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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)

CONNECTED TRANSACTION IN RELATION TO INVESTMENT IN THE KANGJUN ZHONGYUAN FUND

INVESTMENT IN THE KANGJUN ZHONGYUAN FUND

On August 12, 2021, Kangjun Investment (as the General Partner) and eleven Limited Partners, namely, the Company, Ningbo Hongwan, Hainan Junqi, Ningbo Industrial Development Fund, Yu Yuejiang, Pingtanjianfa, Orient Securities, Linxuanzhiyao, Wang Bo, Service Trade Fund and Beijing Zhongkangzhiyuan entered into the Limited Partnership Agreement in relation to the investment in the Kangjun Zhongyuan Fund. The primary investment objective of the Kangjun Zhongyuan Fund is the equity investment or convertible bond investment for the purposes of equity investment in companies with innovative technologies or innovative service platforms in the biomedical industry.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Kangjun Investment is owned by Ningbo Kangwan, the Company and Legend Capital as to 40%, 30% and 30%, respectively. Ningbo Kangwan is owned by Ningbo Hongwan as to 75%, which is in turn owned jointly by Mr. Lou Xiaoqiang and Ms. Zheng Bei, the Directors of the Company. Therefore, Ningbo Kangwan is a subsidiary of Ningbo Hongwan and each of Ningbo Kangwan and Ningbo Hongwan is an associate of the Directors. Legend Capital is a substantial shareholder of the Company and holds 30% equity interest in Kangjun Investment and 100% equity interest in Hainan Junqi; therefore, each of Kangjun Investment and Hainan Junqi is an associate of the substantial shareholder. Beijing Zhongkangzhiyuan is owned as to 0.06% by Ningbo Kangwan as its general partner and 60.57% by Mr. Lou Xiaoqiang, a Director of the Company, as its limited partner and therefore is his associate.

As such, the entering into of the Limited Partnership Agreement and the investment in the Kangjun Zhongyuan Fund constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the annual caps are more than 0.1% but less than 5%, and all applicable percentage ratios are less than 5%, the entering into of the Limited Partnership Agreement and the investment in the Kangjun Zhongyuan Fund are only subject to the reporting and announcement requirements but do not require the approval by independent Shareholders of the Company.

INTRODUCTION

On August 12, 2021, Kangjun Investment (as the General Partner) and eleven Limited Partners, namely, the Company, Ningbo Hongwan, Hainan Junqi, Ningbo Industrial Development Fund, Yu Yuejiang, Pingtanjianfa, Orient Securities, Linxuanzhiyao, Wang Bo, Service Trade Fund and Beijing Zhongkangzhiyuan entered into the Limited Partnership Agreement in relation to the investment in the Kangjun Zhongyuan Fund. The primary investment objective of the Kangjun Zhongyuan Fund is the equity investment or convertible bond investment for the purposes of equity investment in companies with innovative technologies or innovative service platforms in the biomedical industry.

THE LIMITED PARTNERSHIP AGREEMENT

The salient terms of the Limited Partnership Agreement are set out as follows:

Date

August 12, 2021

Parties

1. General Partner: Kangjun Investment;
2. Limited Partners: Ningbo Hongwan, the Company, Hainan Junqi, Ningbo Industrial Development Fund, Yu Yuejiang, Pingtanjianfa, Orient Securities, Linxuanzhiyao, Wang Bo, Service Trade Fund and Beijing Zhongkangzhiyuan

Investment Mandate

The primary investment objective of the Kangjun Zhongyuan Fund is the equity investment or convertible bond investment for the purposes of equity investment in companies with innovative technologies or innovative service platforms in the biomedical industry. As at the date of this announcement, there are no particular investment targets.

Term of the Kangjun Zhongyuan Fund

The term of the Kangjun Zhongyuan Fund shall be seven (7) years commencing from the First Closing Date (unless terminated earlier in accordance with the Limited Partnership Agreement). However, if the Kangjun Zhongyuan Fund still has unrealized partnership property upon the expiration of the term, the term may be extended to the date on which all of the assets of the Kangjun Zhongyuan Fund are realized and distributed, such extension shall be not more than two (2) years, subject to the approval of the General Partner and the Limited Partners holding two-thirds (2/3) (inclusive and Service Trade Fund included) or more of the equity interest.

