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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)

**(1) CESSATION OF OFFICE OF INDEPENDENT
NON-EXECUTIVE DIRECTORS;
(2) PROPOSED APPOINTMENTS OF INDEPENDENT
NON-EXECUTIVE DIRECTORS;
(3) PROPOSED INCREASE IN THE REGISTERED CAPITAL;
AND
(4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The board (the “**Board**”) of directors (the “**Directors**”) of Pharmaron Beijing Co., Ltd.* (康龍化成(北京)新藥技術股份有限公司) (the “**Company**”) hereby announces that, the Board resolved and approved, among others: (i) proposed appointments of independent non-executive directors; (ii) proposed increase in registered capital; and (iii) proposed amendments to the articles of association (the “**Articles of Association**”).

1. CESSATION OF OFFICE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board hereby announces that Mr. Dai Lixin (“**Mr. Dai**”) and Ms. Chen Guoqin (“**Ms. Chen**”) will cease to be the independent non-executive Director of the Company, with effect from the conclusion of the extraordinary general meeting of the Company to be held on September 23, 2022 (the “**EGM**”), in light of the upcoming expirations of their respective six-year consecutive terms of offices, as required according to the Rules for Independent Directors of Listed Companies of the China Securities Regulatory Commission.

Immediately following Mr. Dai’s and Ms. Chen’s respective cessations of office, Mr. Dai will cease to be a member of the strategy committee of the Company, and Ms. Chen will also cease to be the chairwoman of the nomination committee and the remuneration and appraisal committee of the Company, and a member of the audit committee of the Company.

Each of Mr. Dai and Ms. Chen has confirmed that they respectively have no disagreement with the Board and there is no matter that need to be brought to the attention of the shareholders of the Company (“**Shareholders**”) with regard to each of their resignations.

Since the cessations of office of Mr. Dai and Ms. Chen will result in the number of independent non-executive Directors of the Company falling below the minimum number required by the relevant regulations and the Articles of Association of the Company, Mr. Dai and Ms. Chen will continue to perform his/her duties as an independent non-executive Director and relevant duties in various Board committees until the proposed appointments are approved by the Shareholders.

The Board would like to take this opportunity to express its appreciation and gratitude to Mr. Dai and Ms. Chen for their contributions and services made to the Company during the term of service.

2. PROPOSED APPOINTMENTS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In order to ensure the effectiveness of the Board and pursuant to the Company Law of the People's Republic of China (the "**Company Law**") and the Articles of Association of the Company, the Board proposes the appointments of Ms. Li Lihua ("**Ms. Li**") and Mr. Zhou Qilin ("**Mr. Zhou**") as independent non-executive directors of the Company to fill in the vacancies to be left open by the planned cessations of office of Mr. Dai and Ms. Chen. Ms. Li will serve as the chairwoman of the nomination committee and the remuneration and appraisal committee of the Company, and a member of the audit committee of the Company, and Mr. Zhou will serve as a member of the strategy committee of the Company.

The above proposed appointments of independent non-executive directors are subject to the approval of the Shareholders by way of ordinary resolution at the EGM. Subject to the approval at the EGM, the term for Ms. Li's and Mr. Zhou's appointment as an independent non-executive Director shall commence upon the approval by the Shareholders at the EGM and shall end on the expiry of the term of the current session of the Board. The Company will enter into a service agreement with Ms. Li and Mr. Zhou, respectively, upon the approval of their respective appointment at the EGM. The Board proposes to fix Ms. Li's and Mr. Zhou's director's emolument at RMB300,000 per annum (before tax), respectively, which were determined by reference to job responsibilities and prevailing market conditions.

The biographical details of Ms. Li and Mr. Zhou are as follows:

Ms. Li Lihua, aged 58, has been a lawyer at Beijing Huamao & Guigu Law Firm (北京市華貿硅谷律師事務所) since October 2017. From March 1996 to March 2017, Ms. Li served as a lawyer at Beijing Yongshen Law Firm (北京市永申律師事務所), Beijing Guangsheng Law Firm (北京市廣盛律師事務所), and Beijing Zhong Yi Law Firm (北京市眾一律師事務所), respectively. From October 2016 to July 2020, Ms. Li served as an independent non-executive director of the Company. Ms. Li obtained her master's degree in law from Peking University (北京大學) in July 1995.

