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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in JOINN Laboratories (China) Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**JOINN LABORATORIES (CHINA) CO., LTD.**  
**北京昭衍新藥研究中心股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 6127)**

- (1) ANNUAL REPORT AND SUMMARY FOR 2023;**
- (2) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023;**
- (3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023;**
- (4) FINAL ACCOUNT REPORT FOR 2023;**
- (5) PROPOSED 2023 PROFIT DISTRIBUTION PLAN;**
- (6) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL REPORT AND THE INTERNAL CONTROL AUDITOR FOR 2024;**
- (7) PROPOSED REMUNERATION OF DIRECTORS;**
- (8) PROPOSED REMUNERATION OF SUPERVISORS;**
- (9) PROPOSED CHANGE OF THE REGISTERED CAPITAL OF THE COMPANY;**
- (10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (11) PROPOSED AMENDMENTS TO THE WORKING SYSTEM FOR INDEPENDENT DIRECTORS OF THE COMPANY;**
- (12) PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL INVESTMENTS;**
- (13) PROPOSED GRANT OF GENERAL MANDATE IN RELATION TO REPURCHASE OF A SHARES AND H SHARES;**
- (14) NOTICE OF THE ANNUAL GENERAL MEETING OF 2023; AND**
- (15) NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2024**

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The notice convening the Annual General Meeting and the notice convening the H Share Class Meeting to be held at Meeting Room, Pullman Beijing South, 12 Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China, 100176 on Thursday, 20 June 2024 at 2:30 p.m. are set out in this circular.

Whether or not you are able to attend the Annual General Meeting and/or the H Share Class Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting and/or the H Share Class Meeting in accordance with the instructions printed thereon and return it to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the Annual General Meeting and/or the H Share Class Meeting (i.e. not later than 2:30 p.m. on Wednesday, 19 June 2024 (Hong Kong time) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting and/or the H Share Class Meeting if they so wish.)

For joint shareholders of any Shares, only the joint Shareholder whose name appears first in the register of members is entitled to accept the certificate for the relevant Shares from the Company, and receive notices or other documents of the Company. Any notice delivered to the aforesaid Shareholder shall be deemed to have been delivered to all the joint Shareholders of the relevant Shares. Any joint Shareholder may sign the proxy form, provided that if more than one joint Shareholders who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders. In this regard, the priority of Shareholders shall be determined by the ranking of joint holders in the Company's register of members in relation to the relevant Shares.

This circular together with the form of proxy are also published on the websites of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.joinnlabs.com>).

References to time and dates in this circular are to Hong Kong time and dates.

29 May 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2023 Annual Report”	the annual report for the Company for the year ended 31 December 2023
“2023 Profit Distribution Plan” or “2023 Profit Distribution”	the proposed distribution of cash dividend of RMB0.16 per Share
“A Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each listed on the Shanghai Stock Exchange
“A Share Class Meeting”	the second A Share class meeting of the Company of 2024 to be held on Thursday, 20 June 2024
“A Share Repurchase Mandate”	a general mandate proposed to be granted to the Board at the AGM and the Class Meetings to exercise the power of the Company to repurchase A Share not exceeding 10% of the total number of A Shares in issue and having not been repurchased as at the date of passing the proposed relevant resolutions at the AGM and the Class Meetings
“A Shareholder(s)”	holder(s) of A Shares
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Meeting Room, Pullman Beijing South, 12 Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China, 100176 on Thursday, 20 June 2024 at 2:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 66 to 68 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board” or “Board of Directors”	the board of Directors
“CCASS”	Central Clearing and Settlement System

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## DEFINITIONS

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“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Class Meetings”	the A Share Class Meeting and the H Share Class Meeting
“Company”	JOINN Laboratories (China) Co., Ltd. (北京昭衍新藥研究中心股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group” or “our Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange
“H Share Class Meeting”	the second H Share class meeting of the Company of 2024 to be held on Thursday, 20 June 2024 after the conclusion of the Annual General Meeting and the A Share Class Meeting to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 69 to 70 of this circular, or any adjournment thereof
“H Share Registrar”	Tricor Investor Services Limited, the H Share registrar of the Company

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## DEFINITIONS

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“H Share Repurchase Mandate”	a general mandate proposed to be granted to the Board at the AGM and the Class Meetings to exercise the power of the Company to repurchase H Share not exceeding 10% of the total number of H Shares in issue and having not been repurchased as at the date of passing the proposed relevant resolutions at the AGM and the Class Meetings
“H Shareholder(s)”	holder(s) of H Shares
“HK\$” or “HK dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	Friday, 24 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	The Securities and Futures Commission
“Share(s)”	ordinary share(s) in the issued share capital of the Company, with a nominal value of RMB1.00 each, including both A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“SSE”	The Shanghai Stock Exchange, a stock exchange based in the city of Shanghai, China

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## DEFINITIONS

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“Supervisor(s)”	member(s) of the Supervisory Committee
“Supervisory Committee”	the Supervisory Committee of the Company
“SZSE”	The Shenzhen Stock Exchange, a stock exchange based in the city of Shenzhen, China
“Takeovers Code”	The Code of Takeovers and Mergers published by the SFC

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LETTER FROM THE BOARD

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**JOINN LABORATORIES (CHINA) CO., LTD.**  
**北京昭衍新藥研究中心股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 6127)**

*Executive Directors:*

Ms. Feng Yuxia (*Chairperson*)  
Mr. Zuo Conglin  
Mr. Gao Dapeng  
Ms. Sun Yunxia  
Dr. Yao Dalin

*Registered Office:*

A5 Rongjing East Street  
Beijing Economic-Technological  
Development Area  
Beijing, 100176, China

*Independent Non-executive Directors:*

Mr. Sun Mingcheng  
Dr. Zhai Yonggong  
Mr. Ou Xiaojie  
Mr. Zhang Fan

*Headquarters and Principal Place of  
Business in the PRC:*

A5 Rongjing East Street  
Beijing Economic-Technological  
Development Area  
Beijing, 100176, China

*Principal Place of Business  
in Hong Kong:*

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

29 May 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) ANNUAL REPORT AND SUMMARY FOR 2023;
- (2) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023;
- (3) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023;
- (4) FINAL ACCOUNT REPORT FOR 2023;
- (5) PROPOSED 2023 PROFIT DISTRIBUTION PLAN;
- (6) PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL REPORT AND THE INTERNAL CONTROL AUDITOR FOR 2024;
- (7) PROPOSED REMUNERATION OF DIRECTORS;
- (8) PROPOSED REMUNERATION OF SUPERVISORS;
- (9) PROPOSED CHANGE OF THE REGISTERED CAPITAL OF THE COMPANY;
- (10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (11) PROPOSED AMENDMENTS TO THE WORKING SYSTEM FOR INDEPENDENT DIRECTORS OF THE COMPANY;
- (12) PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL INVESTMENTS;
- (13) PROPOSED GRANT OF GENERAL MANDATE IN RELATION TO REPURCHASE OF A SHARES AND H SHARES;
- (14) NOTICE OF THE ANNUAL GENERAL MEETING OF 2023; AND
- (15) NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2024

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## LETTER FROM THE BOARD

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### **1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting and the H Share Class Meeting to be held on Thursday, 20 June 2024, to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the Annual General Meeting and the H Share Class Meeting. For the details of the proposed resolutions at the Annual General Meeting and the H Share Class Meeting, please also refer to the notices of the Annual General Meeting and the H Share Class Meeting enclosed with this circular.

