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康龙化成
PHARMARON

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
PROPOSED ISSUE OF (i) US$300.0 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2026 AND (ii) RMB1,916.0 MILLION US$-SETTLED ZERO COUPON CONVERTIBLE BONDS DUE 2026

Reference is made to the announcement of Pharmaron Beijing Co., Ltd.* (the "**Company**") dated June 9, 2021 in relation to the proposed issue of the Bonds by the Company (the "**Announcement**"). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

This announcement is made to provide supplemental information on (i) the implications of the connected relationship between the Company and CLSA Limited and (ii) the allocation of proceeds to the proposed uses of proceeds.

CONNECTED TRANSACTION BETWEEN THE COMPANY AND CLSA LIMITED

As disclosed in the Announcement, CLSA Limited is an indirect wholly-owned subsidiary of CITIC Securities Co. Ltd. (中信証券股份有限公司). CITIC Securities Co Ltd. is the sole shareholder of Gold Stone Investment Co., Ltd. (金石投資有限公司), which is in turn the sole shareholder of CITIC M&A Fund Management Co., Ltd. (中信併購基金管理有限公司), the general partner of the Company's shareholders Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Liability Partnership) (深圳市信中康成投資合夥企業(有限合夥)) and Shenzhen Xinzhong Longcheng Investment Partnership (Limited Liability Partnership) (深圳市信中龍成投資合夥企業(有限合夥)) holding in total approximately 23.37% equity interests in the Company. Pursuant to Rule 14A.13 of the Listing Rules, CLSA Limited is a connected person of the Company. As such, the engagement of CLSA Limited and payment of the relevant fees and expenses to CLSA Limited under the Subscription Agreement (the "**Engagement**") constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the fee letter to be entered into by the Company and CLSA Limited on June 18, 2021 as a closing condition to the Subscription Agreement, CLSA Limited is entitled to a commission of approximately US$3.96 million (the "**Commission**"). The Commission was determined after arm's length negotiations based on factors applicable to all Joint Lead Managers including the terms and conditions of their respective engagements and the prevailing market rates for similar transactions.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Commission is more than 0.1% but less than 5%, and all other applicable percentage ratios are less than 5%, the Engagement is subject to the reporting and announcement requirements but does not require approval by independent Shareholders of the Company.

Information on CLSA Limited

CLSA Limited is a company incorporated in Hong Kong with limited liability. It is a corporation licensed under the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong) to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 7 (providing automated trading services). CLSA Limited is a capital markets and investment group focused on alternative investment, asset management, corporate finance and capital markets, securities and wealth management for corporate and institutional clients around the world.

Board's Approval and Directors' View

The Engagement and the Commission were approved by the Board. Since both Mr. CHEN Pingjin is a deputy general manager of and Mr. HU Baifeng is a director of Gold Stone Investment Co., Ltd., they have abstained from voting on the relevant resolutions of the Board approving the Engagement and the Commission.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Engagement and the Commission are in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

ALLOCATION OF PROCEEDS TO THE PROPOSED USES OF PROCEEDS

The Company wishes to supplement on the allocation of proceeds to the proposed uses of proceeds as follows:

Use of proceeds	**Amount** *(USD million)*	**Percentage** *(%)*
1. Expanding capacities and capabilities of the Group's pharmaceutical process development and manufacturing facilities (i.e. CMC services) for small molecule drugs	195.8	33.33
2. Expanding the Group's R&D and manufacturing service platform for biologics	195.8	33.33
3. Expanding capabilities of the Group's laboratory services	78.3	13.33
4. Expanding capacities and capabilities of the Group's laboratory and manufacturing facilities in the United Kingdom	58.8	10.01
5. Working capital and general corporate purposes	58.8	10.01
Total	**587.5**	**100.00***

* *discrepancy in the table between the total and the sum of the amounts listed are due to rounding.*

Save as stated above, all other information set out in the Announcement remains unchanged.

By Order of the Board
Pharmaron Beijing Co., Ltd.*
康龍化成(北京)新藥技術股份有限公司
Dr. LOU Boliang
Chairman

Beijing, the PRC
June 11, 2021

As at the date of this announcement, the Board of Directors of the Company 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, and Mr. DAI Lixin, Ms. CHEN Guoqin, Mr. TSANG Kwan Hung Benson and Mr. YU Jian as independent non-executive Directors.

* *For identification purposes only*