Mr. Zhou Qilin, aged 65, is an academician of the Chinese Academy of Sciences, professor and doctoral supervisor of Nankai University. Mr. Zhou graduated from the Department of Chemistry of Lanzhou University in 1982. In the same year, he was admitted to the Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences, and obtained his doctor degree in 1987. From 1988 to 1996, he worked as a postdoctoral fellow in East China University of Science and Technology, Max-Planck Institute in Germany, Basel University in Switzerland, and Trinity University in the United States. From 1996 to 1999, Mr. Zhou was an associate professor, professor and doctoral supervisor of East China University of Science and Technology respectively. In 1997, he received the grant from the National Outstanding Youth Fund. In 1999, Mr. Zhou was appointed as the Distinguished Professor of “Chang Jiang Scholars Program” by the Ministry of Education, and is a professor at the School of Chemistry, Nankai University now. Mr. Zhou was elected academician of the Chinese Academy of Sciences in 2009.

Mr. Zhou has long been engaged in the research of organometallic chemistry, organic synthesis, asymmetric catalysis, bioactive compounds and chiral drug synthesis. He developed a new class of chiral spiro catalysts. This kind of catalysts showed excellent catalytic efficiency and enantioselectivity in many asymmetric synthesis reactions, and have been successfully used in the production of chiral drugs. Mr. Zhou has published more than 280 research papers and 16 books and chapters and applied for 15 invention patents. In 2005, he was awarded the Organic Synthesis Creation Award by Organic Chemistry Committee of Chinese Chemical Society. In 2006, Mr. Zhou was awarded the Huang Yaozeng Organometallic Chemistry Award by the Chinese Chemical Society. He won the First Prize of Natural Science in Tianjin twice in 2007 and 2013. In 2012, he was awarded the “Chiral Chemistry Award” by Chinese Chemical Society. In 2018, he won the Future Science Prize-Physical Sciences. In 2019, he won the First Prize of National Natural Science. In 2020, he was awarded the title of “National Advanced Worker”.

Save as disclosed above, as at the date of this announcement, each of Ms. Li and Mr. Zhou has not held any directorship in other listed companies in the past three years, and has not held any positions in the Company or its subsidiaries.

As at the date of this announcement, Ms. Li has interested, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), in 50,000 Shares representing approximately 0.0042% in the total number of Shares in issue of the Company. Mr. Zhou does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the date of this announcement, each of Ms. Li and Mr. Zhou has no relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save for disclosed above, as at the date of this announcement, there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Company is not aware of any other matters that need to be brought to attention of shareholders of the Company.

The nomination is proposed by the Board in accordance with the provisions of the Company's Articles of Association and in consideration of the candidates' past experience, skill background, knowledge, independence and specific needs of the Company, and have been initially reviewed by the nomination committee of the Board and considered by the Board. Such nomination will be proposed to the general meeting for election and determination. The appointments of Ms. Li and Mr. Zhou as an independent non-executive director of the Company enable the maintenance of board diversity of the Company, which will continue to contribute extensive internal control & audit and corporate governance expertise and experience to the Board, optimize the structure of the Board, guide the Company to further strengthen its compliance management and promote the Board to better supervise the Company's promotion and implementation of its development strategic planning.

3. PROPOSED INCREASE IN REGISTERED CAPITAL

By reason of the capitalization of reserve which formed part of the profit distribution plan of the Company for the year ended December 31, 2021, the registered capital and the total number of shares of the Company shall be changed as a result of the aforesaid matters. The total number of shares of the Company has increased from 794,045,086 shares to 1,191,067,629 shares and the registered capital has increased from RMB794,045,086 to RMB1,191,067,629. As a result of the changes of the registered capital of the Company above, the Board proposed to change the registered capital of the Company from RMB794,045,086 (divided into 794,045,086 shares) to RMB1,191,067,629 (divided into 1,191,067,629 shares).

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order (i) to reflect the proposed increase in the registered capital of the Company; and (ii) to conform to the requirements from the regulatory authorities in the PRC, the Board proposes to make certain amendments to the Articles of Association of the Company.

