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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
INTERIM RESULTS OF 2024**

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 interim results of 2024. 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 INTERIM RESULTS OF 2024

1. Period for the results estimate: January 1, 2024 to June 30, 2024
2. Results estimate

The estimated net profit attributable to owners of the parent increased year-on-year, while the 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 decreased year-on-year.

Item	Current reporting period	Same period last year
Revenue	Revenue: 5,470.9146 million – 5,640.1181 million Decrease compared with the same period of last year: 0%-3%	Revenue: 5,640.1181 million
Net profit attributable to owners of the parent	Profit: 1,055.1508 million – 1,142.8755 million Growth compared with the same period of last year: 34%-45%	Profit: 786.0930 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: 445.1508 million – 482.8755 million Decrease compared with the same period of last year: 36% – 41%	Profit: 754.4929 million
Basic earnings per share	Profit: 0.5953/share – 0.6448/share	Profit: 0.4442/share
Non-IFRSs adjusted net profit attributable to owners of the parent (<i>Note 3</i>)	Profit: 670.9334 million – 717.5260 million Decrease compared with the same period of last year: 23% – 28%	Profit: 931.8519 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 interim period of 2024 would be in the range of approximately RMB610 million and RMB660 million, which mainly includes:

- 1) During the reporting period, PROTEOLOGIX, INC. (hereinafter referred to as “**PROTEOLOGIX**”) a company in which the Company holds a minority interest, was acquired by Johnson & Johnson by way of a merger. The Company consented to the merger having taken into account factors including PROTEOLOGIX’s technical capabilities and operating conditions. The Company cooperated with PROTEOLOGIX in the transfer of all of its equity interests in PROTEOLOGIX held directly by a subsidiary of the Company for consideration of approximately US\$102 million.

On June 21, 2024, Johnson & Johnson completed the merger of PROTEOLOGIX, and the Company received the payment of US\$86.195 million (after deducting relevant transaction fees and making relevant adjustments). The milestone payment will be paid upon achievement of certain milestone in accordance with the Merger Agreement.

The disposal of equity interests in PROTEOLOGIX affected the non-recurring gains or losses for the reporting period by approximately RMB560 million.

- 2) Gains from redemption of convertible bonds, income from government subsidies and gains related to wealth management products during the reporting period.

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) Convertible Bonds related gains or losses; 5) Other incidental, non-cash or non-operating items.

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

In the first quarter of 2024, the Company's revenue decreased by 1.95% year-on-year.

In the second quarter of 2024, with improved global biotech funding, the Company's revenue is expected to increase quarter-on-quarter compared to the first quarter of 2024, and achieved a slight year-on-year growth compared to the second quarter of 2023. By business segments, the revenue of laboratory services reached a record high as a result of the growth of new purchase orders; the revenue of CMC (small molecule CDMO) services increased quarter-on-quarter, and more projects are expected to be delivered in the second half of 2024; the revenue of clinical development services, and Biologics and CGT services increased both quarter-on-quarter and year-on-year.

In the first half of 2024, the Company's revenue is estimated to decrease slightly year-on-year. With improved request for proposals and customer visits, the Company's new purchase orders increased by over 15% year-on-year. With the comprehensive impact of slightly decreased revenue, increased recruiting in the second half of 2023, increased syndicated loans at the end of 2023, and the operation of newly production capacity at the end of 2023 and during the reporting period, the net profit attributable to owners of the parent excluding non-recurring gains or losses decreased by 36% to 41% year-on-year; and the non-IFRSs adjusted net profit attributable to owners of the parent decreased by 23% to 28% year-on-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 RMB610 million to RMB660 million. The non-recurring gains or losses attributable to owners of the parent in the same period of last year were RMB31.6001 million. The non-recurring gains or losses increased by approximately RMB578.3999 million to RMB628.3999 million.

Under the combined effect of the principal business and the non-recurring gains or losses, the net profit attributable to owners of the parent increased by 34% to 45% 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 by the certified public accountants.
2. Details of the Company's interim results of 2024 prepared under the PRC Accounting Standards for Business Enterprises or IFRSs will be disclosed in the interim report 2024 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
July 21, 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.