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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)

CONNECTED TRANSACTION

CAPITAL INCREASE IN PHARMARON NINGBO BIOLOGICS

CAPITAL INCREASE AGREEMENT

On March 30, 2023, the Company entered into the Capital Increase Agreement with Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture, the Non-Connected Investors and Pharmaron Ningbo Biologics in relation to the Capital Increase in Pharmaron Ningbo Biologics, pursuant to which the registered capital of Pharmaron Ningbo Biologics will increase from RMB3,100.00 million to approximately RMB3,487.4052 million as a result of subscriptions for approximately 11.1087% in the registered capital of Pharmaron Ningbo Biologics. Each of Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture and the Non-Connected Investors has conditionally agreed to subscribe for the increased registered capital of approximately RMB76.6842 million, RMB4.8947 million, RMB8.1579 million and RMB297.6684 million in Pharmaron Ningbo Biologics, which represents 2.1989%, 0.1404%, 0.2339% and 8.5355% of the equity interests in Pharmaron Ningbo Biologics, at the consideration of RMB188.0 million, RMB12.0 million, RMB20.0 million and RMB729.7676 million, respectively. All the contribution of the Capital Increase in excess of the newly increased registered capital will be credited to the capital reserve of Pharmaron Ningbo Biologics.

Prior to the Capital Increase, the Company holds 100.0% of the equity interest in Pharmaron Ningbo Biologics and Pharmaron Ningbo Biologics is a wholly owned subsidiary of the Company. Upon completion of the Capital Increase, Pharmaron Ningbo Biologics will be owned as to 2.1989%, 0.1404%, 0.2339%, 8.5355% and 88.8913% by Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture, the Non-Connected Investors and the Company, respectively, and Pharmaron Ningbo Biologics will therefore become a non-wholly owned subsidiary of the Company.

In addition, on March 30, 2023, Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture, the Non-Connected Investors, Pharmaron Ningbo Biologics and the Company also entered into an Investors' Agreement in order to protect the interests of the Parties to the Capital Increase Agreement, pursuant to which (i) the parties are entitled to certain typical special rights including pre-emptive rights, right of first refusal, co-sale rights, dividend rights, liquidation preference rights, transfer restrictions, anti-dilution rights, rights to more favorable terms and information rights; (ii) the parties agreed to the termination and restoration arrangements of the abovementioned special rights; and (iii) upon completion of the Capital Increase, Pharmaron Ningbo Biologics will not have a board of directors nor a board of supervisors, and will only have one executive director and one supervisor who shall be appointed by the Company and elected by the shareholders of Pharmaron Ningbo Biologics, respectively. Pharmaron Ningbo Biologics will also have one manager who shall be appointed or dismissed by the executive director of Pharmaron Ningbo Biologics. In the event that Pharmaron Ningbo Biologics plans to establish a board of directors from the Closing Date, each of Bayland Capital (collectively as a group) and Gao Ling (collectively as a group) shall have the right to nominate an observer of the board of directors of Pharmaron Ningbo Biologics.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the general partner of Kangjun Zhongyuan is Kangjun Investment. Kangjun Investment is ultimately owned by Mr. Lou Xiaoqiang, being one of the substantial shareholders, an executive Director and the chief operating officer of the Company. Mr. Lou Xiaoqiang and Mr. Li Jiaqing, the Directors of the Company, serve as the directors of Kangjun Investment. In addition, the general partner of Hongfeng Venture is Ningbo Hongfeng, which is in turn owned by Ningbo Huichangjian. Ningbo Huichangjian is owned by Mr. Lou Guoqiang (a brother of Dr. Lou Boliang, one of the substantial shareholders, an executive Director and the chief executive officer of the Company, and Mr. Lou Xiaoqiang, one of the substantial shareholders, an executive Director and the chief operating officer of the Company) and Ms. Chen Jing (the spouse of Mr. Lou Guoqiang).

Therefore, each of Kangjun Zhongyuan, Kangjun Investment and Hongfeng Venture is a connected person of the Company, and the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction under the Capital Increase Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE CAPITAL INCREASE AGREEMENT

On March 30, 2023, the Company entered into the Capital Increase Agreement with Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture, the Non-Connected Investors and Pharmaron Ningbo Biologics in relation to the Capital Increase in Pharmaron Ningbo Biologics, pursuant to which the registered capital of Pharmaron Ningbo Biologics will increase from RMB3,100.00 million to approximately RMB3,487.4052 million as a result of subscriptions for approximately 11.1087% in the registered capital of Pharmaron Ningbo Biologics. Each of Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture and the Non-Connected Investors has conditionally agreed to subscribe for the increased registered capital of approximately RMB76.6842 million, RMB4.8947 million, RMB8.1579 million and RMB297.6684 million in Pharmaron Ningbo Biologics, which represents 2.1989%, 0.1404%, 0.2339% and 8.5355% of the equity interests in Pharmaron Ningbo Biologics, at the consideration of RMB188.0 million, RMB12.0 million, RMB20.0 million and RMB729.7676 million, respectively. All the contribution of the Capital Increase in excess of the newly increased registered capital will be credited to the capital reserve of Pharmaron Ningbo Biologics.