Before amendment	After amendment
Article 6 The registered capital of the Company is RMB794,045,086.	Article 6 The registered capital of the Company is RMB1,191,067,629.
Article 13 The business scope of the Company: pharmaceutical compounds, chemical drugs, biological products, R&D of biotechnology; provision of technology development, technology transfer, technological consultation, technological service and technological training; import and export of goods and technology. (Business activities that require pre-approvals according to laws and regulations can only be conducted as approved upon approval from the relevant authorities.) (Subject to the scope of business in the registration with the administration of industry and commerce).	Article 13 The business scope of the Company: pharmaceutical compounds, chemical drugs, biological products, R&D of biotechnology; provision of technology development, technology transfer, technological consultation, technological service and technological training; import and export of goods and technology. (Business activities that require pre-approvals according to laws and regulations can only be conducted as approved upon approval from the relevant authorities.) (Subject to the scope of business approved by the administration of market and supervision).
Article 21 The shareholding structure of the Company is: 794,045,086 ordinary shares, including 660,028,586 shares held by holders of domestic-listed domestic shares, and 134,016,500 shares held by holders of H shares.	Article 21 The shareholding structure of the Company is: 1,191,067,629 ordinary shares, including 990,042,879 shares held by holders of domestic-listed domestic shares, and 201,024,750 shares held by holders of H shares.

Before amendment	After amendment
<p>Article 29 Buy-back of shares of the Company under the circumstances specified in item (I) and item (II) in the first paragraph of Article 27 of the Articles of Association shall be subject to the approval of the shareholders' general meeting. Buy-back of shares of the Company under the circumstances specified in item (III), item (V) and item (VI) in the first paragraph of Article 27 of the Articles of Association shall obtain approval from a meeting of the board of directors where over two-thirds of the directors are present, in accordance with the requirements of the Articles of Association or the authorization of the shareholders' general meeting.</p>	<p>Article 29 Buy-back of shares of the Company under the circumstances specified in item (I) and item (II) in the first paragraph of Article 27 of the Articles of Association shall be subject to the approval of the shareholders' general meeting. Buy-back of shares of the Company under the circumstances specified in item (III), item (V) and item (VI) in the first paragraph of Article 27 of the Articles of Association shall be subject to the approval from a meeting of the board of directors where over two-thirds of the directors are present.</p>
<p>Article 55 Shareholders of ordinary shares of the Company shall enjoy the following rights:</p> <ul style="list-style-type: none"> (I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them; (II) The rights to request, convene, host, attend or appoint proxy to attend shareholders' general meetings and exercise corresponding voting rights in accordance with the law; (III) The rights to supervise and manage of the Company and to put forward proposals and raise inquiries; (IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association; 	<p>Article 55 Shareholders of ordinary shares of the Company shall enjoy the following rights:</p> <ul style="list-style-type: none"> (I) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them; (II) The rights to request, convene, host, attend or appoint proxy to attend shareholders' general meetings and exercise corresponding voting rights in accordance with the law; (III) The rights to supervise and manage of the Company and to put forward proposals and raise inquiries; (IV) The rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;

Before amendment	After amendment
<p>(V) The rights to obtain relevant information in accordance with the Articles of Association of the Company, including:</p> <ol style="list-style-type: none"> 1. to obtain a copy of the Articles of Association upon payment of the cost of such copy; 2. to inspect and photocopy upon payment of a reasonable charge, of: <ol style="list-style-type: none"> (1) all parts of the register of shareholders; (2) personal particulars of each of the directors, supervisors, managers and other senior management of the Company, including: (a) current and previous names and aliases; (b) main address (domicile); (c) nationality; (d) full-time and all other part-time occupations and duties; (e) identification documents and their numbers; (3) reports of the status of the Company's share capital; (4) reports for the aggregate par value and the number in respect of each class of shares as well as the highest and lowest price of shares repurchase paid by the Company since the end of the last financial year and all the expenses paid by the Company therefor (with a breakdown between domestic shares and H shares); (5) stubs of company bonds; (6) minutes of the shareholders' meeting (for shareholders' inspection only); 	<p>(V) The rights to obtain relevant information in accordance with the Articles of Association of the Company, including:</p> <ol style="list-style-type: none"> 1. to obtain a copy of the Articles of Association upon payment of the cost of such copy; 2. to inspect and photocopy upon payment of a reasonable charge, of: <ol style="list-style-type: none"> (1) all parts of the register of shareholders; (2) personal particulars of each of the directors, supervisors, managers and other senior management of the Company, including: (a) current and previous names and aliases; (b) main address (domicile); (c) nationality; (d) full-time and all other part-time occupations and duties; (e) identification documents and their numbers; (3) reports of the status of the Company's share capital; (4) reports for the aggregate par value and the number in respect of each class of shares as well as the highest and lowest price of shares repurchase paid by the Company since the end of the last financial year and all the expenses paid by the Company therefor (with a breakdown between domestic shares and H shares); (5) stubs of company bonds; (6) minutes of the shareholders' meeting (for shareholders' inspection only);

