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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)

**INSIDE INFORMATION ANNOUNCEMENT
REGARDING THE ESTIMATE FOR
ANNUAL RESULTS OF 2023**

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 2023. 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 2023

1. Period for the results estimate: January 1, 2023 to December 31, 2023
2. Results estimate

The estimated net profit is positive and falls under one of the following circumstances:

Turn loss into profit Up year-on-year Down year-on-year

Item	Current reporting period	Same period last year
Revenue	Revenue: 11,395.5799 million- 11,703.5685 million Growth compared with the same period of last year: 11% – 14%	Revenue: 10,266.2882 million
Net profit attributable to owners of the parent	Profit: 1,567.0488 million – 1,635.7790 million Growth compared with the same period of last year: 14% – 19%	Profit: 1,374.6042 million

Item	Current reporting period	Same period last year
Net profit attributable to owners of the parent excluding non-recurring gains or losses (<i>Note 2</i>)	Profit: 1,478.2438 million – 1,549.3132 million Growth compared with the same period of last year: 4% – 9%	Profit: 1,421.3883 million
Basic earnings per share (<i>Note 3</i>)	0.8841/share – 0.9229/share	Profit: 0.7750/share
Non-IFRSs adjusted net profit attributable to owners of the parent (<i>Note 4</i>)	Profit: 1,852.6137 million – 1,944.3273 million Growth compared with the same period of last year: 1% – 6%	Profit: 1,834.2710 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 2023 would be in the range of approximately RMB80 million and RMB90 million, which mainly includes the government subsidies included in the current profit and loss, and gains or losses related to the investment in low- and medium-risk bank wealth management products, etc.

Note 3:

The general meeting of the Company approved the Profit Distribution Plan for 2022 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 estimated results have not been audited or pre-audited by Ernst & Young Hua Ming LLP and Ernst & Young (hereinafter collectively referred to as “**Ernst & Young**”), the auditors of the financial statements for 2023 appointed by the Company. The Company has communicated with Ernst & Young on the estimated results, and there is no disagreement between two parties.

III. REASONS FOR CHANGES IN RESULTS

1. Impact of principal business

- 1) The Company’s business plan is carried out in an orderly fashion. During the reporting period, the revenue of each business segment grew steadily, and overall profitability from principal business has also increased;
- 2) The business segments of the Company are still at different stages of development, and the mature segments continue to grow steadily in terms of revenue and profit. Biologics and CGT services and certain overseas operations are still in the early stage of investment, which has reduced the profit growth to a certain extent;
- 3) Mainly due to the price fluctuation of Non Human Primate (NHP), the gains on fair value changes of biological assets during the reporting period decreased significantly as compared with the same period of last year, which reduced the profit growth to a certain extent.

As a result of above, the net profit attributable to owners of the parent excluding non-recurring gains or losses increased by 4% to 9% as compared with the same period of last year; and the non-IFRSs adjusted net profit attributable to owners of the parent increased by 1% to 6% as compared with the same period of last year. Excluding the effect of changes in fair value of biological assets, the non-IFRSs adjusted net profit attributable to owners of the parent increased by 9% to 14% as compared with the same period of last year.

2. Impact of non-recurring gains or losses

As mentioned above, the non-recurring gains or losses attributable to owners of the parent during the reporting period amounted to approximately RMB80 million to RMB90 million. The non-recurring gains or losses attributable to owners of the parent in the same period of last year were RMB-46.7841 million, which was mainly due to the changes in the fair value of other non-current financial assets. The non-recurring gains or losses increased by approximately RMB126.7841 million to RMB136.7841 million.

Under the combined effect of the steady growth of the principal business and the increase in non-recurring gains or losses, the net profit attributable to owners of the parent increased by 14% to 19% as compared with the same period of the last year.

IV. ADDITIONAL INFORMATION

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 or pre-audited by Ernst & Young.
2. Details of the Company's annual results of 2023 prepared under the PRC Accounting Standards for Business Enterprises or IFRSs will be disclosed in the annual report 2023 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 28, 2024

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