Capital Contribution

Under the Limited Partnership Agreement, the initial capital contribution payable by each of the General Partner and Limited Partners is as follows:

No.	Partners	Capital Contribution (RMB)	Percentage
<i>General Partner</i>			
1.	Kangjun Investment	3.50 million	0.25%
<i>Limited Partners</i>			
2.	Ningbo Hongwan	350.00 million	25.00%
3.	The Company	260.00 million	18.57%
4.	Ningbo Industrial Development Fund ⁺	250.00 million	17.86%
5.	Service Trade Fund ⁺	200.00 million	14.29%
6.	Yu Yuejiang ⁺	120.00 million	8.57%
7.	Pingtanjianfa ⁺	70.00 million	5.00%
8.	Orient Securities ⁺	50.00 million	3.57%
9.	Linxuanzhiyao ⁺	50.00 million	3.57%
10.	Hainan Junqi	20.00 million	1.43%
11.	Wang Bo ⁺	10.00 million	0.71%
12.	Beijing Zhongkangzhiyuan	16.50 million	1.18%

⁺ denotes Independent Third Party

Note: Any discrepancies between the totals and sums of amounts listed are due to rounding.

The First Closing Date shall be the date when the Total Capital Contribution by all partners to the Kangjun Zhongyuan Fund reaches RMB500 million or as otherwise decided by the General Partner, and the General Partner shall issue a written notice to all Limited Partners informing them of the same.

The capital contribution to the Kangjun Zhongyuan Fund was determined after arm's length negotiation between the General Partner and the Limited Partners with reference to the amount each party subscribed for. The Company intends to fund its capital contribution from the existing internal resources of the Group other than the proceeds from the initial public offerings of the Company's A Shares and/or H Shares.

Subsequent Fund Raising

The subsequent fund raising period shall be a period of not more than twelve (12) months from the First Closing Date. From the First Closing Date to the expiry date of such subsequent fund raising period, the General Partner may, at its sole discretion, decide to complete one or more closing(s) to accept new Limited Partners' capital contribution to the Kangjun Zhongyuan Fund or to accept the additional capital contribution to the Kangjun Zhongyuan Fund by existing Limited Partners (together with new Limited Partners, the "**Subsequent Limited Partners**" in respect of the portion of their additional capital contribution), and increase the Total Capital Contribution accordingly. The General Partner may independently determine the subsequent closing matters of the Kangjun Zhongyuan Fund based on the subsequent subscriptions, including the signing of documents relating to the subsequent closing(s) by the General Partner and Subsequent Limited Partners and the issuance of capital contribution notice to Subsequent Limited Partners. The final closing shall take place before the first anniversary of the First Closing Date.

Capital Call

The first installment of capital contribution represents forty percent (40%) of the Total Capital Contribution made by each Limited Partner, or shall be the amount determined by the General Partner based on investment of the fund projects and notified to each Limited Partner in writing. The first installment of capital contribution of the Limited Partners shall be made on the First Closing Date, and that of Subsequent Limited Partners shall be made on the subsequent closing date specified by the General Partner in the drawdown notice when they join the Kangjun Zhongyuan Fund. When the General Partner requires each Limited Partner to pay the first installment of capital contribution, it shall issue a capital contribution notice to each Limited Partner at least ten (10) working days in advance.

Subsequent capital contributions shall be paid up in one or more installments as required by the General Partner, and the specific time and amount of each contribution shall be notified in writing by the General Partner to each Limited Partner upon determination based on fund usage and project investment of the Kangjun Zhongyuan Fund. When the General Partner requires each Limited Partner to pay the subsequent capital contributions, it shall issue a capital contribution notice to each Limited Partner at least ten (10) working days in advance, specifying the amount of capital contribution payable by such Limited Partner and the receipt date. Notwithstanding the foregoing provisions, the General Partner shall issue a capital contribution notice to each Limited Partner after the project investment amount reaches 80% (inclusive) or more of the paid-in capital contribution collected from the previous capital call.

Auditing of the Kangjun Zhongyuan Fund

The Kangjun Zhongyuan Fund establishes account books and conducts independent accounting. The General Partner prepares accounting statements in accordance with the Accounting Standards for Business Enterprises and submits quarterly, interim and annual reports to the Limited Partners on a regular basis.