The principal terms of the Capital Increase Agreement are summarized below:

Date: March 30, 2023

Parties:

(1) The Company;

(2) Bayland Capital;

(3) Gao Ling[+];

(4) Ningbo Tongshang[+];

(5) Mr. Yu Yuejiang[+];

(6) HJ Partners[+];

(7) Zhangkeherun[+];

(8) Huimei Jiankang[+];

(9) Orient Securities Capital[+];

(10) C & D Emerging[+];

(11) Jiaxing Jingtai[+];

(12) Hongfeng Venture;

(13) Pharmaron Ningbo Biologics.

(together, the "**Parties to the Capital Increase Agreement**")

[+] *denotes Non-Connected Investors*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Non-Connected Investors is an Independent Third Party.

The Capital Increase:

(i) Increase in registered capital

The registered capital of Pharmaron Ningbo Biologics shall increase from RMB3,100.00 million to approximately RMB3,487.4052 million. The amount of increase in registered capital of Pharmaron Ningbo Biologics is approximately RMB387.4052 million.

(ii) Means and amount of the Capital Increase

The Parties to the Capital Increase Agreement agreed to settle the capital increase to Pharmaron Ningbo Biologics by way of cash, and the respective amount of the Capital Increase shall be paid by the Relevant Investors to the bank account designated by Pharmaron Ningbo Biologics within 15 business days upon (i) the date of receipt of the relevant closing notice and (ii) all condition precedents are agreed or deemed to be agreed by Bayland Capital, on behalf of the Relevant Investors, to have satisfied.

The table below sets out the respective capital to be injected to Pharmaron Ningbo Biologics pursuant to the Capital Increase Agreement:

Investing group	**Investing entity**	**Capital to be injected** *(RMB)*	**Amount to be injected to the registered capital of Pharmaron Ningbo Biologics** *(RMB)*	**Amount to be injected to the capital reserve of Pharmaron Ningbo Biologics** *(RMB)*
Bayland Capital	Kangjun Zhongyuan	188,000,000	76,684,211	111,315,789
	Kangjun Investment	12,000,000	4,894,737	7,105,263
Gao Ling	Suzhou Gao Ling Qirui	100,000,000	40,789,474	59,210,526
	Zhuhai Xingbo	100,000,000	40,789,474	59,210,526
Ningbo Tongshang	Yongxin Phoenix	100,000,000	40,789,474	59,210,526
	Ningbo Shangchuang	50,000,000	20,394,737	29,605,263
Mr. Yu Yuejiang	Mr. Yu Yuejiang	110,000,000	44,868,421	65,131,579
HJ Partners	HJ Partners	89,767,600*	36,615,732*	53,151,868*
Zhangkeherun	Zhangkeherun	50,000,000	20,394,737	29,605,263
Huimei Jiankang	Huimei Jiankang	50,000,000	20,394,737	29,605,263
Orient Securities Capital	Dongzheng Mingde	20,000,000	8,157,895	11,842,105
	Dongzheng Hechuang	20,000,000	8,157,895	11,842,105
C&D Emerging	C&D Emerging	20,000,000	8,157,895	11,842,105
Jiaxing Jingtai	Jiaxing Jingtai	20,000,000	8,157,895	11,842,105
Hongfeng Venture	Hongfeng Venture	20,000,000	8,157,895	11,842,105
	Total	**949,767,600***	**387,405,209**	**562,362,391**

Note:

The amount of capital to be injected by HJ Partners shall be USD13,000,000, and is converted based on the exchange rate of approximately RMB6.9052 to USD1 (for illustration purpose only).

Basis of determining the amount of the Capital Increase

The Capital Increase is conducted on a voluntary, fair and legal basis, and the consideration in relation to the Capital Increase contemplated under the Capital Increase Agreement was determined upon arm's length negotiation among the Parties to the Capital Increase Agreement (including the Company and the Non-Connected Investors), and taking into account the potential benefits of the Capital Increase as set out in the paragraph headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT" below.

Accordingly, the Directors are of the view that the consideration contemplated under the Capital Increase Agreement is fair and reasonable.

Condition precedents

The completion of the Capital Increase Agreement is conditional upon the satisfaction or otherwise waived by the Relevant Investors of the following conditions:

Condition precedents applicable to all of the Relevant Investors:

(i) Pharmaron Ningbo Biologics and/or its subsidiaries having completed the overseas investment filing and registration procedures with the National Development and Reform Commission and the Ministry of Commerce with respect to the acquisition of 100% equity interests of the subsidiaries of the Company, being Pharmaron Biologics (UK) Holdings Limited and its wholly-owned subsidiary, Pharmaron Biologics (UK) Ltd, Pharmaron (Exton) Lab Services LLC and its wholly-owned subsidiaries, Pharmaron (San Diego) Lab Services LLC and Pharmaron (Boston) Lab Services LLC; and

(ii) Pharmaron Ningbo Biologics and the Company having fulfilled other relevant condition precedents in accordance with the relevant laws, regulations, and/or the requirements of the securities regulatory authorities, which mainly include, having conducted their respective relevant internal governance procedures and disclosure procedures, the effective signing and delivery of the relevant transaction agreements, articles of association and resolutions, not having violated the relevant representations, warranties and undertakings, not having any material adverse impact on Pharmaron Ningbo Biologics, not having any material breaches of material contracts of Pharmaron Ningbo Biologics, not having any restriction or prohibition with respect to the Capital Increase, and the issuance of the closing certificate.