Before amendment	After amendment
<p>(7) the Company's special resolutions, the Company's latest audited financial statements, reports of directors, accounting firm and board of supervisors;</p> <p>(8) the latest annual report filed with the State Administration for Industry and Commerce and other competent authorities.</p> <p>The Company shall make the documents in (1), (3), (4), (6) and (8) above and any other applicable documents available for free inspection by the public and shareholders at the Company's Hong Kong address as required by the Hong Kong Listing Rules.</p> <p>(VI) Rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p> <p>(VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' general meeting on the merger or division of the Company;</p> <p>(VIII) Other rights conferred by law, administrative regulations, departmental regulations, listing rules of the place where the shares of Company are listed and the Articles of Association.</p> <p>The Company shall not exercise any power to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>	<p>(7) the Company's special resolutions, the Company's latest audited financial statements, reports of directors, accounting firm and board of supervisors;</p> <p>(8) the latest annual report filed with the competent authority of market and supervision and other competent authorities.</p> <p>The Company shall make the documents in (1), (3), (4), (6) and (8) above and any other applicable documents available for free inspection by the public and shareholders at the Company's Hong Kong address as required by the Hong Kong Listing Rules.</p> <p>(VI) Rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;</p> <p>(VII) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' general meeting on the merger or division of the Company;</p> <p>(VIII) Other rights conferred by law, administrative regulations, departmental regulations, listing rules of the place where the shares of Company are listed and the Articles of Association.</p> <p>The Company shall not exercise any power to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>

Before amendment	After amendment
<p>Article 67 The external investment, purchase and disposal of assets, external guarantee, consigned financial management, connected transactions and others to be submitted to the shareholders' general meeting for consideration after consideration and approval by the board of directors are as follows:</p> <p>(I) When a transaction of the Company (except for provision of guarantees and financial assistance) meets one of the following criteria, it shall be submitted to the general meeting for consideration and approval:</p> <ol style="list-style-type: none"> 1. The total assets involved in the transaction account for more than 50% of the Company's latest audited total assets. Where the total assets involved in the transaction have both book value and appraised value whatever is higher shall be taken for calculation; 2. the operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an absolute amount exceeding RMB50 million; 3. the net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million; 4. the transaction amount of the transaction (including the debt and expenses) accounts for more than 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB50 million; 	<p>Article 67 The external investment, purchase and disposal of assets, external guarantee, consigned financial management, connected transactions and others to be submitted to the shareholders' general meeting for consideration after consideration and approval by the board of directors are as follows:</p> <p>(I) When a transaction of the Company (except for provision of guarantees and financial assistance) meets one of the following criteria, it shall be submitted to the general meeting for consideration and approval:</p> <ol style="list-style-type: none"> 1. The total assets involved in the transaction account for more than 50% of the Company's latest audited total assets. Where the total assets involved in the transaction have both book value and appraised value whatever is higher shall be taken for calculation; 2. the operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an absolute amount exceeding RMB50 million; 3. the net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million; 4. the transaction amount of the transaction (including the debt and expenses) accounts for more than 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB50 million;