Management of the Fund

Kangjun Investment is the General Partner who manages the external investment of the Kangjun Zhongyuan Fund. The Fund Manager shall establish an investment committee comprising four (4) members within one (1) month from the First Closing Date. The main duties of the investment committee are: to review and resolve on the proposals of significant investment matters such as investments and project divestment(s) (except for project divestment(s) which are subject to liquidation procedures) submitted by the investment management team of the Kangjun Zhongyuan Fund in accordance with the Limited Partnership Agreement. Without the consent of three-fourths (3/4) (inclusive) or more of the members of the investment committee, the General Partner or the Fund Manager shall not carry out material investment-related matters such as external investments or divestments on behalf of the Kangjun Zhongyuan Fund.

In addition, the Kangjun Zhongyuan Fund shall establish an advisory committee comprising not more than five (5) members. Members of the advisory committee shall be appointed by the Limited Partners who are approved by the General Partner and have made a capital contribution of more than RMB100 million or other Limited Partners nominated by the General Partner. Members of the advisory committee with voting rights shall not be representatives of the Special Limited Partner, the General Partner, the Fund Manager and their related parties.

Management Fee

The annual management fee to be borne by the Limited Partners (other than the Special Limited Partner) shall be two percent (2%) of their Total Capital Contribution to the Kangjun Zhongyuan Fund. If the corresponding period of the management fee is less than one year, it shall be calculated by dividing the number of calendar days in the relevant period by 365 days (the same below). From the end of the investment period to the day before the liquidation period of the Kangjun Zhongyuan Fund, the management fee to be borne by the Limited Partners (other than Special Limited Partners) shall be two percent (2%) of the investment principal (for the avoidance of doubt, including the investment funds reasonably reserved for the subsequent investment of the existing invested enterprises pursuant to the resolutions made by the investment committee before the end of the investment period after the investment period; the investment principal of the realized part of some invested enterprises that were out of realization shall be deducted) that has been used for investment but has not been withdrawn at the time of payment of the management fee.

No management fee is payable by the General Partner and the Special Limited Partner.

Distribution of Returns

(1) Cash distribution

The distribution principle for the Kangjun Zhongyuan Fund is “paying back before distributing profits”, and the distributable funds shall be distributed in accordance with the distribution ratio agreed in the Limited Partnership Agreement. The portion calculated according to the respective distribution ratio of the General Partner and the Special Limited Partner shall be distributed to the General Partner and the Special Limited Partner, while the portion calculated according to the aforesaid distribution ratio of the Limited Partners other than the Special Limited Partner shall be further distributed between the Limited Partners and the General Partner in the following priority:

- 1) First priority: return the cumulative paid-in capital contribution of the Limited Partners, i.e. 100% to the Limited Partners, until the cumulative distribution amount obtained by the Limited Partners in accordance with this item 1) is equal to the cumulative paid-in capital contribution of the Limited Partners to the Kangjun Zhongyuan Fund as at the time of distribution.
- 2) Second priority: pay the Preferred Return to the Limited Partners, i.e. distribution to the Limited Partners if there is any balance after the distribution under item 1) above, until the annualized return on investment of 8%/year (simple interest) of the total paid-in capital contribution of the Limited Partners is realized on the accumulated distribution amount obtained by the Limited Partners under this item 2) (whichever is later, starting from the receipt date notified by each drawdown notice and the date on which the Limited Partners actually pay the capital contribution for that period, respectively, until the time of such distribution) (the “**Preferred Return**”).
- 3) Third priority: if there is any remaining balance, make up for the return of the General Partner, i.e. 100% distribution to the General Partner until the cumulative amount obtained by the General Partner pursuant to this item 3) is equal to the amount of cumulative Preferred Return obtained by the Limited Partners pursuant to item 2) above/80%×20%. For the avoidance of doubt, the portion to be distributed to the General Partner based on its capital contribution shall not be counted in the cumulative amount of this item 3).
- 4) Fourth priority: “20/80” distribution, i.e. if there is still balance after the distribution in items 1), 2) and 3) above, the remaining amount shall be distributed between the General Partner and Limited Partners, of which 20% shall be distributed to the General Partner and the remaining 80% shall be distributed to the Limited Partners.