Condition precedent applicable to HJ Partners only:

(iii) Regarding the payment of USD to be made by HJ Partners, Pharmaron Ningbo Biologics having completed the relevant filing, registration and information reporting procedures with respect to foreign-invested enterprises with the relevant market supervision authorities in relation to the Capital Increase, and having opened a foreign exchange capital account.

In addition, on March 30, 2023, Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture, the Non-Connected Investors, Pharmaron Ningbo Biologics and the Company also entered into an Investors' Agreement in order to protect the interests of the Parties to the Capital Increase Agreement, pursuant to which (i) the parties are entitled to certain typical rights including pre-emptive rights, right of first refusal, co-sale rights, dividend rights, liquidation preference rights, transfer restrictions, anti-dilution rights, rights to more favorable terms and information rights; (ii) the parties agreed to the termination and restoration arrangements of the abovementioned special rights; and (iii) upon completion of the Capital Increase, Pharmaron Ningbo Biologics will not have a board of directors nor a board of supervisors, and will only have one executive director and one supervisor who shall be appointed by the Company and elected by the shareholders of Pharmaron Ningbo Biologics, respectively. Pharmaron Ningbo Biologics will also have one manager who shall be appointed or dismissed by the executive director of Pharmaron Ningbo Biologics. In the event that Pharmaron Ningbo Biologics plans to establish a board of directors from the Closing Date, each of Bayland Capital (collectively as a group) and Gao Ling (collectively as a group) shall have the right to nominate an observer of the board of directors of Pharmaron Ningbo Biologics.

SHAREHOLDING STRUCTURE OF PHARMARON NINGBO BIOLOGICS IMMEDIATELY BEFORE AND AFTER THE CAPITAL INCREASE

The table below sets out the shareholding structure of Pharmaron Ningbo Biologics immediately before and after the Capital Increase:

	Immediately before completion of the Capital Increase				**Immediately after completion of the Capital Increase**	
Shareholders	**Registered capital** *(RMB)*	**Shareholding percentage**	**Investing group**	**Investing entity**	**Registered capital** *(RMB)*	**Shareholding percentage**
The Company	3,100,000,000	100%	The Company	The Company	3,100,000,000	88.8913%
			Bayland Capital	Kangjun Zhongyuan	76,684,211	2.1989%
				Kangjun Investment	4,894,737	0.1404%
			Gao Ling	Suzhou Gao Ling Qirui	40,789,474	1.1696%
				Zhuhai Xingbo	40,789,474	1.1696%
			Ningbo Tongshang	Yongxin Phoenix	40,789,474	1.1696%
				Ningbo Shangchuang	20,394,737	0.5848%
			Mr. Yu Yuejiang	Mr. Yu Yuejiang	44,868,421	1.2866%
			HJ Partners	HJ Partners	36,615,732*	1.0499%
			Zhangkeherun	Zhangkeherun	20,394,737	0.5848%
			Huimei Jiankang	Huimei Jiankang	20,394,737	0.5848%
			Orient Securities Capital	Dongzheng Mingde	8,157,895	0.2339%
				Dongzheng Hechuang	8,157,895	0.2339%
			C & D Emerging	C & D Emerging	8,157,895	0.2339%
			Jiaxing Jingtai	Jiaxing Jingtai	8,157,895	0.2339%
			Hongfeng Venture	Hongfeng Venture	8,157,895	0.2339%
Total	**3,100,000,000**	**100%**			**3,487,405,209**	**100%**

Note:

The amount of capital to be injected by HJ Partners is converted based on the exchange rate of approximately RMB6.9052 to USD1 (for illustration purpose only).

Prior to the Capital Increase, the Company holds 100.0% of the equity interest in Pharmaron Ningbo Biologics and Pharmaron Ningbo Biologics is a wholly owned subsidiary of the Company. Upon completion of the Capital Increase, Pharmaron Ningbo Biologics will be owned as to 2.1989%, 0.1404%, 0.2339%, 8.5355% and 88.8913% by Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture, the Non-Connected Investors and the Company, respectively, and Pharmaron Ningbo Biologics will therefore become a non-wholly owned subsidiary of the Company.

REASONS AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

As part of the mid and long-term growth strategies, the Company actively strengthens its biologics and CGT service platform. The equity financing of Pharmaron Ningbo Biologics is conducive to the development and the operation of the biologics and CGT service sector of the Group. It also allows the Group to satisfy the capital demands for the development of the biologics and CGT service sector, enhance the Group's R&D service capabilities, and further strengthen the fully-integrated pharmaceutical R&D service platform of the Group, who allows the Group to better meet the needs of its customers.

The Directors (including independent non-executive Directors) are of the view that each of the Capital Increase Agreement and the Investors' Agreement is entered into on normal commercial terms and the terms thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Board has approved the Capital Increase Agreement, the Investors' Agreement and the transaction contemplated thereunder. Each of Dr. Lou Boliang, Mr. Lou Xiaoqiang, Ms. Zheng Bei, Mr. Li Jiaqing and Mr. Zhou Hongbin had been abstained from voting on the resolutions approving the Capital Increase Agreement, the Investors' Agreement and the transactions contemplated thereunder at the board meeting of the Company.

INFORMATION ABOUT THE PARTIES TO THE CAPITAL INCREASE AGREEMENT

The Company and the Group

The Company was established under the laws of the PRC with limited liability, and its Shares are listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange. It is a leading fully-integrated pharmaceutical R&D services platform with global operations to accelerate drug innovation for its customers.