Before amendment	After amendment
<p>5. the profit derived from the transaction accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million.</p> <p>In case the figure involved in the above index calculation is negative, the absolute value thereof shall be taken for calculation.</p> <p>For transactions in which the Company receives unilateral benefits, including gifts of assets in cash and debt reduction or relief, etc., the Company may be exempted from fulfilling the review and approval procedures at the shareholders' general meeting.</p> <p>When a transaction of the Company only meets the standards as set out in the item 3 or item 5 above, and the absolute value of the earnings per share in the latest financial year of the Company is less than RMB0.05, the Company may be exempted from fulfilling the review and approval procedures at the shareholders' general meeting.</p> <p>(II) The following guarantees of the Company (including the guarantee provided to controlling subsidiaries) shall be considered and passed at the shareholders' general meeting:</p> <ol style="list-style-type: none"> 1. A single guarantee for amount in excess of 10% of the Company's latest audited net assets; 2. Any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlling subsidiary has exceeded 50% of the Company's latest audited net assets; 3. A guarantee to be provided to a party which has an asset-liability ratio in excess of 70%; 	<p>5. the profit derived from the transaction accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million.</p> <p>In case the figure involved in the above index calculation is negative, the absolute value thereof shall be taken for calculation.</p> <p>For transactions in which the Company receives unilateral benefits, including gifts of assets in cash and debt reduction or relief, etc., the Company may be exempted from fulfilling the review and approval procedures at the shareholders' general meeting.</p> <p>When a transaction of the Company only meets the standards as set out in the item 3 or item 5 above, and the absolute value of the earnings per share in the latest financial year of the Company is less than RMB0.05, the Company may be exempted from fulfilling the review and approval procedures at the shareholders' general meeting.</p> <p>(II) The following guarantees of the Company (including the guarantee provided to controlling subsidiaries) shall be considered and passed at the shareholders' general meeting:</p> <ol style="list-style-type: none"> 1. A single guarantee for amount in excess of 10% of the Company's latest audited net assets; 2. Any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlling subsidiary has exceeded 50% of the Company's latest audited net assets; 3. A guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;

Before amendment	After amendment
<p>4. Guarantee where the amount of guarantee provided in 12 consecutive months exceeds 30% of the Company's latest audited total assets;</p> <p>5. Guarantee where the amount of guarantee provided in 12 consecutive months exceeds 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million;</p> <p>6. Guarantee to be provided to shareholders, actual controller and connected parties thereof;</p> <p>7. Other guarantees as prescribed by stock exchanges or the Articles of Association.</p> <p>When the board of directors consider the above guarantees at the board meeting, such guarantees are required to be passed by more than two-thirds of directors attending the board meeting. When the guarantee specified in item 4 above is considered at the shareholders' general meeting, it shall be passed by more than two-thirds of voting rights held by the shareholders attending the shareholders' general meeting.</p> <p>When considering the resolution of providing guarantee to shareholders, actual controller and connected parties thereof at the shareholders' general meeting, such shareholders or shareholders controlled by such actual controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the shareholders' general meeting to be passed.</p>	<p>4. Any guarantee provided upon the total amount of guarantee to third parties provided by the Company reaching or exceeding 30% of the Company's latest audited total assets;</p> <p>5. Guarantee where the amount of guarantee provided in 12 consecutive months exceeds 30% of the Company's latest audited total assets;</p> <p>6. Guarantee where the amount of guarantee provided in 12 consecutive months exceeds 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million;</p> <p>7. Guarantee to be provided to shareholders, actual controller and connected parties thereof;</p> <p>8. Other guarantees as prescribed by stock exchanges or the Articles of Association.</p> <p>When the board of directors consider the above guarantees at the board meeting, such guarantees are required to be passed by more than two-thirds of directors attending the board meeting. When the guarantees specified in item 4, 5 above are considered at the shareholders' general meeting, they shall be passed by more than two-thirds of voting rights held by the shareholders attending the shareholders' general meeting.</p> <p>When considering the resolution of providing guarantee to shareholders, actual controller and connected parties thereof at the shareholders' general meeting, such shareholders or shareholders controlled by such actual controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the shareholders' general meeting to be passed.</p>