(2) Non-cash distribution

The General Partner shall endeavor to make distribution in cash. However, if the General Partner determines in its sole discretion that a non-cash distribution is in the better interests of all Partners, the General Partner may, subject to the approval of the advisory committee, make such distribution in a non-cash manner. In such circumstances, the General Partner shall assist each partner to acquire the assets distributed, and the Limited Partners may entrust the General Partner to dispose of such assets.

Rights and Liabilities of General Partner and Limited Partners

The General Partner is the executive partner of the Kangjun Zhongyuan Fund. The General Partner shall have the right to manage and operate the Kangjun Zhongyuan Fund and its affairs on behalf of the Kangjun Zhongyuan Fund or in its own name, take all action that it deems necessary, reasonable or appropriate to achieve the purpose of the Kangjun Zhongyuan Fund, and sign and perform all legal documents or other commitments that it deems necessary, reasonable or appropriate.

The Limited Partners shall not carry out the management or other affairs of the Kangjun Zhongyuan Fund, and shall not represent the Kangjun Zhongyuan Fund externally. The Company, as a Limited Partner, has no veto right over the investment decision made by the Kangjun Zhongyuan Fund.

Exit Mechanism

Subject to the consent of the General Partner, the Limited Partners may indirectly transfer the interest in the Kangjun Zhongyuan Fund by way of divestment and simultaneous participation by the transferee in accordance with the Limited Partnership Agreement. Other than the General Partner, other Partners shall not have any pre-emptive right over the proposed transfer of the Limited Partners' interest in the Kangjun Zhongyuan Fund.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

The primary investment objective of the Kangjun Zhongyuan Fund is the equity investment or convertible bond investment for the purposes of equity investment in the relevant companies with innovative technologies or innovative service platforms in the biomedical industry. The Board considers that the investment in the Kangjun Zhongyuan Fund provides the Company with an opportunity to facilitate its strategic development in the pharmaceutical industry and other related services, enhance its competitiveness, and strengthen its market position.

By participating in the Kangjun Zhongyuan Fund and relying on the capabilities and experience of the professional investment institutions of the partners of the Kangjun Zhongyuan Fund, the Company is able to make full use of the capabilities of all parties in project information collation and research in the industry and making relevant investment decisions to enlarge the investment capacity of the Company, reduce the risk of merger and acquisition in the industry, actively grasp the good investment opportunities, accelerate the realization of the Company's strategic objectives, and improve the Company's future profitability.

The investment in the Kangjun Zhongyuan Fund will not have material impact on the financial position and operating results of the Company. In the subsequent operation of the Kangjun Zhongyuan Fund, there may be various risks relating to project implementation, risk management and control, uncertainty of investment income and divestment. The Company will perform corresponding decision-making procedures and make corresponding information disclosure in strict accordance with the Articles of Association of the Company and the provisions and requirements of relevant laws and regulations based on the progress of the matter.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Limited Partnership Agreement and the investment in the Kangjun Zhongyuan Fund 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.

Information about the Structure of the Kangjun Zhongyuan Fund

Based on the following reasons, the Directors are of the view that as compared to direct equity or debt investments, establishing the Kangjun Zhongyuan Fund pursuant to the Limited Partnership Agreement would best serve its investment mandate and is a more preferred arrangement:

1. Having a more professional and focused team engaged in investment activities

The Company is a leading pharmaceutical R&D service platform in China and one of the top drug discovery service providers globally. By establishing the Kangjun Zhongyuan Fund, the Company would be able to rely on the expertise of the General Partner, who is principally engaged in investment management, to review, analyse and make investments and realize its gains out of such investments without having to divert from its principal business as a fully-integrated pharmaceutical R&D service platform.

2. Synergistic effect by bringing together industry knowledge and investment expertise

The synergies from the shareholders of Kangjun Investment can be maximized by bringing together industry knowledge of our Company and Ningbo Kangwan as well as the investment expertise of Legend Capital.

The Kangjun Zhongyuan Fund is managed by Kangjun Investment, which is owned by Ningbo Kangwan, the Company and Legend Capital as to 40%, 30% and 30%, respectively. Pursuant to the shareholders' agreement of Kangjun Investment, each of Ningbo Kangwan, the Company and Legend Capital has the right to appoint one director to the board of directors of Kangjun Investment.

