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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)

**ANNOUNCEMENT ON THE PLAN OF REPURCHASE OF A SHARES OF
THE COMPANY THROUGH BIDDING**

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 Company proposed to adopt a plan to repurchase the A shares of the Company (the “**A Shares**”) from the Shenzhen Stock Exchange through bidding (the “**Share Repurchase**”). The Repurchase Plan (as defined below) was considered and approved at the seventh meeting of the third session of the board (the “**Board**”) of directors (the “**Directors**”) of the Company held on April 25, 2024.

I. SUMMARY OF THE REPURCHASE PLAN (THE “REPURCHASE PLAN”)

(I) Purpose of the Share Repurchase

In order to safeguard the value of the Company and the interests of shareholders of the Company (the “**Shareholders**”), enhance investor’s confidence, and comprehensively taking into account the Company’s financial conditions, future development and reasonable valuation levels and other factors, the Company proposed to use its own funds to repurchase shares.

(II) Type of Shares to be repurchased

RMB-denominated ordinary shares (A Shares) issued by the Company.

(III) Price for the Share Repurchase

The price for the Share Repurchase shall be no more than RMB31 per share (inclusive), i.e. not higher than 150% of the average trading price of the Company’s A Shares in the 30 trading days prior to the resolution of the Repurchase Plan being considered and approved by the Board. The specific repurchase price shall be determined during the implementation period of the Share Repurchase by taking into account the share price of the Company in the secondary market and the Company’s financial and operational conditions.

If the Company implements ex-rights and ex-dividend matters such as cash dividends, distribution of shares or the conversion of capital reserve into share capital during the Repurchase Period, the price for the Share Repurchase shall be subject to corresponding adjustments in accordance with the relevant regulations of the China Securities Regulatory Commission (the “CSRC”) and the Shenzhen Stock Exchange from the date of ex-right and ex-dividend.

(IV) Total Repurchase Amount and Source of Funds

The Company has set an aggregate amount of no less than RMB200 million (inclusive) and no more than RMB300 million (inclusive) for the Share Repurchase, the specific amount of funds utilized for the Share Repurchase shall be based on actual funds utilized at the end of the Repurchase Period.

The source of funds for the Share Repurchase shall be the Company’s own funds.

(V) Method of Share Repurchase

Through bidding on the Shenzhen Stock Exchange.

(VI) Repurchase Period

The repurchase period shall not exceed three months from the date when the Board approved the Repurchase Plan (the “**Repurchase Period**”). The Board will authorize the management and persons further authorized by them to make repurchase decisions and implement the same during the Repurchase Period based on market conditions as and when appropriate.

If one of the following conditions are met, the expiration of the Repurchase Period will take place earlier:

1. During the Repurchase Period, when the total share repurchase amount reaches RMB300 million, the Repurchase Plan is considered implemented in full and the Repurchase Period will expire early with effect from such date.
2. If the Board resolves to terminate the Repurchase Plan, the Repurchase Period will expire early with effect from the date on which the Board resolved to terminate the Repurchase Plan.

(VII) The use and number of the A Shares proposed to be repurchased, proportion to the Company’s total issued share capital and total amount of funds

The A Shares repurchased will all be cancelled and the Company’s registered capital will be reduced accordingly.

With reference to the total funds for the Share Repurchase which is expected to range between RMB200 million and RMB300 million, calculated with the upper limit of the price for the Share Repurchase of RMB31 per share (inclusive), the expected number of A Shares to be repurchased will range between 6,451,613 A Shares and 9,677,419 A Shares, representing approximately 0.36% and 0.54% of the total issued share capital of the Company as at the date of this announcement (being 1,787,394,297 Shares), respectively. The specific number of A Shares to be repurchased and the proportion to the Company's total issued share capital shall be subject to the actual number of A Shares repurchased upon completion of the Share Repurchase or at the end of the Repurchase Period.