### **2. ANNUAL REPORT AND SUMMARY FOR 2023**

An ordinary resolution will be proposed at the Annual General Meeting to consider and approve the annual report and annual report summary for the year 2023 which are or will be published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and Shanghai Stock Exchange (<http://www.sse.com.cn>).

### **3. WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023**

The work report of the Board of the Company for 2023 was considered and approved by the Board and will hereby be proposed at the Annual General Meeting as an ordinary resolution for Shareholders' consideration and approval, details of which are set out in Appendix I to this circular.

### **4. WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**

The work report of the Supervisory Committee of the Company for 2023 was considered and approved by the Supervisory Committee and is hereby proposed at the Annual General Meeting as an ordinary resolution for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

### **5. FINAL ACCOUNT REPORT FOR 2023**

The final account report of the Company for 2023 was considered and approved by the Board and is hereby proposed at the Annual General Meeting as an ordinary resolution for Shareholders' consideration and approval, details of which are set out in Appendix III to this circular.



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## LETTER FROM THE BOARD

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### 6. PROPOSED 2023 PROFIT DISTRIBUTION PLAN

An ordinary resolution will be proposed at the Annual General Meeting, to consider and approve the proposed 2023 Profit Distribution Plan.

The Board proposed that a cash dividend of RMB0.16 (inclusive of tax) per Share be distributed to the Shareholders eligible for the 2023 Profit Distribution Plan, representing an aggregate amount of RMB119,803,181.60 based on 748,769,885 Shares (calculated by deducting 1,118,814 Shares in the securities account designated for share repurchase from the total share capital of the Company of 749,888,699 Shares as at the Latest Practicable Date). In the case where, from the Latest Practicable to the date of registration for the 2023 Profit Distribution there are changes in the total share capital of the Company eligible for 2023 Profit Distribution, the Company proposes to remain the per share distribution proportion unchanged, and to adjust the total distribution amount accordingly. The cash dividend will be denominated and declared in RMB, and paid in RMB and in HK dollars to A Shareholders and H Shareholders, respectively. The actual amount distributed in HK dollars will be calculated based on the average of the middle exchange rate of RMB against HK dollars published on the website of the People's Bank of China for the seven working days prior to and including the date of the Annual General Meeting and the H Share Class Meeting. Information regarding the finalised exchange rate and actual amount of cash dividend payable to H Shareholders will be announced by the Company in the poll results announcement on Thursday, 20 June 2024 (after trading hours).

The dividend is expected to be paid on or before 31 July 2024 subject to the approval by the Shareholders by way of ordinary resolution on the 2023 Profit Distribution Plan.

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules which came into effect on 1 January 2008, and amended on 24 February 2017 and 29 December 2018, the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise Shareholders whose names appear on the H Share register of members of the Company, i.e. any Shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or H Shareholders registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprise Shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties

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## LETTER FROM THE BOARD

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(arrangement). After the tax authorities have verified that there is no error, it shall refund the tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the PRC Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, the Company will not be required to withhold and pay any individual income tax on behalf of overseas individual Shareholders when the Company distributes the dividend to overseas individual Shareholders whose names appear on the H Share register of members. The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the Shareholders or any disputes over the mechanism of withholding.

### **2023 Profit Distribution to Investors of Southbound Trading**

For investors of the SZSE (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (“**Southbound Trading**”), the cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares of the Company. Below are relevant taxation policies:

- Shenzhen-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H Shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in Shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H Shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders are suggested to consult their tax consultants regarding the tax impacts in China, Hong Kong and other countries (regions) for holding and selling the Shares.

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## LETTER FROM THE BOARD

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### **Closure of Register of Members**

For the purpose of determining the list of H Shareholders who are entitled to the 2023 Profit Distribution, the register of members of the Company will be closed from Wednesday, 3 July 2024 to Friday, 5 July 2024 (both days inclusive), during which period no transfer of Shares will be registered. H Shareholders whose names appear on the H Share register of members of the Company on Friday, 5 July 2024 are entitled to the 2023 Profit Distribution. In order to be entitled to receive the 2023 Profit Distribution, all share certificates, together with the instruments of transfers, must be lodged for registration with the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 2 July 2024.

### **7. PROPOSED RE-APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL REPORT AND THE INTERNAL CONTROL AUDITOR FOR 2024**

An ordinary resolution will be proposed at the Annual General Meeting to consider and approve the re-appointment of KPMG Huazhen LLP (畢馬威華振會計師事務所 (特殊普通合伙)) as PRC financial report and internal control report auditors of the Company for 2024, and the appointment of KPMG (畢馬威會計師事務所) as international financial report auditors of the Company for 2024. The remuneration for the PRC and international auditors for 2024 shall be RMB3 million.

It is also proposed at the Annual General Meeting that the Board be authorised to exercise discretion for the implementation of the aforesaid remuneration packages for auditors.

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## LETTER FROM THE BOARD

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### 8. PROPOSED REMUNERATION OF DIRECTORS

In accordance with the relevant provisions of the Company Law, the Articles of Association and other regulations, based on the remuneration level of the Company's industry, the annual operating performance and performance appraisal results of the Company, and combined with the actual situation of the Company and the working hours and quantity of independent Directors, the remuneration of Directors for 2024 is as follows:

Name	Position	Proposed remuneration from the Company for 2024
Ms. Feng Yuxia <sup>(1)</sup>	Chairperson, Executive Director	RMB1,040,000 plus US\$150,000
Mr. Zuo Conglin <sup>(1)</sup>	Vice Chairman, Executive Director	RMB860,000
Dr. Yao Dalin <sup>(1)</sup>	Executive Director, Vice General Manager	RMB240,000 plus US\$120,000
Ms. Sun Yunxia <sup>(1)</sup>	Executive Director, Vice General Manager	RMB840,000
Mr. Gao Dapeng <sup>(1)</sup>	General Manager, Executive Director, Secretary to the Board	RMB860,000
Mr. Sun Mingcheng <sup>(2)(3)</sup>	Independent Non-Executive Director	RMB150,000
Dr. Zhai Yonggong <sup>(2)(3)</sup>	Independent Non-Executive Director	RMB150,000
Mr. Ou Xiaojie <sup>(2)(3)</sup>	Independent Non-Executive Director	RMB150,000
Mr. Zhang Fan <sup>(2)(3)</sup>	Independent Non-Executive Director	HK\$180,000

*Note 1:* Ms. Feng Yuxia, Mr. Zuo Conglin, Dr. Yao Dalin, Ms. Sun Yunxia, and Mr. Gao Dapeng may be entitled to additional performance-based remuneration, which will be paid based on their respective performance during 2024.

*Note 2:* Mr. Sun Mingcheng, Dr. Zhai Yonggong, Mr. Ou Xiaojie, and Mr. Zhang Fan do not hold actual positions in the Company. Remuneration is given in the form of allowances.

*Note 3:* Independent non-executive directors of the Company are not entitled to any additional performance-based remuneration.

The Board has considered and approved the above-mentioned remuneration and the related Directors have abstained from voting on the relevant resolution concerning their respective remuneration.

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## LETTER FROM THE BOARD

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An ordinary resolution will be proposed at the Annual General Meeting for Shareholders to consider and approve the above remuneration of Directors.

