresponding period of last year, which is mainly due to:

1. Impact of principal business

1) The Company's business plan is carried out in an orderly fashion. In 2021, the Company reported stable growth in revenue in its principal business, a gradual growth of economies of scale and operating efficiency of mature service lines as well as profitability were improved;

2) The Company continues to develop and invest in the new service offerings, the gross profit margin of which are relatively low in the investment stage;

3) The Company's revenue is mainly denominated in USD. In 2021, the average exchange rate of USD against RMB depreciated by about 6.5% compared with the previous year, which had a certain negative impact on the Company's revenue and the net profit attributable to owners of the parent.

2. Impact of non-recurring gains or losses

As described above, the amount of non-recurring gains or losses attributable to owners of the parent in 2021 was approximately RMB300 million to RMB350 million, a decrease of approximately RMB21.7021 million to RMB71.7021 million compared with RMB371.7021 million in the previous year.

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 certified public accountants.

2. Details of the Company's results for 2021 prepared under the PRC Accounting Standards for Business Enterprises or IFRSs will be disclosed in the annual 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
January 21, 2022

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*