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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)

GRANT OF RESTRICTED SHARES UNDER THE FIRST GRANT AND THE RESERVED GRANT UNDER THE 2023 A SHARE INCENTIVE SCHEME

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

References are made to (a) the circular of Pharmaron Beijing Co., Ltd.* (康龍化成(北京)新藥技術股份有限公司) (the “**Company**”) dated May 25, 2023 (the “**Circular**”) and (b) the announcement of the Company dated March 30, 2023 in relation to, among other things (i) the proposed adoption of the 2023 A Share Incentive Scheme; (ii) the proposed adoption of the Assessment Management Measures for the implementation of the 2023 A Share Incentive Scheme; and (iii) the proposed authorization to the Board to deal with matters relating to the 2023 A Share Incentive Scheme. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

The Board announces that on July 7, 2023, the Company granted 1,444,500 Restricted Shares under the First Grant, and 25,800 Restricted Shares under the Reserved Grant (the “**Grants**”), which represent approximately 0.1459% and 0.0026% of the total number of issued A Shares of the Company as at the date of this announcement, respectively.

Details of the First Grant are as follows:

Date of Grant: July 7, 2023

Number of Restricted Shares under the First Grant 1,444,500 A Shares granted under the First Grant.

The Participants: 282 Participants under the First Grant, which include core management, mid-level management and core technical personnel, basic-level management and technical personnel of the Group.

Reasons for the difference in quantity between the actual grant and the proposed grant The number of Participants under the 2023 A Share Incentive Scheme was adjusted from 295 to 282 and the number of Restricted Shares granted was adjusted from 1,479,300 Restricted Shares to 1,444,500 Restricted Shares due to change of eligibility of four proposed Participants, and the voluntary waives of Restricted Shares by nine proposed Participants.

Grant Price RMB28.58 per A Share

Closing price of the A Shares on the Grant Date RMB38.28 per A Share

Attribution Period Details of the attribution period and the attribution percentage are set out in the table below:

Tranche	Attribution Period	Attribution Percentage
First tranche	From the first trading day after the expiry of 12 months following the Grant Date of the First Grant until the last trading day within the 24 months following the Grant Date of the First Grant	25%
Second tranche	From the first trading day after the expiry of 24 months following the Grant Date of the First Grant until the last trading day within the 36 months following the Grant Date of the First Grant	25%
Third tranche	From the first trading day after the expiry of 36 months following the Grant Date of the First Grant until the last trading day within the 48 months following the Grant Date of the First Grant	25%
Fourth tranche	From the first trading day after the expiry of 48 months following the Grant Date of the First Grant until the last trading day within the 60 months following the Grant Date of the First Grant	25%

Those Restricted Shares under the First Grant which have not been attributed during the period of their respective tranches as a result of failure to fulfil the attribution conditions are not allowed to be attributed or deferred to be attributed in the next attribution period(s) and shall be forfeited. For the avoidance of doubt, in the event that the Restricted Shares planned to be attributed to the Participants cannot be attributed due to failure to meet the performance targets according to the 2023 A Share Incentive Scheme, such Restricted Shares shall lapse.

Upon attribution, the Restricted Shares under the First Grant will be allotted and issued and registered with the CSDC under the Participant's name.

Performance Target

The performance assessment targets in relation to the First Grant of the 2023 A Share Incentive Scheme are set out below:

Performance assessment requirements at the Company level:

Attribution Period	Performance Assessment Target
First Attribution Period	20% (Company's revenue increase for the year ended December 31, 2023 as compared to the year ended December 31, 2022)
Second Attribution Period	40% (Company's revenue increase for the year ended December 31, 2024 as compared to the year ended December 31, 2022)
Third Attribution Period	60% (Company's revenue increase for the year ended December 31, 2025 as compared to the year ended December 31, 2022)
Fourth Attribution Period	80% (Company's revenue increase for the year ended December 31, 2026 as compared to the year ended December 31, 2022)

Note: Revenue refers to the audited revenue of the Company.