### 9. PROPOSED REMUNERATION OF SUPERVISORS

In accordance with the relevant provisions of the Company Law, the Articles of Association and other regulations, based on the remuneration level of the Company's industry, the annual operating performance and performance appraisal results of the Company, and combined with the actual situation of the Company and the working hours and quantity of supervisors, the Supervisors' remuneration for 2024 is as follows:

Name	Position	Proposed remuneration from the Company for 2024
Mr. He Yingjun <sup>(1)</sup>	Chairperson	Nil
Ms. Li Ye <sup>(2)</sup>	Employee Supervisor	RMB540,000
Ms. Zhao Wenjie <sup>(1)</sup>	Non-employee Supervisor	Nil

*Note 1:* Mr. He Yingjun and Ms. Zhao Wenjie does not hold an actual position in the Company and does not receive remuneration from the Company.

*Note 2:* Ms. Li Ye may be entitled to additional performance-based remuneration, which will be paid based on her performance during 2024.

The Supervisory Committee has considered and approved the above-mentioned remuneration and the related Supervisors have abstained from voting on the relevant resolution concerning their respective remuneration. An ordinary resolution will be proposed at the Annual General Meeting for consideration and approval by the Shareholders.

### 10. PROPOSED CHANGE OF THE REGISTERED CAPITAL OF THE COMPANY

Reference is made to the announcement of the Company dated 28 March 2024 (the "**Announcement**"), in relation to, among others, the proposed change of the registered capital of the Company. By reason of factors including (i) the capitalisation of reserve; and (ii) the implementation of various share incentive schemes of the Company, pursuant to the relevant requirements of the Company Law and the Articles of Association, the registered capital of the Company and the total number of shares of the Company shall be changed as a result of the aforesaid matters. The total number of Shares has increased from 381,565,307 Shares to 535,678,676 Shares. As a result of the changes of the registered capital of the Company, the Board proposed to change the registered capital of the Company from RMB381,565,307 (divided into 381,565,307 Shares) to RMB535,678,676 (divided into 535,678,676 Shares).

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## LETTER FROM THE BOARD

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The proposed change of the registered capital of the Company is subject to approval of the special resolution by the Shareholders at the Annual General Meeting, A share class meeting and H share class meeting of the Company.

### 11. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcements of the Company dated 28 March 2024, in relation to, among others, the proposed amendments to the Articles of Association. In order (i) to reflect the proposed change of the registered capital of the Company; (ii) to reflect the change in the total number of shares of the Company; (iii) to reflect amendments relating to the implementation of the consultation conclusions to the Proposed Expansion of the Paperless Listing Regime and other Revisions to the Listing Rules published by the Stock Exchange in June 2023, which came into effect on 31 December 2023; and (iv) to further improve and standardise the operation level and improve the governance structure of the Company, the Board proposes to make certain amendments to the Articles of Association in accordance to the requirement under the Listing Rules, the Company Law of the PRC, the Securities Law of the PRC, the Guidance for the Articles of Association of Listed Company, the Listing Rules of the Shanghai Stock Exchange, the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies (No. 1) – Standardised Operations and the Measures for the Administration of Independent Directors of Listed Companies.

Original Articles	Amended Articles
<b>Article 6</b> The registered capital of the Company is RMB381,565,307.	<b>Article 6</b> The registered capital of the Company is RMB535,678,676.
<b>Article 22</b>  .....  The shareholding of the Company is: 381,565,307 ordinary shares, including 320,853,467 shares held by shareholders of domestically listed domestic shares, accounting for approximately 84.09% of the total share capital of the Company; 60,711,840 shares held by shareholders of H Shares, accounting for approximately 15.91% of the total share capital of the Company.	<b>Article 22</b>  .....  The shareholding of the Company is: 535,678,676 ordinary shares, including 450,682,100 shares held by shareholders of domestically listed domestic shares, accounting for approximately 84.13% of the total share capital of the Company; 84,996,576 shares held by shareholders of H Shares, accounting for approximately 15.87% of the total share capital of the Company.

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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
<p><b>Article 98</b> At the annual general meeting of shareholders, the board of directors and the board of supervisors shall report to the meeting on their work in the past year. Each independent director shall also make a report on his work.</p>	<p><b>Article 98</b> At the annual general meeting of shareholders, the board of directors and the board of supervisors shall report to the meeting on their work in the past year. Each independent director shall also make a report on his work <b>to explain the performance of his/her duties. The annual work report of an independent director shall be disclosed no later than the issuance of the notice of the annual general meeting by the Company.</b></p>
<p><b>Article 151</b> The qualifications, nomination and election procedures, term of office, resignation, duties and other matters of independent directors shall be subject to relevant provisions of laws, administrative regulations, department rules and the listing rules of the stock exchange where the shares of the Company are listed. Independent directors can tender their resignation prior to the expiry of their terms of office. If the independent directors of the Company cannot meet the requirements of the Hong Kong Listing Rules on the number, qualification or independence at any time, the Company shall notify the Hong Kong Stock Exchange immediately and explain details and reasons in an announcement. They shall appoint sufficient number of independent directors within 3 months in violation of relevant provisions to meet the requirements of the Hong Kong Listing Rules.</p>	<p><b>Article 151</b> The qualifications, nomination and election procedures, term of office, resignation, duties and other matters of independent directors shall be subject to relevant provisions of laws, administrative regulations, department rules and the listing rules of the stock exchange where the shares of the Company are listed. Independent directors can tender their resignation prior to the expiry of their terms of office. <b>The Company shall complete the by-election within 60 days from the date of resignation of the independent director. Where at any time the number, qualification or independence of the independent directors of the Company does not meet the requirements of the Hong Kong Listing Rules, the Company must inform the Hong Kong Stock Exchange immediately and disclose the details and reasons by way of a public announcement.</b></p>

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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
<p data-bbox="240 257 384 285"><b>Article 157</b></p> <p data-bbox="240 342 300 363">.....</p> <p data-bbox="240 406 783 1144">(I) Subject to the laws, regulations and other provisions of these Articles of Association and for the purchase or disposal of assets; external investments (including entrusted wealth management, consigned loans, etc.); provision of financial assistance; lease of assets; asset and business management as consignor or consignee; donating or taking of assets; credit and debt reorganization; conclusion of franchise agreements; transfer of research and development projects as transferor or transferee and other transaction activities satisfying one of the following standards, they shall be approved by the Board of Directors upon the authorization at the general meetings:</p> <p data-bbox="316 1193 783 1555">1. The total assets involved in the transaction account for 5% or above of the total audited assets of the Company in the latest period, and if the total assets involved in the transaction have both book value and appraised value, the higher of which shall be used for calculation;</p>	<p data-bbox="809 257 952 285"><b>Article 157</b></p> <p data-bbox="809 342 868 363">.....</p> <p data-bbox="809 406 1351 1144">(I) Subject to the laws, regulations and other provisions of these Articles of Association and for the purchase or disposal of assets; external investments (including entrusted wealth management, consigned loans, etc.); provision of financial assistance; lease of assets; asset and business management as consignor or consignee; donating or taking of assets; credit and debt reorganization; conclusion of franchise agreements; transfer of research and development projects as transferor or transferee and other transaction activities satisfying one of the following standards, they shall be approved by the Board of Directors upon the authorization at the general meetings:</p> <p data-bbox="884 1193 1351 1485"><b>1 the total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 10% of the latest audited total assets of the Company;</b></p>



