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)

AMENDMENTS TO THE H SHARE SCHEME

Reference is made to the Company's announcement dated November 6, 2020 and the circular dated November 25, 2020 (the "**Circular**") in relation to the adoption of the H Share Scheme and authorization to the Board and/or the Management Committee to deal with matters in relation to the H Share Scheme with full authority, including but not limited to administer, amend and adjust the H Share Scheme. Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board hereby announces that on July 28, 2022, the Board considered and approved (among others) amendments to the H Share Scheme, with effect from the same date.

AMENDMENTS TO THE H SHARE SCHEME

In order to further implement the H Share Scheme and fulfill the incentive purposes thereof, without prejudice to the interests of the Company and the Shareholders as a whole, the Board, in consideration of the actual operating situation of the Company and market practice, intends to (i) amend H Share Scheme Limit and other relevant provisions in order to reflect the increase in the number of issued Shares as a result of the implementation of the proposed issue of 5 capitalization shares of the Company for every 10 Shares by way of capitalization of reserve approved by the Shareholders at the annual general meeting of the Company held on May 31, 2022,(ii) incorporate certain housekeeping amendments and (iii) update and clarify provisions where it is considered desirable (the "**Amendments**"). In particular, following the adoption of the Amendments, the H Share Scheme Limit will be increased from 7,940,000 to 11,910,000, provided that the Board or the Delegatee may further adjust the H Scheme Limit pursuant to the relevant provisions of the H Share Scheme. A summary of the major Amendments are as follows:

Original	Amendments
1. Definitions and Interpretation "Grant Date" is the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter; "Trustee" is the trustee appointed by the Company for the purpose of the Trust, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;	**1. Definitions and Interpretation** "Grant Date" is the date on which the grant of an Award is made to a Selected Participant~~,~~ ~~being the date of an Award Letter~~; "Trustee" is the trustee appointed by the Company ~~for the purpose of the Trust, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong~~ **from time to time for the purpose of the Trust**;
2. General Introduction and Purpose of the Scheme 2.4 A Trust Deed will be entered into between the Company and the Trustee, being Computershare Hong Kong Trustees Limited initially. Pursuant to the Trust Deed, the Trust will be constituted to service the Scheme whereby the Trustee shall assist with the administration of the Scheme and shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire such underlying H Shares of the Scheme through on-market transactions with funds to be transferred by the Company to the Trust in accordance with Rule 8. Such underlying H Shares of the Scheme shall not exceed 7,940,000 shares in any event. Awards granted to the Selected Participants shall be held by the Trustee on trust for the benefit of the Selected Participants, and the Trustee shall, for the purposes of vesting of the Award and upon the instruction of the Board or the Delegatee, release from the Trust the Award Shares to the Selected Participants or sell the number of Award Shares so vested on-market at the prevailing market price and pay the Selected Participants the proceeds in cash arising from such sale in accordance with Rule 10 and relevant provisions under the Trust Deed.	**2. General Introduction and Purpose of the Scheme** 2.4 A Trust Deed will be entered into between the Company and the Trustee **from time to time for the purpose of the Trust** ~~being Computershare Hong Kong Trustees Limited initially~~. Pursuant to the Trust Deed, the Trust will be constituted to service the Scheme whereby the Trustee shall assist with the administration of the Scheme and shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire such underlying H Shares of the Scheme through on-market transactions with funds to be transferred by the Company to the Trust in accordance with Rule 8. ~~Such underlying H Shares of the Scheme shall not exceed 7,940,000 shares in any event.~~ Awards granted to the Selected Participants shall be held by the Trustee on trust for the benefit of the Selected Participants, and the Trustee shall, for the purposes of vesting of the Award and upon the instruction of the Board or the Delegatee, release from the Trust the Award Shares to the Selected Participants or sell the number of Award Shares so vested on-market at the prevailing market price and pay the Selected Participants the proceeds in cash arising from such sale in accordance with Rule 10 and relevant provisions under the Trust Deed.