Pharmaron Ningbo Biologics

Pharmaron Ningbo Biologics is a limited company established in the PRC on October 9, 2020, and principally engages in biologics and CGT services.

Set out below is a summary of the audited financial information of Pharmaron Ningbo Biologics for the years ended December 31, 2021 and 2022, prepared in accordance with the generally accepted accounting principles in the PRC:

	For the year ended December 31 2021 *RMB'(000)*	**For the year ended December 31 2022 *RMB'(000)***
Revenue	0	**1.6**
Net loss before tax	-4,529.9	**-14,529.3**
Net loss after tax	-3,628.0	**-10,893.3**

Note:

For the avoidance of doubt, the above financial figures of Pharmaron Ningbo Biologics does not take into account the financial information of Pharmaron Biologics (UK) Holdings Limited and its wholly-owned subsidiary, Pharmaron Biologics (UK) Ltd, Pharmaron (Exton) Lab Services LLC and its wholly-owned subsidiaries, Pharmaron (San Diego) Lab Services LLC and Pharmaron (Boston) Lab Services LLC, which are expected to be acquired by Pharmaron Ningbo Biologics.

The audited net asset value of Pharmaron Ningbo Biologics as at December 31, 2022 was approximately RMB1,984.5850 million.

Upon completion of the Capital Increase, Pharmaron Ningbo Biologics will therefore become a non-wholly owned subsidiary of the Company and the financial results of Pharmaron Ningbo Biologics will remain to be consolidated into the Company's financial results.

Kangjun Zhongyuan

Kangjun Zhongyuan is a limited partnership incorporated in the PRC on March 25, 2021, which principally engages in investment management. As of the date of this announcement. Kangjun Zhongyuan is held as to 18.62%, 18.62%, 13.83%, 13.30%. 5.27%, 4.07%, 1.06% and 0.24% by Xiamen Kanghongwan Investment Partnership (Limited Partnership) (廈門康泓灣投資合夥企業(有限合夥)) (as a limited partner) ("**Xiamen Kanghongwan**"), Service Trade Innovation Development Guidance Fund (Limited Partnership) (服務貿易創新發展引導基金(有限合夥)) (as a limited partner) ("**Service Trade Innovation**"), the Company (as a limited partner), Ningbo Industrial Development Fund Co., Ltd (寧波市產業發展基金有限公司) (as a limited partner) ("**Ningbo Industrial Development**"), Ningbo Tongshang Venture Capital Partnership (Limited Partnership) (寧波通商創業投資合夥企業(有限合夥)) (as a limited partner) ("**Ningbo Tongshang Venture Investment**"), Xiamen Zhongyuan Zhikang Management Consulting Partnership (Limited Partnership) (廈門仲圓至康管理諮詢合夥企業(有限合夥)) (as a limited partner) ("**Xiamen Zhongyuan Zhikang**"), Hainan Junqi Venture Capital Co., Ltd (海南君祺創業投資有限公司) (as a limited partner) ("**Hainan Junqi**") and Kangjun Investment (as the general partner), respectively. The remaining 24.99% equity interest is held by 10 limited partners who are Independent Third Parties, of which each of such limited partners holds less than 5% of equity interests in Kangjun Zhongyuan. Xiamen Kanghongwan is jointly owned by Mr. Lou Xiaoqiang and Ms. Zheng Bei, our executive Directors, as to 50% and 50%. Service Trade Innovation, Ningbo Industrial Development and Ningbo Tongshang Venture Investment are ultimately owned by Ningbo SASAC and the State Council who are Independent Third Parties. The general partner of Xiamen Zhongyuan Zhikang is Kangjun Investment, and Xiamen Zhongyuan Zhikang is ultimately owned by Mr. Lou Xiaoqiang, our executive Director. Hainan Junqi is wholly owned by Junlian Capital (defined below), and Mr. Li Jiaqing, our non-executive Director, is one of the directors of Hainan Junqi and Junlian Capital.

Kangjun Investment

Kangjun Investment is a limited liability company incorporated in PRC on June 18, 2019 which principally engages in investment management. Kangjun Investment is held as to 40%, 30%, 20% and 10% by Ningbo Kangwan Enterprise Management Consulting Partnership (Limited Partnership) (寧波康灣企業管理諮詢合夥企業(有限合夥)) ("**Ningbo Kangwan**"), the Company, Junlian Capital Management Co., Ltd. (君聯資本管理股份有限公司) ("**Junlian Capital**") and Xiamen Kangwan Enterprise Management Consulting Partnership (Limited Partnership) (廈門康灣企業管理諮詢合夥企業(有限合夥)) ("**Xiamen Kangwan**"), respectively. Ningbo Kangwan is owned as to 75% by Xiamen Kanghongwan Investment Management Partnership (Limited Partnership) (廈門康泓灣投資管理合夥企業(有限合夥)) (as the general partner), which is in turn owned jointly by Mr. Lou Xiaoqiang and Ms. Zheng Bei, our executive Directors, as to 50% and 50%. Junlian Capital is owned as to 80% by Juncheng Hezhong Investment Management Partnership (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥) ("**Juncheng Hezhong**"). The general partner of Juncheng Hezhong is Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司), which is held as to 40%, 20%, 20% and 20% by Mr. Chen Hao (陳浩), Mr. Wang Nengguang (王能光), Mr. Zhu Linan (朱立南) who are Independent Third Parties and Mr. Li Jiaqing (李家慶), our non-executive Director, respectively. Xiamen Kangwan is owned as to 70% and 30% by Mr. Lou Xiaoqiang (as a limited partner), our executive Director, and Mr. Su Yuexing（蘇躍星) (as the general partner) who is an Independent Third Party, respectively. Kangjun Investment is ultimately owned by Mr. Lou Xiaoqiang, being one of the substantial shareholders, an executive Director and the chief operating officer of the Company.