**LETTER FROM THE BOARD**

Original Articles	Amended Articles
<p>2. The business income of the transaction subject (such as equity) in the latest accounting year accounts for 5% or above of the audited business income of the Company in that year;</p> <p>3. The net profit (the net profit after deducting all fees except taxes but not included in non-controlling interests) related to the transaction subject (such as equity) in the latest accounting year accounts for 5% or above of the audited net profit of the Company in that year;</p> <p>4. The transaction amount (including liabilities and expenses incurred) accounts for less than 50% of the latest audited net assets of the Company, or the absolute amount does not exceed RMB50 million;</p> <p>5. The transaction amount (including liabilities and expenses incurred) accounts for 5 % or above of the total capitalization of the Company calculated in accordance with the Hong Kong Listing Rules (based on the average closing price of the five working days prior to the execution date of the transactions); and</p>	<p><b>2 the net assets involved in the subject matter (such as equity) of the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;</b></p> <p><b>3 the transaction value (including liabilities and expenses incurred) accounts for over 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;</b></p> <p><b>4 the profit derived from the transaction accounts for over 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million;</b></p> <p><b>5 the relevant operating income of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 10% of audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB10 million;</b></p>

## LETTER FROM THE BOARD

Original Articles	Amended Articles
<p>6. The profits from the transaction account for less than 50% of the audited net profit of the Company in the latest accounting year, or the absolute amount does not exceed RMB5 million;</p> <p>If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.</p> <p>Subject to the laws, regulations and other provisions of the Articles of Association and for the purchase or disposal of assets; external investments (including entrusted wealth management, consigned loans, etc.); provision of financial assistance; lease of assets; asset and business management as consignor or consignee; donating or taking of assets; credit and debt reorganization; conclusion of franchise agreements; transfer of research and development projects as transferor or transferee and other transaction activities satisfying one of the following standards, they shall be submitted to the general meeting for consideration and approval before implementation after being submitted to the Board of Directors for consideration and approval:</p> <p>1. The total assets involved in the transaction account for 25% or above of the total audited assets of the Company in the latest period, and if the total assets involved in the transaction have both book value and appraised value, the higher of which shall be used for calculation;</p>	<p><b>6 the relevant net profit of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 10% of the net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million.</b></p> <p><b>Where the figure in the calculation of the above indicators is a negative value, its absolute value shall be taken.</b></p> <p>Subject to the laws, regulations and other provisions of the Articles of Association and for the purchase or disposal of assets; external investments (including entrusted wealth management, consigned loans, etc.); provision of financial assistance; lease of assets; asset and business management as consignor or consignee; donating or taking of assets; credit and debt reorganization; conclusion of franchise agreements; transfer of research and development projects as transferor or transferee and other transaction activities satisfying one of the following standards, they shall be submitted to the general meeting for consideration and approval before implementation after being submitted to the Board of Directors for consideration and approval:</p> <p><b>1 The total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited total assets of the Company;</b></p>

## LETTER FROM THE BOARD

Original Articles	Amended Articles
<p>2. The business income of the transaction subject (such as equity) in the latest accounting year accounts for 25% or above of the audited business income of the Company in that year;</p> <p>3. The net profit (the net profit after deducting all fees except taxes but not included in non-controlling interests) related to the transaction subject (such as equity) in the latest accounting year accounts for 25% or above of the audited net profit of the Company in that year;</p> <p>4. The transaction amount (including liabilities and expenses incurred) accounts for more than 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;</p> <p>5. The profits from the transaction account for more than 50% of the audited net profit of the listed company in the latest accounting year, and the absolute amount exceeds RMB5 million;</p> <p>6. The transaction amount (including liabilities and expenses incurred) accounts for 25% or above of the total capitalization of the Company calculated in accordance with the Hong Kong Listing Rules (based on the average closing price of the five working days prior to the execution date of the transactions); and</p> <p>7. Transactions that shall be decided by the general meeting as required by the listing rules of the stock exchange where the Company's shares are listed.</p> <p>If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.</p> <p>The Board of Directors shall authorize the chairman to exercise the decision-making authority if none of the above standards is satisfied.</p>	<p><b>2 The net assets involved in the subject matter (such as share equity) of the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;</b></p> <p><b>3 The transaction value (including liabilities and expenses incurred) accounts for over 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;</b></p> <p><b>4 The profit derived from the transaction accounts for over 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;</b></p> <p><b>5 The relevant operating income of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 50% of the audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB50 million;</b></p> <p><b>6 The relevant net profit of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million.</b></p>

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**LETTER FROM THE BOARD**

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<b>Original Articles</b>	<b>Amended Articles</b>
	<p>If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.</p> <p>Subject to the laws, regulations and other provisions of the Articles of Association, if the external investments of the Company do not meet any of the above standards, the investment department and other business departments shall, after examination and assessment, report to the chairman of the Board of Directors for approval for implementation.</p> <p>Notwithstanding the aforesaid provisions, if the investment made by the Company may constitute a related-party/connected transaction and/or a notifiable transaction under the Shanghai Stock Exchange Listing Rules and the Hong Kong Listing Rules, the Company shall execute the related-party/connected transaction in accordance with the Shanghai Stock Exchange Listing Rules, the Hong Kong Listing Rules and the related-party transaction management system of the Company at the same time.</p> <p>The power to conduct investment in derivatives by the Company shall not be authorized to individual Directors or the operation management of the Company without review and approval by the Board of Directors or the shareholders' meeting of the Company.</p>

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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
<p><b>Article 174</b> The Board of Directors of the Company establishes the Strategic Development Committee, the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee. Members of special committees shall be directors and the number of members shall be odd and shall be no less than three. Half or above of the members of the Audit Committee, the Remuneration and Evaluation Committee and the Nomination Committee shall be independent directors with an independent director as the convener. The convener of the Audit Committee shall be an independent director with accounting or related financial management expertise.</p>	<p><b>Article 174</b> The Board of Directors of the Company establishes the Strategic Development Committee, the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee. Members of special committees shall be Directors and the number of members shall be odd and shall be no less than three. Half or above of the members of the Audit Committee, the Remuneration and Evaluation Committee and the Nomination Committee shall be independent Directors with an independent Director as the convener. <b>The members of the Audit Committee shall be the non-executive Directors who do not hold senior management positions in the Company, of which the majority shall be independent Directors, and the accounting professionals among the independent Directors shall act as the convener.</b></p>
<p><b>Article 176</b> The primary duties of the Audit Committee are to: (1) propose to appoint or replace external auditors; (2) supervise the internal audit system of the Company and its implementation; (3) take charge of the communications between internal auditors and external auditors; (4) review financial information of the Company and its disclosure; and (5) review the internal control system of the Company.</p>	<p><b>Article 176</b> The Audit Committee of the Company shall be responsible for examination and approval of the financial information of the Company and the disclosure thereof, as well as supervision and evaluation of internal and external audit and internal control. <b>The following matters shall be tabled at the Board of Directors for review and consideration after obtaining the consent of more than half of the members of the Audit Committee:</b></p> <p>(1) <b>disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;</b></p>

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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
	<p>(2) appointment or dismissal of an accounting firm which undertakes audit work of the Company;</p> <p>(3) appointment or dismissal of the person-in-charge of finance of the Company;</p> <p>(4) amendment of significant accounting error or change in accounting policy or accounting estimate for reasons other than a change in accounting standards; and</p> <p>(5) any other matters stipulated by the laws, administrative regulations, the CSRC, and the Articles of Association.</p> <p>The Audit Committee shall convene at least one meeting each quarter. An extraordinary meeting may be convened when two or more members or the convener deems necessary. A meeting of the Audit Committee shall be convened only when more than two thirds of the members are present.</p>