Original	Amendments
4. Duration 4.1 Subject to Rules 10.10 and 21, the Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.	**4. Duration** 4.1 Subject to Rules 10.10 and 21, the Scheme shall be valid and effective for the Award Period **<u>(i.e. for a term commencing on the Adoption Date and ending on the Business Day immediately prior to the 10th anniversary of the Adoption Date), and</u>** ~~(~~after which no further Awards will be granted~~)~~, and thereafter for so long as there are any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme Rules.
5. Administration 5.1 The Scheme shall be subject to the administration of the following administrative bodies: (d) the Trust will be constituted to service the Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire not more than 7,940,000 H Shares through on-market transactions with funds to be transferred by the Company to the Trust.	**5. Administration** 5.1 The Scheme shall be subject to the administration of the following administrative bodies: (d) the Trust will be constituted to service the Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and **<u>the relevant provisions hereof, and</u>** upon the instruction of the Company, acquire ~~not more than 7,940,000~~ H Shares through on-market transactions with funds to be transferred by the Company to the Trust.
6. Selection of Selected Participant	**6. Selection of Selected Participant** **<u>6.5 In the event that a Selected Participant ceases to be an Eligible Employee due to any reasons including but not limited to those set forth in Rules 11.1 to 11.9 upon the approval in relation to any grant of Award Shares by the Management Committee and prior to the execution of the corresponding Award Letter, any directions or recommendations made by the Company to such Selected Participant with respect to any of such grant of Award Shares in any form or by any means shall be null and void, and no relevant Award Shares shall be granted to such Selected Participant, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.</u>**

Original	Amendments
9. Determination of the Source and Amount of the Share Bonus Fund	**9. Determination of the Source and Amount of the Share Bonus Fund** **<u>9.5 The Board or the Delegatee may from time to time instruct the Trustee to apply the amount withdrawn as the Share Bonus Fund to purchase H Shares as the Award Shares under the Employee Share Award Plan.</u>**
10. Vesting of Award 10.5 Subject to Rule 10.4, the company performance indicator is as follows: If at the end of each Vesting Period, the ratio increase in the Company's revenue for that financial year as compared to the financial year immediately preceding reaches or exceeds the Target Revenue Ratio Increase for the respective Vesting Period, the company performance indicator for that Vesting Period shall be considered as met.	**10. Vesting of Award** 10.5 Subject to Rule 10.4, the company performance indicator is as follows: If at the end of each Vesting Period, the ratio increase in the Company's revenue for that financial year as compared to the financial year immediately preceding reaches or exceeds the Target Revenue Ratio Increase for the respective Vesting Period, the company performance indicator for that Vesting Period shall be considered as met.

<table>
<tr><th>Original</th><th>Amendments</th></tr>
<tr>
<td>
The Target Revenue Ratio Increase for the First Plan A Awards are set out below, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion:
<table>
<tr><th>Vesting Period for First Plan A Awards</th><th>Target Revenue Ratio Increase</th></tr>
<tr><td>First Vesting Period</td><td>30%
(Company's revenue increase for the year ended December 31, 2021 as compared to the year ended December 31, 2019)</td></tr>
<tr><td>Second Vesting Period</td><td>45%
(Company's revenue increase for the year ended December 31, 2022 as compared to the year ended December 31, 2019)</td></tr>
<tr><td>Third Vesting Period</td><td>60%
(Company's revenue increase for the year ended December 31, 2023 as compared to the year ended December 31, 2019)</td></tr>
<tr><td>Fourth Vesting Period</td><td>75%
(Company's revenue increase for the year ended December 31, 2024 as compared to the year ended December 31, 2019)</td></tr>
</table>
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The Target Revenue Ratio Increase for the First Plan A Awards are set out below, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion:
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<tr><td>Fourth Vesting Period</td><td>75%
(Company's revenue increase for the year ended December 31, 2024 as compared to the year ended December 31, 2019)</td></tr>
</table>
<u>* The Target Revenue Ratio Increase for the First Plan A Awards shown above only applies to the grant of Award Shares dated December 14, 2022. The details of the performance indicators of the Company shall be determined by the Board or the Delegatee from time to time with reference to the business performance and financial condition of the Company and the then market conditions and shall be set out in the Award Letter.</u>
</td>
</tr>
</table>