(VIII) Expected changes in the Company's shareholding structure after the Share Repurchase

The total amount of funds for the Share Repurchase is expected to be between RMB200 million and RMB300 million, with reference to the upper limit of the price for the Share Repurchase of RMB31 per share (inclusive), it is expected that the number of A Shares to be repurchased will range between 6,451,613 A Shares and 9,677,419 A Shares. The exact number of shares repurchased is based on the actual number of shares repurchased at the end of the repurchase. If the Company implements ex-rights and ex-dividend matters such as cash dividends, distribution of shares or the conversion of capital reserve into share capital, during the Repurchase Period, the estimated number of shares to be repurchased as measured above will be adjusted accordingly from the date of ex-rights and ex-dividend of the share price. Based on the shareholding structure of the Company as at April 24, 2024, the changes in the Company's shareholding structure following the completion of the Share Repurchase and the cancellation of the repurchased A Shares are as follows:

Type of Shares	Number of Shares before the Share Repurchase (shares)	Percentage to the total issued share capital (%)	Number of Shares after the Share Repurchase at the upper limit of the repurchase amount		Number of Shares after the Share Repurchase at the lower limit of the repurchase amount	
			Number of Shares (shares)	Percentage to the total issued share capital (%)	Number of Shares (shares)	Percentage to the total issued share capital (%)
Shares with restricted conditions (A Shares)	57,273,787	3.20	57,273,787	3.22	57,273,787	3.22
Shares without restricted conditions (A Shares)	1,428,583,385	79.93	1,418,905,966	79.82	1,422,131,772	79.85
H Shares	301,537,125	16.87	301,537,125	16.96	301,537,125	16.93
Total number of Shares	<u>1,787,394,297</u>	<u>100.00</u>	<u>1,777,716,878</u>	<u>100.00</u>	<u>1,780,942,684</u>	<u>100.00</u>

Notes:

1. The discrepancies between the total and sums of amounts in the table above are due to rounding.
2. The above share capital before repurchase is the total share capital of the company as of April 24, 2024.
3. The above figures are for reference only. The specific number of repurchased A Shares and the actual changes to the Company's shareholding structure are subject to the actual conditions upon completion of the subsequent implementation of the Share Repurchase.

(IX) Analysis on the possible impact of the Share Repurchase on the Company's daily operations, financial conditions, research and development, profitability, debt repayment ability, future development and maintenance of listing status

As at December 31, 2023, the Company's total assets amounted to RMB26.48 billion, net assets attributable to shareholders of the Company amounted to RMB12.56 billion, current assets amounted to RMB10.87 billion and approximately 50% of the asset-liability ratio of the latest audited financial report. The maximum amount of funds for the Share Repurchase (i.e. RMB300 million) represent approximately 1.13% of the Company's total assets, approximately 2.39% of the net assets attributable to shareholders of the Company, approximately 2.76% of the current assets, each with reference to the Company's financial position as at December 31, 2023. Based on the above financial data, and taking into consideration factors including the Company's stable operations and risk management, the Company is of the view that the Share Repurchase will not have material impact on the Company's daily operations, financial conditions and future development. The implementation of the Repurchase Plan will not result in the shareholding distribution of the Company not being able to meet the listing requirements, and will not affect the listing status of the Company.

All directors of the Company undertakes that the Share Repurchase will not prejudice the Company's ability to repay its debts and continue to operate.

The Board has recently learned of investors' concerns about the Company's market value management and suggested that the Company repurchase shares through investor hotlines, interactive platforms and other methods. Based on the current Company's stock price, in order to safeguard the Company's value and shareholders' interests and enhance investors' confidence, the Board decided to implement the Repurchase Plan.

(X) Explanation on whether the Directors, supervisors and senior management, actual controllers of the Company had dealt in the Company's Shares within 6 months before the Board's resolution on the Share Repurchase, their intention (together with that of shareholders with 5% or more shareholding) to decrease their shareholding in the next 6 months, whether they have any conflicts of interest in the Repurchase Plan and whether there is any insider dealing, market manipulation and plans to increase or decrease their shareholdings in the Company during the Repurchase Period

Upon self-examination, within six months before the resolution of the Board approving the Repurchase Plan, the Company's directors, supervisors, senior managers, actual controllers and persons acting in concert did not buy or sell, increase or decrease their holdings of the company's shares, and did not individually or cooperate with others to engage in insider trading and market manipulation.