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**LETTER FROM THE BOARD**

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<b>Original Articles</b>	<b>Amended Articles</b>
<p><b>Article 177</b> The primary duties of the Nomination Committee are to: (1) study and advise on the election criteria and procedures for the directors and senior management; (2) widely seek qualified candidates of directors and senior management; and (3) examine and advise on the candidates of directors and senior management.</p>	<p><b>Article 177</b> The Nomination Committee of the Company shall be responsible for formulating the selection standards and procedures for Directors and senior management personnel, conducting selection and examination of the candidates and their qualifications, and making recommendations to the Board of Directors on the following matters:</p> <ol style="list-style-type: none"><li data-bbox="815 634 1353 697">(1) nomination or appointment or dismissal of Directors;</li><li data-bbox="815 746 1353 810">(2) appointment or dismissal of senior management personnel;</li><li data-bbox="815 859 1353 995">(3) any other matters stipulated by the laws, administrative regulations, the CSRC, and the Articles of Association.</li></ol> <p>If the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Nomination Committee, the opinion of the Nomination Committee and the specific reasons for not adopting the recommendations shall be recorded in the Board resolutions and disclosed.</p>

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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
<p><b>Article 178</b> The primary duties of the Remuneration and Evaluation Committee are to: (1) review the assessment standards for directors and senior management, make assessment and give suggestions; and (2) study and review the remuneration policies and plans for directors and senior management.</p>	<p><b>Article 178</b> The Remuneration and Evaluation Committee of the Company shall be responsible for formulating the appraisal criteria and conduct appraisal on the Directors and senior management personnel, formulate and review the remuneration policies and plans for the Directors and senior management personnel, and make recommendations to the Board of Directors in respect of the following matters:</p> <ol style="list-style-type: none"> <li>(1) remuneration of the Directors and senior management personnel;</li> <li>(2) establishment or change of equity incentive scheme or employee stock ownership plan, deciding the conditions for the granting of and the exercise of the awards by the eligible participants;</li> <li>(3) arrangement of the shareholding plans for Directors and senior management personnel in the subsidiary to be spun off;</li> <li>(4) any other matters stipulated by the laws, administrative regulations, the CSRC, and the Articles of Association.</li> </ol> <p>If the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Remuneration and Evaluation Committee, the opinion of the Remuneration and Evaluation Committee and the specific reasons for not adopting the recommendations shall be recorded in the Board resolutions and disclosed.</p>



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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
<p><b>Article 230</b></p> <p>.....</p> <p>The Company shall send the aforesaid report or directors' report along with the balance sheet (including all documents attached to the balance sheet required by laws and regulations) and profit or loss statement or income and expenditure statement or summary financial report to each holder of H Shares by hand or by pre-paid post or other means approved by the Hong Kong Stock Exchange at least 21 days prior to the convening of the shareholders' general meeting. The address of the recipients shall be the address registered in the register of shareholders.</p>	<p><b>Article 230</b></p> <p>.....</p> <p>The Company shall send the aforesaid report or directors' report along with the balance sheet (including all documents attached to the balance sheet required by laws and regulations) and profit or loss statement or income and expenditure statement or summary financial report to each holder of H Shares <b>through electronic means</b>, by hand or by pre-paid post, <b>email</b> or other means approved by the Hong Kong Stock Exchange at least 21 days prior to the convening of the shareholders' general meeting. The address of the recipients shall be the address <b>or email address or accounts</b> registered in the register of shareholders.</p>
<p><b>Article 234</b> After the shareholders' general meeting of the Company adopts a profit distribution plan by way of resolution, the Board of the Company shall promptly complete the distribution of dividends (or shares) within two months of the convening of shareholders' general meeting.</p> <p>.....</p>	<p><b>Article 234</b> <b>Within two months</b> after the shareholders' general meeting of the Company adopts a profit distribution plan by way of resolution, <b>or after the Board of Directors has formulated the detailed plan based on the conditions and caps for the distribution of interim dividends in the following year as considered and approved by the annual general meeting</b>, the Board of <b>Directors</b> shall promptly complete the distribution of dividends (or shares).</p> <p>.....</p>

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**LETTER FROM THE BOARD**

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Original Articles	Amended Articles
<p><b>Article 235</b></p> <p>.....</p> <p>(VI) Decision-making mechanism and procedures for profit distribution:</p> <p>The specific plan for dividend distribution submitted to the shareholders' general meeting by the Board shall be approved by vote of more than one half of all the directors under the Board and more than two thirds of all independent directors, shall be considered by the shareholders' general meeting and approved by more than two thirds of the voting rights held by the shareholders attending the shareholder's general meeting.</p> <p>Independent directors shall give independent opinions on the specific plan for dividend distribution.</p> <p>.....</p>	<p><b>Article 235</b></p> <p>.....</p> <p><b>(VI) Decision-making mechanism and procedures for profit distribution policy:</b></p> <p>The specific plan for dividend distribution submitted to the shareholders' general meeting by the Board of Directors shall be approved by vote of more than one half of all the Directors under the Board of Directors and more than two thirds of all independent Directors, shall be considered by the shareholders' general meeting and approved by more than two thirds of the voting rights held by the shareholders attending the shareholder's general meeting.</p> <p>.....</p>

**LETTER FROM THE BOARD**

Original Articles	Amended Articles
<p data-bbox="240 257 783 325">(VII) Decision-making procedures for cash dividends plan:</p> <p data-bbox="240 370 783 1151">When formulating specific plan for cash dividends, the Board shall study and identify with caution the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the cash dividends. The specific plan for cash dividends submitted to the shareholders' general meeting by the Board shall be approved by vote of more than one half of all the directors under the Board and more than two thirds of all independent directors, shall be considered by the shareholders' general meeting and approved by more than two thirds of the voting rights held by the shareholders attending the shareholder's general meeting Independent directors shall review the cash dividends plan and give independent and clear opinions.</p> <p data-bbox="240 1200 300 1221">.....</p>	<p data-bbox="815 257 1350 325"><b>(VII) Decision-making procedures for cash dividend distribution:</b></p> <p data-bbox="815 370 1358 1559">When formulating specific plan for cash dividends, the Board of Directors shall study and identify with caution the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the cash dividends. The specific plan for cash dividends submitted to the shareholders' general meeting by the Board of Directors shall be approved by vote of more than one half of all the Directors under the Board of Directors and more than two thirds of all independent Directors, shall be considered by the shareholders' general meeting and approved by more than two thirds of the voting rights held by the shareholders attending the shareholder's general meeting. <b>Independent Directors shall have the right to express independent opinions if they deem that the detailed cash dividend distribution plan may harm the interests of the Company or minority shareholders. Where the opinions of the independent Directors are not adopted or not fully adopted by the Board of Directors, the opinions of the independent Directors and the specific reason for not adopting the opinions shall be recorded in the Board resolutions and disclosed.</b></p> <p data-bbox="815 1613 874 1634">.....</p>

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## LETTER FROM THE BOARD

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Original Articles	Amended Articles
<p>(VIII) Adjustment in the profit distribution policy:</p> <p>.....</p> <p>In formulating the proposal on adjustment in the profit distribution policy, the Board shall fully listen to the opinions of shareholders (particularly the public investors), independent directors and external supervisors (if any). When the Board approves the proposal on adjustment in the profit distribution policy, the proposal shall be approved by vote of more than one half of all the directors under the Board and more than two thirds of all independent directors. The independent opinion expressed by independent directors in this regard shall be disclosed in a timely manner.</p> <p>.....</p>	<p><b>(VIII) Adjustment in the profit distribution policy:</b></p> <p>.....</p> <p><b>In formulating the proposal on adjustment in the profit distribution policy, the Board of Directors shall fully listen to the opinions of shareholders (in particular the public investors), independent Directors and external supervisors (if any). When the Board of Directors approves the proposal on adjustment in the profit distribution policy, the proposal shall be approved by vote of more than one half of all the Directors under the Board of Directors and more than two thirds of all independent Directors.</b></p> <p>.....</p>

Save for the proposed amendments, other provisions of the Articles of Association shall remain unchanged. Prior to the change of the registered capital of the Company and the amendments to the Articles of Association being approved at the AGM, 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 legal advisers to the Company as to Hong Kong laws and the PRC laws have respectively confirmed that the proposed amendments comply with the applicable requirements of the Listing Rules and are not inconsistent with the laws of the PRC. The Company also confirms that there is nothing unusual in the proposed amendments from the perspective of a PRC company listed on the Hong Kong Stock Exchange.