Original	**Amendments**
10. Vesting of Awards 10.8 Non-vested Award Shares shall not be entitled to any dividends.	**10. Vesting of Awards** 10.8 Non-vested Award Shares shall not be entitled to any dividends **(including cash dividends and non-cash dividends),**~~.~~ **unless the Board or the Delegatee determines otherwise in its sole and absolute discretion.**
10. Vesting of Awards 10.14 Any stamp duty or other direct costs and expenses arising on vesting and transfer of the Award Shares to or for the benefit of the Selected Participants shall be borne by the Company. Any duty or other direct costs and expenses arising on the sale of the Award Shares due to the vesting shall be borne by the Selected Participant.	**10. Vesting of Awards** 10.14 Any stamp duty **arising from the acquisition of H Shares by the Trustee through on-market transactions** or other direct costs and expenses ~~arising on~~ **for the purposes of** vesting and transfer of the Award Shares to or for the benefit of the Selected Participants shall be borne by the Company. Any duty or other direct costs and expenses arising ~~on~~ **from** the sale of the Award Shares due to the vesting shall be borne by the Selected Participant.

Original	Amendments
12. Transferability and Other Rights to Award Shares 12.1 Any Award vested shall not be assignable or transferable for 6 months beginning the Vesting Date of that part of the Award.	**12. Transferability and Other Rights to Award Shares** 12.1 ~~Any~~ **Subject to the circumstances set out in Rule 10.16, any** Award vested shall not be assignable or transferable for 6 months beginning the Vesting Date of that part of the Award.
13. Interest in the Assets of the Trust 13.1 For the avoidance of doubt: (c) neither the Selected Participant nor the Trustee may exercise any shareholder's rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested);	**13. Interest in the Assets of the Trust** 13.1 For the avoidance of doubt: (c) neither the Selected Participant nor the Trustee may exercise any shareholder's rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested)**, unless the Board or the Delegatee determines otherwise in its sole and absolute discretion**;
15. Takeover, Rights Issue, Open Offer, Script Dividend Scheme, etc. ***Capitalization issue, rights issue, consolidation sub-division, Share Bonus issue, and other distribution*** 15.5 In the event the Company undertakes a sub-division, consolidation or reduction of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.	**15. Takeover, Rights Issue, Open Offer, Script Dividend Scheme, etc.** ***~~Capitalization issue, rights issue, consolidation~~ Consolidation, sub-division, ~~Share Bonus~~ capitalization issue, and other distribution*** 15.5 In the event the Company undertakes a ~~capitalization issue, rights issue,~~ sub-division, consolidation or reduction of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

Original	Amendments
15.6 In the event of an issue of H Shares by the Company credited as fully paid to the holders of the H Shares by way of capitalization of profits or reserves (including share premium account), the H Shares attributable to any Award Shares held by the Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Trustee as if they were Award Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.	15.6 In the event of an issue of H Shares by the Company credited as fully paid to the holders of the H Shares by way of capitalization **issue (including capitalization** of profits or reserves (including share premium account)), the H Shares attributable to any Award Shares held by the Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Trustee as if they were Award Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.
15.7 In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Trustee to purchase H Shares on-market at the prevailing market price to satisfy the additional Award.	15.7 In the event of any ~~non-cash distribution or~~ other events **that are** not referred to ~~above~~ **in Rules 15.1 to 15.6** by reason of which the Board **or the Delegatee** considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Trustee to purchase H Shares on-market at the prevailing market price to satisfy the additional Award.

Original	Amendments
16. Scheme Limit 16.1 The maximum size of the Scheme shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price pursuant to Rule 8.1, and in any case being 7,940,000 H Shares (the "**Scheme Limit**"). The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed the Scheme Limit (as amended by the Board from time to time) without Shareholders' approval. 16.2 The total number of non-vested Award Shares granted to a Selected Participant under the Scheme shall not exceed 1 per cent of the total number of issued shares of the Company from time to time.	**16. Scheme Limit** 16.1 The maximum size of the Scheme shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price pursuant to Rule 8.1, and ~~in any case~~ being **11,910,000** ~~7,940,000~~ H Shares ~~(the "**Scheme Limit**").")~~, **provided that the Board or the Delegatee may adjust such Scheme Limit as a result of the events referred to in Rule 15 (the "Scheme Limit").** The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the Scheme, ~~(excluding~~ **deducting** Award Shares that have been forfeited in accordance with the Scheme,) to exceed the Scheme Limit ~~(as amended by the Board from time to time)~~ without Shareholders' approval. **For the avoidance of doubt, Returned Shares shall not be counted in calculating (i) the Scheme Limit, and (ii) the aggregate number of H Shares underlying all grants made pursuant to the Scheme.** ~~16.2 The total number of non-vested Award Shares granted to a Selected Participant under the Scheme shall not exceed 1 per cent of the total number of issued shares of the Company from time to time.~~