As of the date of this announcement, the Company has not received any plans to increase or decrease its holdings during the Repurchase Period and in the six months from its directors, supervisors, senior managers, actual controllers and their persons acting in concert, and shareholders with 5% or more shareholding. If the aforementioned entities propose a shareholding reduction plan, the Company will promptly comply with its disclosure obligations in accordance with relevant regulations.

(XI) Relevant arrangements for the cancellation of the repurchased A Shares according to laws and prevention of acts prejudicing the interests of the creditors of the Company

The repurchased A Shares will be fully cancelled upon completion of the Share Repurchase. The Company will handle the cancellation procedures of the repurchased A Shares, reduce the Company's registered capital and amend the Articles of Association, and fulfill its disclosure obligations in a timely manner in accordance with relevant laws, regulations, and the provisions under the Articles of Association of the Company. The Company will promptly implement relevant corporate procedures and notify all creditors in order to fully protect their legitimate rights and interests.

The repurchased A Shares are intended to be fully utilized for cancellation and reducing the registered capital of the Company.

(XII) Specific authorization for handling matters relating to the Share Repurchase

The Share Repurchase is authorized by the Board on April 25, 2024. In accordance with Share Repurchase Rules for Listed Companies (上市公司股份回購規則) and the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 9 – Repurchase of Shares (深圳證券交易所上市公司自律監管指引第 9 號 – 回購股份) and the Articles of Association of the Company, the Share Repurchase was approved by more than two-thirds of the directors present. It was reviewed and approved by the Board and Shareholders' approval at the Company's general meeting is not required.

In order to complete the Share Repurchase in a smooth, efficient and orderly manner, the Board has authorized the management of the Company to handle matters relating to the Share Repurchase. The authorization included but is not limited to:

1. To the extent permitted by laws and regulations, and based on the specific conditions of the Company and the market, to formulate and implement a specific plan for the Share Repurchase, including selecting an opportunity to repurchase shares during the Repurchase Period and determining the specific time, price, and quantity of the repurchase. etc., and make corresponding adjustments in accordance with relevant laws and regulations or the provisions of the Articles of Association of the Company;
2. Where any laws, regulations and regulatory authorities is updated or there are any changes to the market conditions, in addition to matters that must be reconsidered by the Board in accordance with relevant laws, regulations, regulatory authorities, or the Articles of Association of the Company, in accordance with relevant laws, regulations, regulatory authorities, or the Articles of Association of the Company in combination with market conditions and the circumstances of the Company, to adjust the Repurchase Plan and continue to implement the Share Repurchase;
3. Establish a designated securities account for repurchase or other related securities accounts;
4. Attend to relevant approval matters, including but not limited to the production, authorization, signing, execution, modification, and completion of all necessary documents, contracts, agreements, contracts, etc. related to the Share Repurchase;
5. Handle any other matters not listed above but necessary for the repurchase.

The forging authorization period is valid from the date where the Board approves the Repurchase Plan to the date the above authorization matters are resolved.

II. RISKS OF UNCERTAINTY IN RELATION TO THE REPURCHASE PLAN

1. If the price of the Company's A Shares continuously exceeds the upper limit of the price under the Repurchase Plan, there may be a risk of failure in the implementation of the Repurchase Plan.
2. The Repurchase Plan may needs to be changed or terminated in accordance with the rules due to major changes in the Company's operational and financial conditions, external macro conditions, etc.
3. Should the Repurchase Plan have a significant impact on the Company's stock trading price, or the Company does not meet the conditions as stipulated in applicable laws or regulations, there may be a risk that the Repurchase Plan cannot be implemented or can only be partially implemented.

The Company will make repurchase decisions and implement the same as and when appropriate during the Repurchase Period with reference to market conditions, and will fulfill information disclosure obligations based on the progress of the Share Repurchase in a timely manner.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Beijing, the PRC
April 25, 2024

As at the date of this announcement, the Board 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; Ms. Li Lihua, Mr. Zhou Qilin, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.