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)

SUPPLEMENTAL ANNOUNCEMENT REGARDING THE ACQUISITION OF 82.54% INTEREST IN BIORTUS CONSTITUTING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated October 28, 2025 regarding the acquisition of 82.54% interest in Biortus (the "**Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as used in Announcement. In addition to the information disclosed in the Announcement, the Company would like to provide additional details on the factors considered by the Company in arriving at the consideration for the Acquisition.

In determining the consideration of the Acquisition, the Company has conducted a comprehensive valuation of Biortus based on its understanding of the CRO service market and its own experiences in the business. As disclosed in the Announcement, the Company arrived at its valuation of Biortus by comparing with four comparable companies operating in the same industry which are listed and offer publicly available and reliable financial data for the purpose of the comparison. All selected comparable companies outlined below have primary operations based in the PRC and operate CRO businesses similar to Biortus' business, and are listed companies whose business most closely resembles that of Biortus amongst listed companies. The P/S and P/E values of these comparable companies are referred to in the comprehensive valuation of Biortus as these values are commonly adopted financial indicators for assessing CRO businesses with profitability being the most crucial factor to assess CROs, which Biortus has demonstrated through its steady growth in its revenue and profits. Further, since the core competitiveness of a CRO lies in its professional talents and technologies, other assessing criteria such as the asset-based value would not accurately reflect its fair value.

The particulars of the respective valuations of the comparable companies and Biortus are outlined below:

	Principal place of operation	**Market Capitalization as of the date of the valuation** *(RMB'billion)*	**Revenue for FY2024** *(RMB'million)*	**P/S Value**[5]	**Net Profit for FY2024** *(RMB'million)*	**P/E Value**[5]
The Company	PRC	60.1	12,276[1]	4.9	1,714	35.1
Comparable Company A	PRC	313.5	39,241[2]	8.0	9,568	32.8
Comparable Company B	PRC	5.3	1,987[3]	2.7	167[6]	32.0
Comparable Company C	PRC	10.9	1,038[4]	10.5	N/A[7]	–
Average value	**–**	**–**	**–**	**6.5**	**–**	**33.3**
Biortus	PRC	–	240	6.2	60	26.0

Note:

1. As of June 30, 2025, over 50% of the Company's revenue is generated from CRO businesses. The Company is primarily engaged in providing fully-integrated drug research, development and manufacturing services throughout the research and development cycle. For details, please refer to the Company's interim report dated September 26, 2025.

2. Comparable Company A is primarily engaged in research and development and manufacturing services to the global pharmaceutical and life sciences industry. It has a long-established market standing in CRO businesses (although specific breakdown of revenue contribution from its CRO business is not publicly available) and is listed on both the Stock Exchange and the Shanghai Stock Exchange.

3. Comparable Company B is primarily engaged in provision of structure-based drug discovery services to biotechnology and pharmaceutical companies worldwide. It is listed on the Stock Exchange, as of June 30, 2025, a majority of its revenue is generated from CRO businesses.

4. Comparable Company C is primarily engaged in provision of contract research services in relation to drug discovery, pharmaceutical research and pre-clinical research. It is listed on the Shanghai Stock Exchange, as of June 30, 2025, substantially all revenue of Comparable Company C is generated from CRO businesses.

5. The P/S and P/E values of each comparable company is determined with reference to their market capitalization as of September 15, 2025.

6. Represents the adjusted net profit of the respective comparable companies after adjusting for non-controlling shareholders' interests for FY2024.

7. Comparable Company C recorded a net loss for FY2024 and therefore a P/E value is not applicable, which is excluded from the calculation of the average P/E value.

In selecting comparable companies for the valuation analysis, the Company has taken into account the following considerations:

(i) The comparable companies provide pre-clinical CRO services including structural biology to global research institutions, pharmaceutical and biotechnology companies (which is most analogous to Biortus' business operations), whilst CROs primarily engaged in other fields (such as animal testing) were not included from the selection of comparable companies. The selected comparable companies also generate majority of their total revenue from their CRO operations, or otherwise have a long-established market standing in the field;

(ii) All of the comparable companies are principally based in the PRC and have a global portfolio of clients, with specific business focus in serving international clients; and

(iii) All of the comparable companies are publicly listed on major stock exchanges, ensuring that their respective valuation benchmarks reflect fair market pricing for these comparable companies.

The Company is of the view that the shortlisted comparable companies are comprehensive and, based on the Company's understanding of the CRO industry on a best efforts basis, represents an exhaustive list of companies falling into the parameters outlined above.

In carrying out the comprehensive valuation of Biortus with reference to (amongst other factors), assessment of these comparable companies, the Company has adopted the following key quantitative inputs and assumptions:

(i) The Company has assumed that P/S and P/E values are the most appropriate benchmarks and the usual market practice for assessing the fair value of companies that operate CRO businesses (for reasons set out above);

(ii) The analysis assumes that the most recent publicly available full-year financial figures for the comparable companies provide a reliable basis for comparison with their respective market capitalizations;

(iii) The Company has also taken into consideration a liquidity difference between the publicly listed shares of the comparable companies and the unlisted shares of Biortus, valuing Biortus at a discount to reflect the illiquidity of its shares; and

(iv) The financial figures and operating information of these comparable companies are generally available to the public, therefore it is assumed that all parties to the Acquisition have had enough opportunities and time to obtain market information so as to make reasonable and rational judgment on the valuation of Biortus.

For the reasons set out in the Announcement and above, the Company has determined that the comprehensive valuation of Biortus is RMB1.5 billion after arm's length negotiations with the relevant transferors, and the negotiated comprehensive valuation is in line with the valuation analysis conducted by the Company (based on P/S and P/E values). Accounting for the value of the 17.46% equity interest retained by the Management Shareholders, valued at approximately RMB154 million, being the valuation at which the Management Shareholders disposed of 3.08% of their equity interest at the consideration of approximately RMB27.2 million under Biortus Agreement C, the Company arrived at the total consideration of RMB1,346 million for the Acquisition.

Furthermore, the consideration payable for the Acquisition has also taken into account the historical post-investment valuation as well as the financial performance of Biortus, as disclosed in the Announcement, as one of the conditions precedent to the Acquisition, it is expected that at the time of the close of the Acquisition, Biortus is expected to have a cash and bank deposit balance of no less than RMB335 million. The differentiated consideration for each transferor under the Biortus Agreements also fairly took into account the risk and contribution (reflected by the share subscription or transfer agreement and corresponding payment record of each transferor at the time of their respective investment in Biortus) (including the cost of capital over time and the greater risks that are often associated with earlier stages of investment in a business), as well as the valuation at which the different investors of Biortus invested at, and provide a fair return for all such investors, ensuring that each of the transferors under the Biortus Agreements endorses and are willing to participate in the Acquisition, and are fair and reasonable for the Company as well as the respective transferors of the Acquisition.

For the reasons outlined above, the Board is of the view that the consideration for the Acquisition is fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

The shareholders and potential investors of the Company should note that as the Acquisition is subject to the fulfilment or waiver (as applicable) of the conditions precedent under the Biortus Agreements, the Acquisition may or may not proceed. The shareholders and potential investors of the Company are therefore advised to 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
November 17, 2025

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. Li Jiaqing and Ms. Wan Xuan as non-executive Directors; Ms. Li Lihua, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.