Hongfeng Venture

Hongfeng Venture is a limited partnership incorporated in the PRC on September 29, 2021 which principally engages in investment management. As of the date of this announcement, Hongfeng Venture is held as to 40%, 30%, 10%, 8%, 5%, 5% and 2% by Ningbo Yuxin Enterprise Management Consulting Partnership (Limited Partnership) (寧波鈺鑫企業管理諮詢合夥企業(有限合夥)) (as a limited partner) ("**Ningbo Yuxin**"), Ningbo Hangzhou Bay New Area Emerging Industry Venture Capital Co., Ltd. (寧波杭州灣新區新興產業創業投資有限公司) (as a limited partner) ("**Ningbo Hangzhou Bay Venture Capital**"), Mr. Lou Xiaoqiang, our executive Director (as a limited partner), Ningbo Huichangjian Investment Co., Ltd. (寧波匯昌健投資有限公司) (as a limited partner) ("**Ningbo Huichangjian**"), Beijing Huijia Investment Management Co., Ltd. (北京匯嘉投資管理有限公司) (as a limited partner) ("**Beijing Huijia Investment**"), Ningbo Jierui Equity Investment Co., Ltd. (寧波捷瑞股權投資有限公司) (as a limited partner) ("**Ningbo Jierui**") and Ningbo Hongfeng Investment Management Co., Ltd. (寧波宏灃投資管理有限公司) (as the general partner) ("**Ningbo Hongfeng**"), respectively. Ningbo Yuxin, Ningbo Hangzhou Bay Venture Capital, Beijing Huijia Investment and Ningbo Jierui are ultimately owned by PRC nationals and state-owned enterprises who are Independent Third Parties. Ningbo Hongfeng is owned by Ningbo Huichangjian. Ningbo Huichangjin is owned by Ms. Chen Jing (the spouse of Mr. Lou Guoqiang who is a brother of Dr. Lou Boliang and Mr. Lou Xiaoqiang, our executive Directors) and Mr. Lou Guoqiang.

The Non-Connected Investors

Zhuhai Xingbo

Zhuhai Xingbo is a limited partnership incorporated in the PRC on April 1, 2022 which principally engages in equity investment. As of the date of this announcement, the general partner of Zhuhai Xingbo is Shenzhen Gao Ling Tiancheng III Investment Co., Ltd. (深圳高瓴天成三期投資有限公司), which holds 0.01% in Zhuhai Xingbo, the limited partners of Zhuhai Xingbo including Shenzhen Gao Ling Muqi Equity Investment Fund L.P. (Limited Partnership) (深圳高瓴慕祺股權投資基金合夥企業(有限合夥), Xiamen Gao Ling Ruiqi Equity Investment Fund L.P. (Limited Partnership) (廈門高瓴瑞祺股權投資基金合夥企業(有限合夥), Shenzhen Gao Ling Hengqi Equity Investment Fund L.P. (Limited Partnership) (深圳高瓴恒祺股權投資基金合夥企業(有限合夥), which hold 50.11%, 36.42% and 6.32% in Zhuhai Xingbo respectively and are all Independent Third Parties. The remaining 7.14% equity interest is held by 2 limited partners who are Independent Third Parties, of which each of such limited partners holds less than 5% of equity interests in Zhuhai Xingbo. Zhuhai Xingbo is ultimately owned by PRC nationals who are Independent Third Parties.

Suzhou Gao Ling Qirui

Suzhou Gao Ling Qirui is a limited partnership incorporated in the PRC on January 19, 2021 which principally engages in equity investment. As of the date of this announcement, the general partner of Suzhou Gao Ling Qirui is Suzhou Gao Ling Qirui Healthcare Investment Management Co., Ltd. (蘇州高瓴祈睿醫療投資管理有限公司), which holds 0.8986% in Suzhou Gao Ling Qirui. The limited partners of Suzhou Gao Ling Qirui including China Merchants Wealth Asset Management Co., Ltd. (招商財富資產管理有限公司), Suzhou Industrial Park Industrial Investment Fund (limited partnership) (蘇州工業園區產業投資基金(有限合夥), Zhuhai Gao Ling Qiyao Medical and Health Industry Equity Investment Fund, L.P. (limited partnership) (珠海高瓴祈耀醫療健康產業股權投資基金合夥企業(有限合夥)), Zhuhai Gao Ling Qixuan Medical and Health Industry Equity Investment Fund, L.P. (limited partnership) (珠海高瓴祈暄醫療健康產業股權投資基金合夥企業(有限合夥)), Tibet Hongtai Enterprise Management Co., Ltd. (西藏弘泰企業管理有限公司), Taibao Great Health Industry Private Equity Investment Fund (Shanghai), L.P. (Limited Partnership) (太保大健康產業私募投資基金(上海)合夥企業(有限合夥)), Zhuhai Gao Ling Qiya Medical and Health Industry Equity Investment Fund Partnership (limited partnership) (珠海高瓴祈雅醫療健康產業股權投資基金合夥企業(有限合夥)), and Suzhou Industrial Park Bioindustry Development Co., Ltd. (蘇州工業園區生物產業發展有限公司), which hold 12.9583%, 12.5809%, 12.4371%, 10.9454%, 8.9863%, 8.0877%, 7.4946% and 5.3918% in Suzhou Gao Ling Qirui respectively and are all Independent Third Parties. The remaining 20.2193% equity interest is held by 11 limited partners who are Independent Third Parties, of which each of such limited partners holds less than 5% of equity interests in Suzhou Gao Ling Qirui. Suzhou Gao Ling Qirui is ultimately owned by PRC nationals who are Independent Third Parties.