Performance assessment requirements at the Participant's project group level

The number of Restricted Shares attributed to the Participants corresponds to the satisfaction of the internal performance assessment targets in relation to the particular project group of the Company during the relevant attribution period. Depending on the assessment result achieved by such project group, different attribution percentage shall be applied.

Performance assessment requirements at the Participant's individual level

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are divided into two levels – “pass” and “fail”, and the corresponding attribution percentage is as follows:

Assessment Results	Pass	Fail
Attribution Percentage at the Participant's individual level	100%	0%

Subject to the Company achieving the aforementioned performance assessment target in the respective attribution period, the actual number of Restricted Shares to be attributed = the number of Restricted Shares expected to be attributed during the respective attribution period pursuant to the 2023 A Share Incentive Scheme x corresponding attribution percentage at the Participant's individual level x corresponding attribution percentage at the Participant's project group level. If such Participant fails to achieve the assessment result, the corresponding Restricted Shares that have been granted but are yet to be attributed to the Participants in such tranche shall not be attributed and shall be lapsed.

Clawback Mechanism

If a Participant violates the law, violates professional ethics, divulges confidential information of the Company, causes damage to the interests or reputation of the Company due to failure to discharge his duties or willful misconduct, and resulting in a change of position, or causes the Company to terminate the employment or labor relationship with such Participant due to the above-mentioned reasons, such Participants shall return to the Company all interests in the Restricted Shares already attributed. The Restricted Shares that have been granted but have not yet been attributed shall not be attributed, and shall be lapsed.

At the same time, in the event of serious circumstances which include but not limited to serious misconduct, a material misstatement in the Company's financial statement or other serious circumstances, the Company may also claim for the damages suffered by the Company from such Participant in accordance with relevant laws and regulations.

Financial Assistance

There are no arrangements for the Group to provide any financial assistance to the Participants to purchase of Restricted Shares under the First Grant of the 2023 A Share Incentive Scheme.

Details of the Reserved Grant are as follows:

Date of Grant:	July 7, 2023
Number of Restricted Shares under the Reserved Grant	25,800 A Shares granted under the Reserved Grant.
The Participants:	13 Participants under the Reserved Grant, which include mid-level management and core technical personnel, basic-level management and technical personnel of the Group.
Grant Price	RMB28.58 per A Share
Closing price of the A Shares on the Grant Date	RMB38.28 per A Share
Attribution Period	Details of the attribution period and the attribution percentage are set out in the table below:

Tranche	Attribution Period	Attribution Percentage
First tranche	From the first trading day after the expiry of 12 months following the Grant Date of the Reserved Grant until the last trading day within the 24 months following the Grant Date of the Reserved Grant	25%
Second tranche	From the first trading day after the expiry of 24 months following the Grant Date of the Reserved Grant until the last trading day within the 36 months following the Grant Date of the Reserved Grant	25%
Third tranche	From the first trading day after the expiry of 36 months following the Grant Date of the Reserved Grant until the last trading day within the 48 months following the Grant Date of the Reserved Grant	25%
Fourth tranche	From the first trading day after the expiry of 48 months following the Grant Date of the Reserved Grant until the last trading day within the 60 months following the Grant Date of the Reserved Grant	25%

Those Restricted Shares under the Reserved Grant which have not been attributed during the period of their respective tranches as a result of failure to fulfil the attribution conditions are not allowed to be attributed or deferred to be attributed in the next attribution period(s) and shall be forfeited. For the avoidance of doubt, in the event that the Restricted Shares planned to be attributed to the Participants cannot be attributed due to failure to meet the performance targets according to the 2023 A Share Incentive Scheme, such Restricted Shares shall lapse.

Upon attribution, the Restricted Shares under the Reserved Grant will be allotted and issued and registered with the CSDC under the Participant's name.

