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 2022

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 2022. 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 2022

1. Period for the results estimate: January 1, 2022 to December 31, 2022

2. The estimated revenue, net profit attributable to owners of the parent excluding non-recurring gains or losses and non-IFRSs adjusted net profit attributable to owners of the parent increased year-on-year while the net profit attributable to owners of the parent is expected to be positive but decreased year-on-year.

3. Results estimate is as follows:

Item	**Current reporting period**	**Same period last year**
Revenue	Revenue: 10,123.5268 million-10,346.8399 million Growth compared with the same period of last year: 36% – 39%	Revenue: 7,443.7697 million
Net profit attributable to owners of the parent	Profit: 1,312.2126 million – 1,445.0949 million Growth compared with the same period of last year: -21% – -13%	Profit: 1,661.0286 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: 1,367.6183 million – 1,474.8825 million Growth compared with the same period of last year: 2% – 10%	Profit: 1,340.8023 million
Basic earnings per share *(Note 3)*	1.1096/share – 1.2220/share	Profit: 1.3988/share
Non-IFRSs adjusted net profit attributable to owners of the parent *(Note 4)*	Profit: 1,769.0011 million – 1,885.9599 million Growth compared with the same period of last year: 21% – 29%	Profit: 1,461.9844 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 annual period of 2022 would be in the range of approximately RMB-70 million and RMB-20 million, which mainly are:

1) during the reporting period, the Company's gains or losses from fair value change and gains from disposal of equity investments in listed and unlisted companies as presented in other non-current financial assets of approximately RMB-50 million;

2) government subsidies included in the current profit and loss, and gains or losses from fair value change of the derivative financial instrument components of convertible bonds, etc.

Note 3:

The general meeting of the Company approved the Profit Distribution Plan for 2021 which included the issuance of capitalization shares on the basis of 5 capitalization shares for every existing 10 shares of the Company by way of capitalization of reserve. The Company has calculated the basic earnings per share for the reporting period based on the number of shares outstanding after the completion of such capitalization of reserve and the basic earnings per share for the same period of last year was restated accordingly.

Note 4:

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 financial instrument components of convertible bonds; 5) costs of the issuance 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 results estimate has not been audited or pre-audited by the certified public accountants.

III. REASONS FOR CHANGES IN RESULTS

1. Impact of principal business

1) The Company's yearly business plan is carried out in an orderly fashion. During the reporting period, the revenue from each business segment has increased steadily and overall profitability from principal business has also increased. In fourth quarter, both the operations and services delivery of the domestic operations has been affected by the pandemic outbreak, which had certain negative effect on both the revenue and profitability of the Company for the fourth quarter.

2) To provide new impetus for the Company's mid-to-long-term stable and sustainable growth, the Company firmly promotes the strategy of "end-to-end, fully integrated and global" service platform and put significant effort in establishing the new businesses, such as the biologics and CGT services and clinical development services. Currently, the Company's business segments are still at different stages of development, and the mature segments continue to grow steadily in both revenue and profitability. New business segments and some overseas operations are still in the early stage of investment, which led to the short-term slowdown in the overall profit growth of the Company;

3) In order to attract and motivate outstanding employees and enhance the Company's competitiveness and cohesion, the Company continued to implement the share incentive plan. In 2022, the cost of share incentives increased significantly as compared with the same period of the last year, which reduced the increase in the net profit attributable to the owners of the parent and the net profit attributable to the owners of the parent after deducting non-recurring gains and losses to a certain extent;

4) The decrease in investment income of associates as compared with the last year had a certain adverse impact on the increase in the net profit attributable to owners of the parent and the net profit attributable to owners of the parent excluding non-recurring gains and losses.

As a result, the net profit attributable to owners of the parent excluding non-recurring gains or losses increased by 2% to 10% compared with the same period last year; and the non-IFRSs adjusted net profit attributable to owners of the parent increased by 21% to 29% compared with the same period of last year.

2. Impact of non-recurring gains or losses

As mentioned above, due to the combined effect of changes in the fair value of other non-current financial assets and other non-recurring gains or losses, the amount of non-recurring gains or losses attributable to owners of the parent during the reporting period was approximately RMB-70 million to RMB-20 million.

The non-recurring gains or losses of the last year amounted to RMB320.2263 million. As a result of the significant reduction on the non-recurring gains or losses ranging from RMB340.2263 million to RMB390.2263 million as compared to last year, the Company's net profit attributable to owners of the parent decreased as compared to last year.

IV. RISK WARNING

1. The estimated data of the results 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 annual results of 2022 prepared under the PRC Accounting Standards for Business Enterprises or IFRSs will be disclosed in the annual report 2022 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.*
Dr. Lou Boliang
Chairman

Beijing, the PRC
January 30, 2023

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. Zhou Qilin, Ms. Li Lihua, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.

* *For identification purposes only*