Yongxin Phoenix

Yongxin Phoenix is a limited partnership incorporated in the PRC on June 28, 2022 which principally engages in equity investment. As of the date of this announcement, Yongxin Phoenix is held as to 99.95% and 0.05% by Ningbo Yongxin Industrial Investment Partnership (Limited Partnership) (寧波市甬欣產業投資合夥企業 (有限合夥)) (as a limited partner) and Ningbo Tongshang Fund Management Co., Ltd. (寧波通商基金管理有限公司) (as a general partner), which are all Independent Third Parties. Yongxin Phoenix is ultimately owned by Ningbo SASAC which is an Independent Third Party.

Ningbo Shangchuang

Ningbo Shangchuang is a limited partnership incorporated in the PRC on March 11, 2021 which principally engages in equity investment. As of the date of this announcement, Ningbo Shangchuang is held as to 49.95%, 49.95%, 0.05% and 0.05% by Ningbo Hangzhou Bay New Area Emerging Industry Venture Capital Co., Ltd. (寧波杭州灣新區新興產業創業投資有限公司) (as a limited partner), Ningbo Tongshang Venture Capital Partnership (Limited Partnership) (寧波通商創業投資合夥企業 (有限合夥)) (as a limited partner), Ningbo Haichuang Equity Investment Co., Ltd. (寧波海創股權投資有限公司) (as a limited partner) and Ningbo Tongshang Fund Management Co., Ltd. (寧波通商基金管理有限公司) (as a general partner), which are all Independent Third Parties. Ningbo Shangchuang is ultimately owned by Ningbo SASAC which is an Independent Third Party.

Mr. Yu Yuejiang

Mr. Yu Yuejiang (郁岳江) is a PRC national who is an individual investor and Independent Third Party.

HJ Partners

HJ Partners is a limited liability company incorporated in the British Virgin Islands on March 13, 2023 which principally engages in equity investment. As of the date of this announcement, HJ Partners is held as to 99% and 1% by HJ Apex Healthcare Fund L.P. (as a participating shareholder) and HJ Capital Partners (as a management shareholder), which are all Independent Third Parties. HJ Partners is ultimately owned by Mr. Zhang Junjie (張俊傑) who is a PRC national and an Independent Third Party.

Zhangkeherun

Zhangkeherun is a limited partnership incorporated in the PRC on March 18, 2021 which principally engages in venture investment. As of the date of this announcement, Zhangkeherun is held as to 48.95843%, 10.83151%, 10.39825%, 5.41576% and 1% by Shanghai Pudong Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (上海浦東科技創新投資基金合夥企業 (有限合夥)) (as a limited partner), Ningbo Yuedu Venture Capital Partnership (Limited Partnership) (寧波越都創業投資合夥企業 (有限合夥)) (as a limited partner), Zaozhuang Delong Equity Investment Partnership (Limited Partnership) (棗莊德隆股權投資合夥企業(有限合夥)) (as a limited partner), Yangtze River Delta Synergistic Advantage Industrial Equity Investment Partnership (limited partnership) (長三角協同優勢產業股權投資合夥企業(有限合夥)) (as a limited partner) and Shanghai Zhangke Horun Venture Capital Co., Ltd. (上海張科禾潤創業投資有限公司) (as a general partner), which are all Independent Third Parties. The remaining 23.39605% equity interest is held by 10 limited partners who are Independent Third Parties, of which each of such limited partners holds less than 5% of equity interests in Zhangkeherun. Zhangkeherun is ultimately owned by Shanghai Pudong SASAC which is an Independent Third Party.

Huimei Jiankang

Huimei Jiankang is a limited partnership incorporated in the PRC on June 20, 2018 which principally engages in equity investment. As of the date of this announcement, Huimei Jiankang is held as to 21.6608%, 18.3543%, 12.2969% and 0.6832% by Zhuhai Huimei Kangbo Equity Investment Partnership (Limited Partnership) (珠海惠每康帛股權投資合夥企業(有限合夥)) (as a limited partner), Tianjin Haihe Industrial Fund Partnership (Limited Partnership) (天津市海河產業基金合夥企業(有限合夥)) (as a limited partner), Zhuhai Huimei Kangren Equity Investment Partnership (limited partnership) (珠海惠每康仁股權投資合夥企業(有限合夥)) (as a limited partner) and Huimei Yikang (Tianjin) Investment Management Partnership (Limited Partnership) (惠每頤康(天津)投資管理合夥企業(有限合夥)) (as a general partner), which are all Independent Third Parties. The remaining 47.0048% equity interest is held by 20 limited partners who are

Independent Third Parties, of which each of such limited partners holds less than 5% of equity interests in Huimei Jiankang. Huimei Jiankang is ultimately owned by Mr. Luo Rushu (羅如澍) who is a PRC national and an Independent Third Party.