Performance Target

The performance assessment targets in relation to the Reserved Grant of the 2023 A Share Incentive Scheme are set out below:

Performance assessment requirements at the Company level:

Attribution Period	Performance Assessment Target
First Attribution Period	20% (Company's revenue increase for the year ended December 31, 2023 as compared to the year ended December 31, 2022)
Second Attribution Period	40% (Company's revenue increase for the year ended December 31, 2024 as compared to the year ended December 31, 2022)
Third Attribution Period	60% (Company's revenue increase for the year ended December 31, 2025 as compared to the year ended December 31, 2022)
Fourth Attribution Period	80% (Company's revenue increase for the year ended December 31, 2026 as compared to the year ended December 31, 2022)

Note: Revenue refers to the audited revenue of the Company.

Performance assessment requirements at the Participant's project group level

The number of Restricted Shares attributed to the Participants corresponds to the satisfaction of the internal performance assessment targets in relation to the particular project group of the Company during the relevant attribution period. Depending on the assessment result achieved by such project group, different attribution percentage shall be applied.

Performance assessment requirements at the Participant's individual level

The individual assessment of Participants is carried out according to the internal performance assessment system of the Company. The results of the individual assessment of Participants are divided into two levels – “pass” and “fail”, and the corresponding attribution percentage is as follows:

Assessment Results	Pass	Fail
Attribution Percentage at the Participant's individual level	100%	0%

Subject to the Company achieving the aforementioned performance assessment target in the respective attribution period, the actual number of Restricted Shares to be attributed = the number of Restricted Shares expected to be attributed during the respective attribution period pursuant to the 2023 A Share Incentive Scheme x corresponding attribution percentage at the Participant's individual level x corresponding attribution percentage at the Participant's project group level. If such Participant fails to achieve the assessment result, the corresponding Restricted Shares that have been granted but are yet to be attributed to the Participants in such tranche shall not be attributed and shall be lapsed.

Clawback Mechanism

If a Participant violates the law, violates professional ethics, divulges confidential information of the Company, causes damage to the interests or reputation of the Company due to failure to discharge his duties or willful misconduct, and resulting in a change of position, or causes the Company to terminate the employment or labor relationship with such Participant due to the above-mentioned reasons, such Participants shall return to the Company all interests in the Restricted Shares already attributed. The Restricted Shares that have been granted but have not yet been attributed shall not be attributed, and shall be lapsed.

At the same time, in the event of serious circumstances which include but not limited to serious misconduct, a material misstatement in the Company's financial statement or other serious circumstances, the Company may also claim for the damages suffered by the Company from such Participant in accordance with relevant laws and regulations

Financial Assistance

There are no arrangements for the Group to provide any financial assistance to the Participants to purchase of Restricted Shares under the Reserved Grant of the 2023 A Share Incentive Scheme.

For details in relation to the 2023 A Share Incentive Scheme, please refer to the Circular.

REASONS FOR AND BENEFITS OF THE GRANTS

The grant of Restricted Shares is to recognize and reward the grantees of the Grants for their contribution to the Group, and to provide additional incentives to them to maintain and further promote the success of the Group's business.

The new A Shares, when issued and allotted, shall rank *pari passu* among themselves and with the fully paid A Shares in issue.

To the best knowledge of the Directors, as at the date of this announcement, none of the Participants is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; and (iii) a related entity participant or service provider with awards granted and to be granted in any 12-month period exceeding 0.1% of the total ordinary A Shares in issue.

The new A Shares to be allotted and issued by the Company to satisfy the Grants represent approximately 0.1234% of the total issued Shares of the Company as at the date of this announcement.

The aggregate number of A Shares underlying all grants made pursuant to the 2023 A Share Incentive Scheme (excluding Restricted Shares which have been forfeited in accordance with the 2023 A Share Incentive Scheme) will not exceed 1,608,900 A Shares without Shareholders' approval.

As of the date of this announcement, no Restricted Shares under the First Grant, and 138,600 Restricted Shares under the Reserved Grant are available for future grant under the aforementioned scheme mandate limit.

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

Beijing, the PRC
July 7, 2023

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. Hu Baifeng and Mr. Li Jiaqing as non-executive Directors; Ms. Li Lihua, Mr. Zhou Qilin, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.

* *For identification purposes only*