Original	Amendments
19. Alteration of the Scheme 19.1 Subject to the Scheme Limit, the Scheme may be altered or supplemented in any respect by a resolution of the Board. 19.2 Where the Board alters the Scheme, the independent non-executive Directors shall express their independent opinion on whether the altered Scheme facilitates the sustainable development of the Company and whether the altered Scheme impairs the interest of the Company and the Shareholders as a whole.	**19. Alteration of the Scheme** 19.1 Subject to the Scheme Limit **which may be amended by the Board or the Delegatee pursuant to Rule 16.1 from time to time**, the Scheme may be altered or supplemented in any respect by a resolution of the Board **or the Delegatee** ~~by the Management Committee as authorized by the Board~~. ~~19.2 Where the Board alters the Scheme, the independent non-executive Directors shall express their independent opinion on whether the altered Scheme facilitates the sustainable development of the Company and whether the altered Scheme impairs the interest of the Company and the Shareholders as a whole.~~
22. Miscellaneous 22.3 The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 22.4, expenses incurred in the purchase of H Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of H Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Employee in respect of any sale, purchase, vesting or transfer of H Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.	**22. Miscellaneous** 22.3 The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 22.4, expenses incurred in the purchase of H Shares by the Trustee **in accordance with Rules 8.1 and 8.2** and stamp duty **incurred according to Rule 10.14** and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of **the Award Shares** ~~H Shares~~ to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Employee in respect of any sale, purchase, vesting or transfer of H Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.

Original	Amendments
Appendix A – Employee Share Award Plan **1. Plan A Eligible Employees** 1.1 For the purposes of the Employee Share Award Plan, Plan A Eligible Employee is any full-time PRC or non-PRC employee of any members of the Group, who is a: (a) Director; (b) Senior Management; (c) Key operating member; (d) Employee; or (e) Consultant.	**Appendix A – Employee Share Award Plan** **1. Plan A Eligible Employees** 1.1 For the purposes of the Employee Share Award Plan, Plan A Eligible Employee is any ~~full-time~~ PRC or non-PRC employee**,** **Director or consultant** ~~persons~~ of any members of the Group.~~, who is a:~~ ~~(a) Director;~~ ~~(b) Senior Management;~~ ~~(c) Key operating member;~~ ~~(d) Employee; or~~ ~~(e) Consultant.~~
Appendix B – Share Bonus Plan **1. Plan B Eligible Employees** 1.1 For the purposes of the Share Bonus Plan, Plan B Eligible Employee is any full-time PRC or non-PRC employee of any members of the Group, who is a: (a) Director (b) Senior Management; or (c) Key operating team member.	**Appendix B – Share Bonus Plan** **1. Plan B Eligible Employees** 1.1 For the purposes of the Share Bonus Plan, Plan B Eligible Employee is any ~~full-time~~ PRC or non-PRC ~~employee~~ **senior management or key operating team member** of any members of the Group **or the Director.**~~, who is a:~~ ~~(a) Director~~ ~~(b) Senior Management; or~~ ~~(c) Key operating team member.~~

For details of the H Share Scheme, please refer to the Circular. Save for the aforesaid, other provisions of the Scheme shall remain substantially unchanged and valid. The Board believes that the Amendments shall not have a material impact on the financial conditions and operating results of the Company.

The H Share Scheme does not constitute a share option scheme as defined and regulated under Chapter 17 of the Listing Rules. No shareholders' approval is required for the above amendment to the H Share Scheme and this announcement is made to provide information about the H Share Scheme to enhance the transparency of the management of the Company.

By order of the Board
Pharmaron Beijing Co., Ltd.*
Dr. Lou Boliang
Chairman

Beijing, the PRC
July 28, 2022

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. 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 purpose only*