Dongzheng Mingde

Dongzheng Mingde is a limited partnership incorporated in the PRC on March 9, 2023 which principally engages in equity investment. As of the date of this announcement, Dongzheng Mingde is held as to 19.12%, 14.71%, 14.71%, 14.71%, 14.71%, 7.35%, 7.35% and 7.35% by Shanghai Oriental Securities Capital Investment Co., Ltd. (上海東方證券資本投資有限公司) (as a general partner), Shandong Wantong Communication Engineering Co., Ltd. (山東萬通通信工程有限公司) (as a limited partner), Jining Yidetong International Supply Chain Management Co., Ltd. (濟寧市意德通國際供應鏈管理有限公司) (as a limited partner), Mr. Wei Fucai (衛福才) (as a limited partner), Mr. Gong Baoxing (龔寶興) (as a general partner), Mr. Gong Jianping (龔劍平) (as a limited partner), Shanghai Xianhe Industry Co., Ltd. (上海先及實業有限公司) (as a limited partner) and Shanghai Yingbao Investment Management Co., Ltd.(上海盈保投資管理有限公司) (as a limited partner), which are all Independent Third Parties. Dongzheng Mingde is ultimately owned by Orient Securities Company Limited (東方證券股份有限公司) which is a company listed on Shanghai Stock Exchange and the Main Board of the Hong Kong Stock Exchange and an Independent Third Party.

Dongzheng Hechuang

Dongzheng Hechuang is a limited partnership incorporated in the PRC on July 5, 2022 which principally engages in equity investment. As of the date of this announcement, Dongzheng Hechuang is held as to 20%, 19.99%, 17.50%, 15%, 15% and 12.51% by Tongling Dajiang Investment Holding Co., Ltd. (銅陵大江投資控股有限公司) (as a limited partner), Shanghai Oriental Securities Capital Investment Co., Ltd. (上海東方證券資本投資有限公司) (as a general partner), Ms. Gumin (古敏) (as a limited partner), Shanghai Yingbao Investment Management Co., Ltd. (上海盈保投資管理有限公司) (as a limited partner), Shanghai Daojie Investment Co., Ltd. (上海道傑投資有限公司) (as a limited partner) and Zhejiang Guoxiang Holding Co., Ltd. (浙江國祥控股有限公司) (as a limited partner), which are all Independent Third Parties. Dongzheng Hechuang is ultimately owned by Orient Securities Company Limited (東方證券股份有限公司) which is a company listed on Shanghai Stock Exchange and the Main Board of the Hong Kong Stock Exchange and an Independent Third Party.

C＆D Emerging

C＆D Emerging is a limited partnership incorporated in the PRC on June 27, 2016 which principally engages in equity investment. As of the date of this announcement C＆D Emerging is held as to 99.9750% and 0.0250% by Xiamen Jianfa Emerging Industry Equity Investment Co., Ltd. (廈門建發新興產業股權投資有限責任公司) (as a limited partner) and Xiamen Jianxin Investment Co., Ltd. (廈門建鑫投資有限公司) (as a general partner), which are all Independent Third Parties. C＆D Emerging is ultimately owned by Mr. Cai Xiaofan (蔡曉帆) who is a PRC national and an Independent Third Party.

Jiaxing Jingtai

Jiaxing Jingtai is a limited partnership incorporated in the PRC on February 17, 2023 which principally engages in equity investment. As of the date of this announcement, Jiaxing Jingtai is held as to 59.97%, 39.98% and 0.05% by Yao Weijun (姚偉君) (as a limited partner), Li Jiajun(李嘉俊) (as a limited partner) and Shanghai Baoding Investment Management Co., Ltd. (上海寶鼎投資管理有限公司) (as a general partner), which are all Independent Third Parties. Jiaxing Jingtai is ultimately owned by Independent Third Parties.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the general partner of Kangjun Zhongyuan is Kangjun Investment. Kangjun Investment is ultimately owned by Mr. Lou Xiaoqiang, being one of the substantial shareholders an executive Director and the chief operating officer of the Company. Mr. Lou Xiaoqiang and Mr. Li Jiaqing, the Directors of the Company, serve as the directors of Kangjun Investment. In addition, the general partner of Hongfeng Venture is Ningbo Hongfeng, which is in turn owned by Ningbo Huichangjian. Ningbo Huichangjin is owned by Mr. Lou Guoqiang (a brother of Dr. Lou Boliang, one of the substantial shareholders, an executive Director and the chief executive officer of the Company, and Mr. Lou Xiaoqing, one of the substantial shareholders, an executive Director and the chief operating officer of the Company) and Ms. Chen Jing (the spouse of Mr. Lou Guoqiang).