The proposed amendments to the Articles of Association are subject to the approval of the special resolution by the Shareholders at the AGM, the A Share Class Meeting and the H Share Class Meeting. The Board has resolved to propose a resolution at the Annual General Meeting 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.

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## LETTER FROM THE BOARD

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### **12. PROPOSED AMENDMENTS TO THE WORKING SYSTEM FOR INDEPENDENT DIRECTORS**

Reference is made to the overseas regulatory announcement of the Company dated 28 March 2024 in relation to the proposed amendment to the Working System for Independent Directors of the Company. In order to fulfill the legal and administrative requirements under Measures for the Administration of Independent Directors of Listed Companies\* (上市公司獨立董事管理辦法), to optimise the performance of duties of the independent non-executive Directors and to promote standardised operation of the Company, the Board proposes to make certain amendments to the Working System for Independent Directors of the Company.

This amendments were considered and approved by the Board on 28 March 2024 and are hereby proposed at the AGM for consideration and approval.

The full text of the Working System for Independent Directors of the Company (Revised Version) is set out in Appendix IV to this circular.

### **13. PROPOSED AMENDMENTS TO THE RULES FOR MANAGEMENT OF EXTERNAL INVESTMENTS**

Reference is made to the overseas regulatory announcement of the Company dated 28 March 2024 in relation to the proposed amendment to the Rules for Management of External Investments. In order to further enhance the corporate governance of the Company, the Board proposes to make certain amendments to the Rules for Management of External Investments.

The amendments were considered and approved by the Board on 28 March 2024 and are hereby proposed at the AGM for consideration and approval.

The full text of the Rules for Management of External Investments (Revised Version) is set out in Appendix V to this circular.

### **14. PROPOSED GRANT OF GENERAL MANDATE IN RELATION TO REPURCHASE OF A SHARES AND H SHARES**

In order to meet the needs of the Company's business development, special resolution will be proposed at the Annual General Meeting, the A Share Class Meeting and the H Share Class Meeting to consider and approve the proposed grant of A Share Repurchase Mandate and the H Share Repurchase Mandate, particulars of which are set out as follows and in the notices of the AGM and the H Share Class Meeting of this circular.

\* for identification purpose only

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## LETTER FROM THE BOARD

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Pursuant to the A Share Repurchase Mandate and the H Share Repurchase Mandate, the aggregate number of A Shares and the aggregate number of H Shares to be repurchased by the Company during the Relevant Period (as defined below), shall not exceed 10% of the total number of A Shares in issue and 10% of the total number of H Shares in issue, respectively, as at the date on which the resolutions in relation to the grant of the A Share Repurchase Mandate and grant of the H Share Repurchase Mandate were respectively considered and approved at the AGM, the A Share Class Meeting and the H Share Class Meeting.

For the purpose of the A Share Repurchase Mandate and the H Share Repurchase Mandate, “Relevant Period” means the period from the date of passing of the special resolution(s) in respect of the grant of the A Share Repurchase Mandate and/or the grant of the H Share Repurchase Mandate, respectively, at the AGM, the A Share Class Meeting and the H Share Class Meeting until whichever is the earliest of: (i) the conclusion of the 2024 annual general meeting of the Company; (ii) twelve months upon the special resolution(s) in respect of the grant of the A Share Repurchase Mandate and/or the H Share Repurchase Mandate being considered and approved at the AGM, the A Share Class Meeting and the H Share Class Meeting; or (iii) the date on which the A Share Repurchase Mandate and/or the H Share Repurchase set out in the relevant special resolution(s) is revoked or varied by way of a special resolution at any general meeting, class meeting of the A Shareholders and class meeting of the H Shareholders.

The repurchase pursuant to the A Share Repurchase Mandate and/or the H Share Repurchase Mandate is conditional upon satisfaction of each of the following conditions: (a) the special resolution regarding the grant of the repurchase mandate having been approved at the AGM and the Class Meetings; (b) the Company having obtained the approval from regulatory authorities as may be stipulated under the PRC laws, rules and regulations; and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Companies Law and the Articles of Association. In the event that the Company determines to repay any amount to its creditors in the circumstances described in item (c) above, the Company is expected to repurchase Shares with its internal resources.

The proposed grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate respectively is merely an authorisation by the Shareholders’ meetings to the Board to handle matters relevant to the repurchase of the Shares. Subject to consideration and approval at the AGM and the Class Meetings, the Company will determine whether it will proceed with the repurchase and make specific repurchase plans, as and when appropriate. An explanatory statement containing information regarding the proposed grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate is set out in Appendix VI to this circular.

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## LETTER FROM THE BOARD

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### 15. ANNUAL GENERAL MEETING AND CLASS MEETINGS

The notices of the Annual General Meeting and the H Share Class Meeting are set out on pages 66 to 70 of this circular.

The proxy forms for the Annual General Meeting and the H Share Class Meeting are also enclosed herein and published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.joinnlabs.com](http://www.joinnlabs.com)). Shareholders who intend to appoint proxy/proxies to attend and vote at the Annual General Meeting and H Share Class Meeting on his behalf shall complete, sign and return the proxy forms in accordance with the instructions printed thereon.

For H Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time for holding the Annual General Meeting or H Share Class Meeting in order for such documents to be valid. For A Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the headquarters of the Company in the PRC at A5 Rongjing East Street, Beijing Economic-Technological Development Area, Beijing, China not less than 24 hours before the time for holding the Annual General Meeting or A Share Class Meeting in order for such documents to be valid.

Pursuant to the Articles of Association, for the purpose of holding the Annual General Meeting or H Share Class Meeting, the register of members of H Shares will be closed from Monday, 17 June 2024 to Thursday, 20 June 2024 (both days inclusive), during this period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting and the H Share Class Meeting, non-registered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 14 June 2024. The Shareholders whose names appear on the register of members of the Company on Thursday, 20 June 2024 are entitled to attend and vote at the Annual General Meeting and the H Share Class Meeting. For information about A Shareholders' attendance at the Annual General Meeting or A Share Class Meeting, please see the A Share announcement published by the Company on the website of the SSE.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairperson, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions proposed at the Annual General Meeting and the H Share Class Meeting will be voted by poll.

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## LETTER FROM THE BOARD

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### 16. RECOMMENDATION

The Directors consider that all resolutions set out in the notice of Annual General Meeting and notices of Class Meetings for consideration and approval by Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting and the Class Meetings.