The Company's leading market position and long operating history since July 2004 provides technical expertise and strategic industrial synergy in considering and analyzing technical capacity of potential investees of the Fund.

Legend Capital focuses on early-stage venture capital and expansion-stage growth capital investment in the TMT, healthcare and culture and sports sectors. Its operating history dates back to 2001 and is one of the early entrants in the private equity industry in China. Legend Capital contributes to the management of the Fund by way of its financing experience, investment network, portfolio management experience, consulting capability in strategic investment and business ecosystem of investees.

Ningbo Kangwan, as an indirect majority-owned company of two of the Directors of the Company, provides both capital resources and industry expertise in the board of directors of Kangjun Investment. It has played a significant role in bringing together the Company and Legend Capital in the establishment of the Fund and will continue to assist the Fund in implementing its strategic goals.

3. *Scale of investment, fundraising flexibility and capital efficiency*

The current structure provides fundraising flexibility and capital efficiency. Investment through a fund structure is getting increasingly common in the market and in particular, among A shares listed companies and dual-listed A shares and H shares listed companies. Pursuant to the Limited Partnership Agreement and in line with general practice in private equity, after the initial closing of the Kangjun Zhongyuan Fund, the General Partner may further increase capital available to the Kangjun Zhongyuan Fund by admitting additional Limited Partners and issuing notice of drawdown for committed capital.

As compared to direct equity or debt investments, investing through a fund allows the Company to flexibly increase the scale of its investments through funds raised from other Limited Partners. A fund structure allows for greater utilization of Kangjun Investment's professional capital investment and management capabilities that the Company could not otherwise achieve through direct investments. By investing via the Kangjun Zhongyuan Fund, investment risks would be shared amongst other Limited Partners whereas under a direct equity or debt investment model, the Company would have to bear all the risk of an investment.

GENERAL

Information on the Group

The Company is a leading fully-integrated pharmaceutical R&D services platform with global operations to accelerate drug innovation for our customers. The principal activity of the Group is to provide contract research, development and manufacturing services for innovative pharmaceutical products throughout the research and development cycle and the services are organised in three major categories: laboratory services, chemistry, manufacturing and controls (“**CMC**”) (small molecule CDMO) services and clinical development services.

Information on Kangjun Investment and its fund management experience and expertise

Kangjun Investment is a limited company established in the PRC and is owned by Ningbo Kangwan, the Company and Legend Capital as to 40%, 30% and 30%, respectively.

In terms of managing investments in the biomedical industry, all the shareholders of Kangjun Investment are brought together to provide the necessary knowledge and expertise in managing the Fund's investments as well as implementing the Fund's strategic goals. Pursuant to the shareholders' agreement of Kangjun Investment, each of Ningbo Kangwan, the Company and Legend Capital has the right to appoint one director to the board of directors of Kangjun Investment and to appoint one member to the investment committee of the Fund.

The board of directors of Kangjun Investment and the investment committee of the Fund integrate the Company's and Ningbo Kangwan's technical expertise and knowledge of the biomedical industry and Legend Capital's financing experience, investment network, portfolio management experience, consulting capability in strategic investment and business ecosystem of investees. The board of directors of Kangjun Investment is responsible for steering the strategic goals of the Fund, whereas the investment committee of the Fund is responsible for reviewing and resolving on the major decisions of the Funds, such as the making of investments or divestments.

In terms of operating the Kangjun Zhongyuan Fund, each of the General Partner itself and the management of the General Partner possesses recognized qualifications. The General Partner has been registered as a fund manager with the Asset Management Association of China (中國證券投資基金業協會) since November 2019 (licence number: P1070330). The General Partner is managed by Mr. Dai Yiren (戴奕人) as its legal representative and general manager, and Ms. Chen Xiaoqian (陳曉倩) as the person-in-charge of its compliance and risk management functions. Mr. Dai is a member of the Asset Management Association of China (licence number: P1031507100015) and has over 8 years of investment experience. Mr. Dai served as the general manager in the China region of DJO Global (蒂捷歐醫療器械貿易(上海)有限公司) from January 2012 to March 2018, and was in charge of the general operation and strategic investment of the greater China region. Mr. Dai served as the director and general manager of Highlight Capital (弘暉資本) from July to September 2018. Ms. Chen is a member of the Asset Management Association of China (licence number: A20201205000117) and Ms. Chen has more than 8 years of experience in finance and risk management. She served as a risk management supervisor of COSCO Shipping Leasing Co., Ltd (中遠海運租賃有限公司) from May 2015 to October 2020, and was in charge of risk system construction and project risk management.