Therefore, each of Kangjun Zhongyuan, Kangjun Investment and Hongfeng Venture is a connected person of the Company, and the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction under the Capital Increase Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"A Shares"	ordinary share(s) of the Company with nominal value of RMB1.00 each listed on the Shenzhen Stock Exchange
"Bayland Capital"	Kangjun Zhongyuan and Kangjun Investment
"Board"	the board of Directors
"C&D Emerging"	Xiamen C&D Emerging Industry Equity Investment No.2 Partnership (L.P.) (廈門建發新興產業股權投資貳號合夥企業(有限合夥)), a limited partnership incorporated in the PRC on June 27, 2016
"Capital Increase Agreement"	the capital increase agreement entered into among the Parties to the Capital Increase Agreement on March 30, 2023 in relation to the capital increase to Pharmaron Ningbo Biologics
"Capital Increase"	subscription for the increased registered capital of RMB188.0 million, RMB12.0 million, RMB20.0 million and RMB729.7676 million in Pharmaron Ningbo Biologics by Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture and the Non-Connected Investors, respectively, pursuant to the Capital Increase Agreement

"CGT"	Cell and Gene Therapy
"Closing Date"	the date on which all of the Relevant Investors contribute all relevant capital to Pharmaron Ningbo Biologics and provide bank remittance slips according to the provisions the Capital Increase Agreement after the closing precedents stipulated in the Capital Increase Agreement are fully met or exempted in writing by the Relevant Investors
"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 on July 1, 2004, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300759) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3759)
"Director(s)"	the director(s) of the Company
"Dongzheng Hechuang"	Tongling Dongzheng Hechuang Equity Investment Partnership (Limited Partnership) (銅陵東證合創股權投資合夥企業 (有限合夥)), a limited partnership incorporated in the PRC on July 5, 2022
"Dongzheng Mingde"	Dongzheng Mingde (Shanghai) Private Fund Partnership (Limited Partnership) (東證明德(上海)私募基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 9, 2023
"Gao Ling"	Suzhou Gao Ling Qirui and Zhuhai Xingbo
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign invested ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
"HJ Partners"	HJP Oxygen Investment Limited, a limited liability company incorporated in the British Virgin Islands on March 13, 2023
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hongfeng Venture"	Ningbo Yufeng Venture Capital Partnership (Limited Partnership) (寧波煜灃創業投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on September 29, 2021
"Huimei Jiankang"	Huimei Jiankang (Tianjin) Private Equity Fund L.P. (惠每健康(天津)股權投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC on June 20, 2018
"Independent Third Party(ies)"	third parties independent of and not connected with the Company and its connected persons

"Investors' Agreement"	the agreement entered into among the Parties to the Capital Increase Agreement on March 30, 2023 in order to protect the interests of the Parties to the Capital Increase Agreement
"Jiaxing Jingtai"	Jiaxing Jingtai Venture Capital Partnership (Limited Partnership) (嘉興晶泰創業投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on February 17, 2023
"Kangjun Investment"	Bayland Capital (Beijing) Co., Ltd. (康君投資管理(北京)有限公司), a limited liability company incorporated in PRC on June 18, 2019
"Kangjun Zhongyuan"	Ningbo Kangjun Zhongyuan Equity Investment Partnership (Limited Partnership) (寧波康君仲元股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 25, 2021
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Ningbo Shangchuang"	Ningbo Shangchuang Equity Investment Partnership (Limited Partnership) (寧波商創股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 11, 2021
"Ningbo Tongshang"	Yongxin Phoenix and Ningbo Shangchuang
"Non-Connected Investors"	Suzhou Gao Ling Qirui, Zhuhai Xingbo, Yongxin Phoenix, Ningbo Shangchuang, Mr. Yu Yuejiang, HJ Partners, Zhangkeherun, Huimei Jiankang, Dongzheng Mingde, Dongzheng Hechuang, C&D Emerging and Jiaxing Jingtai
"Orient Securities Capital"	Dongzheng Hechuang and Dongzheng Mingde
"Pharmaron Ningbo Biologics"	Pharmaron (Ningbo) Biologics Co., Ltd. (康龍化成(寧波)生物醫藥有限公司), a limited liability company incorporated in PRC on October 9, 2020 and a subsidiary of the Company
"PRC"	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
"R&D"	research and development
"Relevant Investors"	Kangjun Zhongyuan, Kangjun Investment, Hongfeng Venture and the Non-Connected Investors
"SASAC"	The State-owned Assets Supervision and Administration Commission of the State Council

"Share(s)"	the ordinary shares of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holders of the Shares
"State Council"	State Council of the People's Republic of China
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou Gao Ling Qirui"	Suzhou Gao Ling Qirui Healthcare Investment, L.P. (蘇州高瓴祈睿醫療健康產業投資合夥企業 (有限合夥)), a limited partnership incorporated in the PRC on January 19, 2021
"USD"	United States dollars, the lawful currency of the United States
"Yongxin Phoenix"	Ningbo Yongxin Phoenix Equity Investment Partnership (Limited Partnership) (寧波甬欣鳳凰股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on June 28, 2022
"Zhangkeherun"	Shanghai Zhangjiang Healthcare Venture Capital Partnership (L.P.) (上海張科禾潤生物醫藥創業投資合夥企業 (有限合夥)), a limited partnership incorporated in the PRC on March 18, 2021
"Zhuhai Xingbo"	Zhuhai Xingbo Enterprise Management Consultation, L.P. (珠海星博企業管理諮詢中心 (有限合夥)), a limited partnership incorporated in the PRC on April 1, 2022

In this announcement, the terms "associate", "connected person", "controlling shareholder", "percentage ratios" and "subsidiary" have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
Pharmaron Beijing Co., Ltd.*
Dr. Lou Boliang
Chairman

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

* *For identification purposes only*