Before amendment	After amendment
<p>Where a guarantee is provided by the Company to the connected parties, it shall be disclosed in a timely manner after being considered and approved by the board of directors and submitted to the shareholders' general meeting for consideration. Where a guarantee is provided by the Company to the controlling shareholder, actual controller and its connected parties, such controlling shareholder, actual controller and connected parties shall provide counter guarantee.</p> <p>Where a guarantee is provided by the Company to a wholly-owned subsidiary or a guarantee is provided to a controlling subsidiary and other shareholders of such controlling subsidiary provided guarantees in proportion to their rights and interests, and such guarantees fall within the scope of items 1, 2, 3 and 5 of this Article, they may be exempted from being submitted to the shareholders' general meeting for consideration.</p>	<p>Where a guarantee is provided by the Company to the connected parties, it shall be disclosed in a timely manner after being considered and approved by the board of directors and submitted to the shareholders' general meeting for consideration. Where a guarantee is provided by the Company to the controlling shareholder, actual controller and its connected parties, such controlling shareholder, actual controller and connected parties shall provide counter guarantee.</p> <p>Where a guarantee is provided by the Company to a wholly-owned subsidiary or a guarantee is provided to a controlling subsidiary and other shareholders of such controlling subsidiary provided guarantees in proportion to their rights and interests, and such guarantees fall within the scope of items 1, 2, 3 and 6 of this Article, they may be exempted from being submitted to the shareholders' general meeting for consideration.</p>
<p>(III) If the transaction is entered into between the Company and the connected parties as stipulated in the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (except for provision of guarantees) with an amount of more than RMB30 million and representing more than 5% of the latest audited net asset absolute value of the Company, an intermediary that complies with relevant regulations of the CSRC and the stock exchange where the Company's shares are listed shall be engaged to assess or audit the subject of the transaction, and the transaction shall be submitted to the shareholders' general meeting for consideration. Connected transactions related to the ordinary course of business of the Company may be exempted from audit or assessment.</p>	<p>(III) If the transaction is entered into between the Company and the connected parties as stipulated in the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (except for provision of guarantees) with an amount of more than RMB30 million and representing more than 5% of the latest audited net asset absolute value of the Company, an intermediary that complies with relevant regulations of the CSRC and the stock exchange where the Company's shares are listed shall be engaged to assess or audit the subject of the transaction, and the transaction shall be submitted to the shareholders' general meeting for consideration. Connected transactions related to the ordinary course of business of the Company may be exempted from audit or assessment.</p>

Before amendment	After amendment
<p>When the shareholders' general meeting considers a connected transaction, the connected shareholders shall abstain from voting and shall not exercise the voting right on behalf of other shareholders. The following connected transactions of the Company that take place within 12 consecutive months shall be subject to the aforesaid provisions in accordance with the principle of cumulative calculation:</p> <ol style="list-style-type: none"> 1. Transactions entered into with the same connected parties; 2. Transactions entered into with different connected parties with respect to a certain type of subject. <p>The same aforesaid connected parties shall include other connected parties controlled by the same entity or having a mutual equity control relationship with the connected parties. Connected transactions whose relevant obligations have been fulfilled in accordance with the first clause of this Article, shall no longer be included in the relevant cumulative calculation scope.</p> <p>The following transactions entered into between the Company and connected parties may be exempted from submission to the shareholders' general meeting for consideration:</p> <ol style="list-style-type: none"> 1. The Company's participation in public tenders and public auctions for unspecified targets (excluding restricted methods such as invitations to bid); 2. Transactions in which the Company receives unilateral benefits, including gifts of assets in cash, debt reduction or relief, guarantees and financing; 3. The pricing of connected transactions is set by the country; 4. A connected party provides funds to the Company at an interest rate no higher than the standard interest rate for loans of the same period stipulated by the People's Bank of China; 	<p>When the shareholders' general meeting considers a connected transaction, the connected shareholders shall abstain from voting and shall not exercise the voting right on behalf of other shareholders. The following connected transactions of the Company that take place within 12 consecutive months shall be subject to the aforesaid provisions in accordance with the principle of cumulative calculation:</p> <ol style="list-style-type: none"> 1. Transactions entered into with the same connected parties; 2. Transactions entered into with different connected parties with respect to a certain type of subject. <p>The same aforesaid connected parties shall include other connected parties controlled by the same entity or having a mutual equity control relationship with the connected parties. Connected transactions whose relevant obligations have been fulfilled in accordance with the first clause of this Article, shall no longer be included in the relevant cumulative calculation scope.</p> <p>The following transactions entered into between the Company and connected parties may be exempted from submission to the shareholders' general meeting for consideration:</p> <ol style="list-style-type: none"> 1. The Company's participation in public tenders and public auctions for unspecified targets (excluding restricted methods such as invitations to bid); 2. Transactions in which the Company receives unilateral benefits, including gifts of assets in cash, debt reduction or relief, guarantees and financing; 3. The pricing of connected transactions is set by the country; 4. A connected party provides funds to the Company at an interest rate no higher than the standard interest rate for loans of the same period stipulated by the People's Bank of China;