### 17. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility, provides information in relation to the Company in compliance with the Listing Rules. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
For and on behalf of the Board  
**JOINN Laboratories (China) Co., Ltd.**  
**Feng Yuxia**  
*Chairperson*



**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023**

In 2023, the Board of Directors of JOINN Laboratories (China) Co., Ltd. (the “Company”) diligently performed its duties delegated by the general meeting in strict compliance with relevant laws and regulations and normative documents such as the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association as well as the requirements under the Company’s systems, and operated in compliance with regulations and made scientific decisions. All directors carried out works diligently and responsibly to actively promote the business development of the Company. The work of the Board of Directors in 2023 is hereby reported as follows:

**I. MAJOR OPERATING CONDITIONS DURING THE REPORTING PERIOD**

During the reporting period, the investment and financing enthusiasm of the pharmaceutical industry had yet to recover significantly, market demand had undergone substantial changes and competition had intensified. Against the backdrop of the general trend of the industry, the Company achieved an operating income of approximately RMB2.376 billion, representing an increase of 4.78% as compared to 2022. The net profit attributable to Shareholders of the listed company was approximately RMB397 million, representing a decrease of 63.04% as compared to 2022. The net profit contributed by the laboratory services business amounted to RMB473 million, representing a decrease of 17.90% as compared to 2022. Basic earnings per share amounted to RMB0.53, representing a decrease of 63.19% as compared to 2022.

**II. WORK OF THE BOARD DURING THE REPORTING PERIOD****(I) Board meetings during the reporting period**

During the reporting period, the Board has convened 4 meetings:

1. On 30 March 2023, the 2nd meeting of the fourth session of the Board was convened, during which the Board considered and approved the full text of the 2022 Annual Report of the Company and its summary, the Work Report of the Board of Directors for 2022, the Final Financial Report for 2022, the Profit Distribution for 2022, the Internal Control Self-evaluation Report for 2022, the Internal Control Audit Report for 2022, the re-appointment of the auditor of the Company for 2023, the ordinary continuing related party transactions between the Company and its subsidiaries and Staidson Beijing Biopharmaceuticals Co., Ltd. (舒泰神(北京)生物製藥股份有限公司) and its subsidiaries, the ordinary continuing related party transactions between the Company and its subsidiaries and Hexin (Suzhou) Pharmaceutical Technology Co., Ltd. (核欣(蘇州)醫藥科技有限公司) and its subsidiaries, the ordinary continuing related party transactions between the Company and its subsidiaries and Suzhou Qixi Bio-Valley Co., Ltd. (蘇州七溪生物砂谷有限公司), the ordinary continuing related party transactions between the Company and its subsidiaries and Beijing Heyu Pharmaceutical

Technology Co., Ltd. (北京和興醫藥科技有限公司) and its subsidiaries, the application for credit lines by the Company and its subsidiaries to banks, the Remuneration Plan of Directors and Senior Management for 2023, the fulfilment of the unlocking conditions for the first unlocking period under the 2021 Restricted A Share Incentive Scheme, the partial repurchase and cancellation of the restricted shares under the 2019 Share Option and Restricted Share Incentive Scheme, the partial repurchase and cancellation of the restricted shares under the 2021 Restricted A Share Incentive Scheme, the termination of the implementation of the 2021 A Share Employee Stock Ownership Plan, the change of the registered capital of the Company, the amendments to the Articles of Association, the amendments to the Terms of Reference of the Remuneration and Evaluation Committee of the Board of Directors, the amendments to the Rules of Procedures for the General Meeting of Shareholders, the purchase of wealth management products with internal idle fund in 2023, the 2022 Corporate Social Responsibility Report, the proposal on requesting the general meeting of shareholders to grant a general mandate to the Board to repurchase A shares and/or H shares of the Company, the proposal to convene the 2022 AGM, the first A Share class meeting of 2023 and the first H Share class meeting of 2023 of the Company;

2. On 27 April 2023, the 3rd meeting of the fourth session of the Board was convened, during which the Board considered and approved the 2023 First Quarterly Report of the Company, related party transactions of the Company, the amendments to the Articles of Association, the amendments to the Terms of Reference of the Strategic Development Committee of the Board of Directors, the partial repurchase and cancellation of the restricted shares under the 2021 Restricted A Share Incentive Scheme;
3. On 30 August 2023, the 4th meeting of the fourth session of the Board was convened, during which the Board considered and approved the full text of the 2023 Interim Report of the Company and its summary, the related party transactions between the Company and its subsidiaries and Beijing Joinn Biologics Co. Ltd. (北京昭衍生物技術有限公司), the related party transactions between JOINN Clinical (Beijing) Co., Ltd. (昭衍(北京)醫藥科技有限公司) and Yizhao (Beijing) Medical Science & Technology Co., Ltd. (熠昭(北京)醫藥科技有限公司), and the change in use of proceeds from our H Shares;
4. On 30 October 2023, the 5th meeting of the fourth session of the Board was convened, during which the Board considered and approved the 2023 Third Quarterly Report of the Company, the change of the registered capital, the amendments to the Articles of Association, the adjustment to the number of interests granted and repurchase price under the 2021 Restricted A Share Incentive Scheme, the termination of implementation of the 2021 Restricted A Share Incentive Scheme and the

repurchase and cancellation of related restricted shares, the termination of implementation of the 2022 A Share Employee Stock Ownership Plan, the cancellation of certain share options under the 2018, 2019 and 2020 share incentive schemes, the proposal to convene the first Extraordinary General Meeting of 2023, the second A Share class meeting of 2023 and the second H Share class meeting of 2023.

## **(II) Meetings of Professional Committees of the Board during the Reporting Period**

During the reporting period, the Audit Committee of the Board has convened 4 meetings in total:

1. On 30 March 2023, the 1st meeting of the fourth session of the Audit Committee of the Board was convened, during which the Audit Committee considered and approved the financial report and audit report of the Company for 2022, the appointment of the auditor for 2023 and the Internal Control Self-evaluation Report for 2022 and the Internal Control Audit Report for 2022, and preapproved the provision of non-assurance services to the Company by KPMG Huazhen LLP;
2. On 27 April 2023, the 2nd meeting of the fourth session of the Audit Committee of the Board was convened, during which the Audit Committee considered and approved the 2023 First Quarterly Report of the Company;
3. On 30 August 2023, the 3rd meeting of the fourth session of the Audit Committee of the Board was convened, during which the Audit Committee considered and approved the 2023 Interim Report of the Company;
4. On 30 October 2023, the 4th meeting of the fourth session of the Audit Committee of the Board was convened, during which the Audit Committee considered and approved the 2023 Third Quarterly Report of the Company;

During the reporting period, the Remuneration and Evaluation Committee of the Board has convened 1 meeting in total:

On 30 March 2023, the 1st meeting of the fourth session of the Remuneration and Evaluation Committee of the Board was convened, during which the Remuneration and Evaluation Committee considered and approved the remuneration plan of directors and senior management of the Company for 2023 and the fulfilment of the unlocking conditions for the first unlocking period under the 2021 Restricted A Share Incentive Scheme;

During the reporting period, the Company did not convene meetings of the Nomination Committee of the Board and the Strategic Development Committee of the Board.

### III. PROSPECTS OF 2024

In 2024, the Board of the Company will continue to perform the duties and obligations of the Board diligently and carried out all work diligently and responsibly to promote the Company's continued healthy and stable development:

Affected by the current overall environment of the domestic biopharmaceutical industry, 2024 is expected to be a year of both opportunities and challenges. Against this background, the Company will pay close attention to industry trends and adjust market strategies in a timely manner, and continue to strengthen its innovation in technology and business areas. Leveraging our leadership in the core business area of non-clinical evaluations, we will actively develop new customer base, maintain a relatively stable technical team, and actively recruit high-level professional talents to enhance our competitiveness and increase market share in the industry.

Based on the existing business, the Company will further expand the business capabilities in the upstream and downstream segments of drug evaluation, including early-stage drug screening, drugability evaluation for drugs, cellular assay business, expand the laboratory scale of the clinical testing segment, broaden the scope of clinical testing business, improve testing capabilities and qualifications while improving the supply chain assurance capabilities. In addition, the Company will increase investment in informatization and automation to improve the efficiency, quality and accuracy of experiments.