Information on Limited Partners who are associates of connected persons of the Group

Ningbo Hongwan is a limited partnership established in the PRC with a registered capital of RMB10 million. It is owned by Mr. Lou Xiaoqiang and Ms. Zheng Bei as to 50% and 50%, executive Directors of the Company, respectively. Ningbo Hongwan is principally engaged in investment management and investment consulting.

Hainan Junqi is a limited company established in the PRC with a registered capital of RMB30 million. It is wholly owned by Legend Capital, a substantial shareholder of the Company. Hainan Junqi is principally engaged in venture capital investments and individual business services.

Beijing Zhongkangzhiyuan is a limited partnership established in the PRC with a registered capital RMB16.51 million. It is owned as to 0.06% by Ningbo Kangwan as its general partner. It is owned as to 60.57%, 3.03% and 1.21% by limited partners Mr. Lou Xiaoqiang, an executive Director of the Company, Mr. Dai Yiren (戴奕人) as its legal representative and general manager of the General Partner and Ms. Chen Xiaoqian, as the person-in-charge of its compliance and risk management of the General Partner, respectively. The remaining 35.13% equity interest is held by 7 individual limited partners who are Independent Third Parties. Beijing Zhongkangzhiyuan is principally engaged in enterprise management consulting.

Save as disclosed above, all other Limited Partners are Independent Third Parties.

Accounting Treatment of the Kangjun Zhongyuan Fund

Given that the Company is a Limited Partner of the Kangjun Zhongyuan Fund and it also holds 30% equity interest in Kangjun Investment, the General Partner, the Kangjun Zhongyuan Fund will be accounted for as an associate of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Kangjun Investment is owned by Ningbo Kangwan, the Company and Legend Capital as to 40%, 30% and 30%, respectively. Ningbo Kangwan is owned by Ningbo Hongwan as to 75%, which is in turn owned jointly by Mr. Lou Xiaoqiang and Ms. Zheng Bei, the Directors of the Company. Therefore, Ningbo Kangwan is a subsidiary of Ningbo Hongwan and each of Ningbo Kangwan and Ningbo Hongwan is an associate of the Directors. Legend Capital is a substantial shareholder of the Company and holds 30% equity interest in Kangjun Investment and 100% equity interest in Hainan Junqi; therefore, each of Kangjun Investment and Hainan Junqi is an associate of a substantial shareholder. Beijing Zhongkangzhiyuan is owned as to 0.06% by Ningbo Kangwan as its general partner and 60.57% by Mr. Lou Xiaoqiang, a Director of the Company, as its limited partner and therefore is his associate.

As such, the entering into of the Limited Partnership Agreement and the investment in the Kangjun Zhongyuan Fund constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the annual caps are more than 0.1% but less than 5%, and all applicable percentage ratios are less than 5%, the entering into of the Limited Partnership Agreement and the investment in the Kangjun Zhongyuan Fund are only subject to the reporting and announcement requirements but do not require the approval by independent Shareholders of the Company.

BOARD'S APPROVAL

The Limited Partnership Agreement was approved by the Board on July 14, 2021. Mr. Lou Xiaoqiang and Ms. Zheng Bei are the shareholders of Ningbo Hongwan, a Limited Partner which is in turn the sole shareholder of Ningbo Kangwan, a 40% shareholder of the General Partner. Further, Mr. Li Jiaqing is a director of Legend Capital and Mr. Zhou Hongbin is employed by Legend Capital. As such, Dr. Lou Boliang, Mr. Lou Xiaoqiang, Ms. Zheng Bei, Mr. Li Jiaqing and Mr. Zhou Hongbin have abstained from voting on the relevant resolutions of the Board approving the Limited Partnership Agreement.

DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context otherwise requires:

“associate(s)”	have the meaning ascribed to it under the Listing Rules
“Beijing Zhongkangzhiyuan”	Beijing Zhongkangzhiyuan Management Consulting Services Limited Partnership (L.P.)* (北京仲康致遠管理諮詢服務有限合夥企業(有限合夥)), a limited partnership established in the PRC on May 31, 2021 and owned as to 60.57% by Mr. Lou Xiaoqiang and 16.96% by Mr. Su Yuexing
“Board”	the board of Directors of the Company
“Company”	Pharmaron Beijing Co., Ltd.* (康龍化成(北京)新藥技術股份有限公司), a joint stock limited company incorporated under the laws of the PRC on July 1, 2004, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300759) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3759)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Closing Date”	the date when the total capital commitment by all partners to the Kangjun Zhongyuan Fund reaches RMB500 million or as otherwise decided by the General Partner, and the General Partner shall issue a written notice to all Limited Partners informing them of the same
“General Partner” or “Kangjun Investment” or “Fund Manager”	Kangjun Investment Management (Beijing) Co., Ltd.* (康君投資管理(北京)有限公司), a company established in the PRC with limited liability on June 18, 2019
“Group”	the Company and its subsidiaries
“Hainan Junqi”	Hainan Junqi Venture Investment Co., Ltd. (海南君祺創業投資有限公司), a company incorporated in the PRC on June 8, 2021 wholly owned by Legend Capital
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (ies)”	to the best of the Directors’ knowledge having made all reasonable enquiries, any third party independent of the Company and its connected persons

“Kangjun Zhongyuan Fund”	Ningbo Kangjun Zhongyuan Equity Investment Partnership (Limited Partnership) (寧波康君仲元股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 25, 2021
“Legend Capital”	Legend Capital Co., Ltd. (君聯資本管理股份有限公司), a company incorporated in the PRC on November 19, 2003 and a substantial shareholder of the Company
“Limited Partner(s)”	the limited partners of the Fund as set out under the paragraph headed “Limited Partners” in this announcement
“Limited Partnership Agreement”	the limited partnership agreement dated August 12, 2021 entered into by the Company, Lasa Junqi and other Limited Partners in relation to the investment in the Fund
“Linxuanzhiyao”	Chengdu Linxianzhiyao Technology Center* (General Partnership) (成都市臨軒之曜科技中心(普通合夥)), a general partnership incorporated in the PRC on February 2, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time
“Ningbo Hongwan”	Ningbo Hongwan Investment Management Partnership (L.P.) (寧波泓灣投資管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC on June 15, 2018, which is owned by Mr. Lou Xiaoqiang and Ms. Zheng Bei as to 50% and 50%, respectively
“Ningbo Industrial Development Fund”	Ningbo Industrial Development Fund Co.,Ltd. *(寧波市產業發展基金有限公司), a limited company incorporated in the PRC on December 4, 2015
“Ningbo Kangwan”	Ningbo Kangwan Enterprise Management Consulting Partnership (L.P.) (寧波康灣企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on September 3, 2019, which is owned by Ningbo Hongwan and Shanghai Tongshang Business Consulting Partnership (L.P.) (上海統尚商務諮詢合夥企業(有限合夥)) as to 75% and 25%, respectively
“Orient Securities”	Shanghai Orient Securities Innovation Investment Co., Ltd* (上海東方證券創新投資有限公司), a limited company incorporated in the PRC on November 19, 2012
“Pingtanjianfa”	Pingtanjianfa No.13 Equity Investment (L.P.)* (平潭建發拾叁號股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on September 29, 2019
“PRC”	the People’s Republic of China excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement

“RMB”	Renminbi, the lawful currency of the PRC
“Service Trade Fund”	Service Trade Innovation Development Guidance Fund (L.P.), a limited partnership incorporated in the PRC with limited liability on November 10, 2017
“Share(s)”	the ordinary shares of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Special Limited Partner”	Beijing Zhongkangzhiyuan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules and the term “subsidiaries” shall be construed accordingly
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Total Capital Contribution”	the aggregate of capital contribution to the Kangjun Zhongyuan Fund by each of the General Partner and Limited Partner(s) (as increased or reduced by the General Partner from time to time)
“%”	per cent

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
August 12, 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; Mr. Dai Lixin, Ms. Chen Guoqin, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.

* For identification purposes only