Before amendment	After amendment
<p>5. Where the Company provides products and services to directors, supervisors and senior management on the same trading terms as nonconnected parties.</p> <p>(IV) The transactions entered into between the Company and the connected persons as stipulated in the Hong Kong Listing Rules and the transactions that are not exempt from shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.</p> <p>For transactions applied to both clauses (III) and (IV) of this Article, the review and approval procedures of shareholders' general meeting shall be performed in stricter standards by the Company.</p> <p>(V) The financial assistance provided by the Company shall be considered and approved by shareholders' general meeting if it falls under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The latest audited asset-liability ratio of the target of financial assistance exceeds 70%; 2. The amount of a single financial assistance or the aggregated amount of financial assistance provided in 12 consecutive months exceed 10% of the Company's latest audited net assets; 3. Other circumstances as provided by stock exchange of the place where the Company's shares are listed or the Articles of Association. <p>The target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company, thereby such financial assistance shall be exempted from the provisions mentioned above. The Company shall not provide financial assistance such as funds to its connected parties including directors, supervisors, senior management, controlling shareholders, actual controllers and their controlling subsidiaries.</p>	<p>5. Where the Company provides products and services to directors, supervisors and senior management on the same trading terms as nonconnected parties.</p> <p>(IV) The transactions entered into between the Company and the connected persons as stipulated in the Hong Kong Listing Rules shall be conducted in accordance with the relevant provisions under Chapter 14A of the Hong Kong Listing Rules.</p> <p>For transactions applied to both clauses (III) and (IV) of this Article, the review and approval procedures of shareholders' general meeting shall be performed in stricter standards by the Company.</p> <p>(V) The financial assistance provided by the Company shall be considered and approved by shareholders' general meeting if it falls under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The latest audited asset-liability ratio of the target of financial assistance exceeds 70%; 2. The amount of a single financial assistance or the aggregated amount of financial assistance provided in 12 consecutive months exceed 10% of the Company's latest audited net assets; 3. Other circumstances as provided by stock exchange of the place where the Company's shares are listed or the Articles of Association. <p>The target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company, thereby such financial assistance shall be exempted from the provisions mentioned above. The Company shall not provide financial assistance such as funds to its connected parties including directors, supervisors, senior management, controlling shareholders, actual controllers and their controlling subsidiaries.</p>

Before amendment	After amendment
<p>The definitions of “transactions”, “connected parties” and “connected persons” in Article 67 of the Articles of Association are the same as those defined in the relevant listing rules of stock exchange of the place where the Company’s shares are listed, among which, relevant transactions of “connected parties” and “connected persons” shall be entered into respectively in accordance with listing rules of the relevant stock exchanges.</p>	<p>The definitions of “transactions”, “connected parties” and “connected persons” in Article 67 of the Articles of Association are the same as those defined in the relevant listing rules of stock exchange of the place where the Company’s shares are listed, among which, relevant transactions of “connected parties” and “connected persons” shall be entered into respectively in accordance with listing rules of the relevant stock exchanges.</p>
<p>Article 141 The methods and procedures to nominate directors are as follows:</p> <p>(I) the candidates for directors (excluding independent directors) of the board of directors shall be nominated by the board of directors or shareholder(s) severally or jointly holding more than 3% of the total number of the voting shares of the Company, and shall be elected at a general meeting of the Company.</p> <p>(II) the candidates for independent directors shall be nominated in the way and procedure as specified by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company’s shares are listed or the Articles of Association.</p> <p>(III) the written notice on intention for nominating candidates for directors and candidates’ willingness to accept the nominations shall be sent to the Company no earlier than the issue date of the notice of the general meeting and no later than the 7th day prior to the convention of the general meeting. Where relevant nominees are nominated as directors in accordance with the provisions of this Article, relevant proposals shall comply with the relevant provisions of Article 79 of the Articles of Association. The Company shall give relevant nominees and candidates for directors at least seven days to submit the aforesaid notice and document (this period is calculated from the day after the issue date of the notice of the general meeting). The candidates for directors who accept the nominations shall promise that the information publicly disclosed about them is true and complete, and that they will diligently fulfill the duties as directors if elected.</p>	<p>Article 141 The methods and procedures to nominate directors are as follows:</p> <p>(I) the candidates for directors (excluding independent non-executive directors) of the board of directors shall be nominated by the board of directors or shareholder(s) severally or jointly holding more than 3% of the total number of the voting shares of the Company, and shall be elected at a general meeting of the Company.</p> <p>(II) the candidates for independent non-executive directors shall be nominated in the way and procedure as specified by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company’s shares are listed or the Articles of Association.</p> <p>(III) the written notice on intention for nominating candidates for directors and candidates’ willingness to accept the nominations shall be sent to the Company no earlier than the issue date of the notice of the general meeting and no later than the 7th day prior to the convention of the general meeting. Where relevant nominees are nominated as directors in accordance with the provisions of this Article, relevant proposals shall comply with the relevant provisions of Article 79 of the Articles of Association. The Company shall give relevant nominees and candidates for directors at least seven days to submit the aforesaid notice and document (this period is calculated from the day after the issue date of the notice of the general meeting). The candidates for directors who accept the nominations shall promise that the information publicly disclosed about them is true and complete, and that they will diligently fulfill the duties as directors if elected.</p>

Before amendment	After amendment
<p>Article 166 Proxy attendance at board meetings shall follow the principles below:</p> <p>(I) where related transactions are considered, a non-connected director shall not appoint a connected director to attend the meeting on his behalf, and a connected director shall also not accept the appointment of a non-connected director;</p> <p>(II) an independent director shall not appoint a non-independent director to attend the meeting on his behalf, and a non-independent non-executive director shall also not accept the appointment of an independent non-executive director;</p> <p>(III) a director shall not give any other director carte blanche to attend the meeting on his behalf without providing his own opinions and voting intent on the proposals, and the relevant director shall also not accept the carte blanche or any appointment not well defined;</p> <p>(IV) one director shall not accept appointment by more than two directors, and a director shall also not appoint any other director who has been appointed by two other directors to attend the meeting on their behalf.</p>	<p>Article 166 Proxy attendance at board meetings shall follow the principles below:</p> <p>(I) where related transactions are considered, a non-connected director shall not appoint a connected director to attend the meeting on his behalf, and a connected director shall also not accept the appointment of a non-connected director;</p> <p>(II) an independent non-executive director shall not appoint a non-independent non-executive director to attend the meeting on his behalf, and a non-independent non-executive director shall also not accept the appointment of an independent non-executive director;</p> <p>(III) a director shall not give any other director carte blanche to attend the meeting on his behalf without providing his own opinions and voting intent on the proposals, and the relevant director shall also not accept the carte blanche or any appointment not well defined;</p> <p>(IV) one director shall not accept appointment by more than two directors, and a director shall also not appoint any other director who has been appointed by two other directors to attend the meeting on their behalf.</p>
<p>Article 291 The Articles of Association are written in Chinese. In case of any inconsistency between the Articles and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the administration for industry and commerce of Beijing Economic and Technological Development Zone shall prevail.</p>	<p>Article 291 The Articles of Association are written in Chinese. In case of any inconsistency between the Articles and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the administration of market and supervision of Beijing Economic and Technological Development Zone shall prevail.</p>

Save for the proposed amendments, other provisions of the Articles of Association shall remain unchanged. Prior to the proposed amendments to the Articles of Association being approved by way of special resolution at the forthcoming EGM, the existing Articles of Association shall remain valid. The proposed amendments to the Articles of Association are prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version, the Chinese version shall prevail.

The Board has resolved to propose a resolution at the EGM to authorise the Board to delegate the management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved in such amendments, and to make adjustments to the wordings of such amendments to the Articles of Association according to opinions of the regulatory authorities.

GENERAL

The Board considers that the said proposed appointments of independent non-executive directors, increase in the registered capital and amendments to the Articles of Association are in the interests of the Company and the Shareholders as a whole. The proposed increase in the registered capital and the proposed amendments to the Articles of Association are subject to the consideration and approval by the Shareholders by way of special resolution at the EGM.

A circular containing, among other things, details about the proposed appointments of independent non-executive directors, the proposed increase in the registered capital and the proposed amendments to the Articles of Association will be despatched to the Shareholders as soon as practicable.

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 29, 2022

As at the date of this announcement, the Board of Directors comprises Dr. Lou Boliang, Mr. Lo 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