Driven by market demands, the Company will actively develop new technologies and new methodologies to satisfy the demand for innovative medicines, and form new service advantages.

We will strengthen strategic synergy and business synergy with Biomere, our U.S. subsidiary, enhance the construction of our development team in US market and strengthen its marketing efforts, increase the overseas revenue, and participate in global competition actively, so as to further improve our international service capability.

**Board of Directors of  
JOINN Laboratories (China) Co., Ltd.  
28 March 2024**

**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023****I. CONVENING OF MEETINGS OF THE SUPERVISORY COMMITTEE**

During the year, the Company held 4 meetings of the Supervisory Committee.

1. On 30 March 2023, the 2nd meeting of the fourth session of the Supervisory Committee was convened, during which the Supervisory Committee considered and approved the full text of the 2022 Annual Report of the Company and its summary, the Work Report of the Supervisory Committee for 2022, the Final Financial Report for 2022, the Profit Distribution for 2022, the Internal Control Self-evaluation Report for 2022, the Internal Control Audit Report for 2022, the Remuneration Plans for Supervisors for 2023, the re-appointment of the auditor for 2023, the fulfilment of the unlocking conditions for the first unlocking period under the 2021 Restricted A Share Incentive Scheme, the partial repurchase and cancellation of the restricted shares under the 2019 Share Option and Restricted Share Incentive Scheme, the partial repurchase and cancellation of the restricted shares under the 2021 Restricted A Share Incentive Scheme, the Company's termination of the implementation of 2021 A Share Employee Stock Ownership Plan, and the proposal on requesting the general meeting of shareholders to grant a general mandate to the Board to repurchase A shares and/or H shares of the Company;
2. On 27 April 2023, the 3rd meeting of the fourth session of the Supervisory Committee was convened, during which the Supervisory Committee considered and approved the 2023 First Quarterly Report, and the partial repurchase and cancellation of the restricted shares under the 2021 Restricted A Share Incentive Scheme;
3. On 30 August 2023, the 4th meeting of the fourth session of the Supervisory Committee was convened, during which the Supervisory Committee considered and approved the full text of the 2023 Interim Report of the Company and its summary, the changes in use of proceeds from our H Shares, and the changes in the Company's accounting policies;
4. On 30 October 2023, the 5th meeting of the fourth session of the Supervisory Committee was convened, during which the Supervisory Committee considered and approved the 2023 Third Quarterly Report of the Company, the adjustment to the number of interests granted and repurchase price under the 2021 Restricted A Share Incentive Scheme, the termination of implementation of the 2021 Restricted A Share Incentive Scheme and the repurchase and cancellation of related restricted shares, the termination of implementation of the 2022 A Share Employee Stock Ownership Plan, the cancellation of certain share options under the 2018, 2019 and 2020 share incentive schemes.

**II.    OPINIONS OF THE SUPERVISORY COMMITTEE ON SUPERVISED MATTERS OF THE COMPANY IN THE REPORTING PERIOD****1.    Compliance of the Company's operations with legal requirements**

During the reporting period, pursuant to the laws and regulations of the PRC and the Articles of Association, the Supervisory Committee duly supervised the convening procedures and resolutions of general meetings of shareholders and meetings of the Board, the Board's execution of resolutions approved at general meetings of shareholders, the performance of duties by the senior management of the Company. The Supervisory Committee was of the view that the Board and the senior management of the Company performed their duties with integrity and diligence, made decisions in a scientific approach, maintained sound production and operation. The Supervisory Committee was not aware of any action which would result in a breach of laws or regulations or the Articles of Association or would damage the interests of the Company and investors in the Company.

**2.    Financial position of the Company**

During the reporting period, the Supervisory Committee further enhanced its internal control, especially the examination of the financial system. The Company has established a sound system on external investment and connected transactions, etc. In its operation, the Company observed the relevant laws and regulations of the PRC and the relevant provisions of the China Securities Regulatory Commission. On the control of the movement of funds and administrative expenses, the Company strictly controlled on each grade which ensured the normal operation of the Company and avoided financial risk.

The Supervisory Committee was of the view that the procedures adopted by the Board in preparing and considering the annual financial report of the Company are in compliance with the laws, administrative regulations and stipulations of the CSRC. The contents of the report gave a true, accurate and complete view of the actual situation of the listed company and do not contain false statements, misleading representations or material omissions.

**3.    Use of raised proceeds during the year**

During the reporting period, the Company utilized and managed the proceeds in strict compliance with the requirements of the Management Measures for Proceeds by Companies Listed on the Shanghai Stock Exchange and the regulations for the management of proceeds of the Company without non-compliance in utilization of proceeds.

**4. Material related party transactions**

During the reporting period, the Company conducted connected transactions according to the principle of fairness and such transactions have been complying with laws and regulations. The Supervisory Committee was not aware of any action which would damage the interests of the Company and investors in the Company.

**5. The Supervisory Committee has no disagreement on the matters supervised during the reporting period.**

**III. WORKING PLAN FOR 2024**

In 2024, the Supervisory Committee will fully exercise its power of supervision and proposal according to the responsibilities and rights conferred by the Company Law and the Articles of Association, so as to effectively improve its ability to perform duties, ensure the compliance of the Company's operation with laws and regulations, such that the interests of the Company and Shareholders would not be prejudiced and the Company can continue to enjoy healthy development.

**Supervisory Committee of  
JOINN Laboratories (China) Co., Ltd.**  
28 March 2024

## FINAL ACCOUNT REPORT FOR 2023

## FINAL ACCOUNT FOR 2023

**(I) Scope of financial reporting and the accounting system implemented**

1. Reporting scope: JOINN Laboratories (China) Co., Ltd.
2. The Company complies with the Accounting Standards for Business Enterprises and their application guidelines and adopts the calendar year as its fiscal year. The Group adopts the accrual basis as the basis of book-keeping, uses historical costs as its general measurement basis and the functional currency is RMB.

**(II) Overall operation condition during the reporting period**

In 2023, the Company achieved an operating income of RMB2,376.4868 million, the net profit attributable to the parent was RMB396.9926 million and the net profit excluding the impact of non-recurring gains and losses was RMB336.7308 million.

**1. Financial condition (before allocation)****(1) Total assets**

As at the end of 2023, the total assets of the Company amounted to RMB10,027.1596 million, representing a decrease of RMB337.0559 million or 3.25% as compared to RMB10,364.2155 million at the beginning of the year.

Of them, current assets, fixed assets, intangible assets and other assets amounted to RMB7,121.9673 million, RMB583.3190 million, RMB292.3798 million and RMB2,029.4935 million (including biological assets for breeding of RMB558.8736 million, fund and equity investment of RMB747.6236 million), representing 71.03%, 5.82%, 2.92% and 20.24% of the total assets, respectively.

**(2) Total liabilities**

As at the end of 2023, the total liabilities of the Company amounted to RMB1,746.1192 million, representing a decrease of RMB427.2302 million or 19.66% as compared to RMB2,173.3494 million at the beginning of the year.

Of them, current liabilities and non-current liabilities amounted to RMB1,467.3651 million (Nil for short-term borrowings) and RMB278.7541 million, representing 84.04% and 15.96% of the total liabilities, respectively.



(3) *Shareholders' equity*

As at the end of 2023, shareholders' equity of the Company amounted to RMB8,281.0404 million, representing an increase of RMB90.1744 million or 1.10% as compared to RMB8,190.8661 million at the beginning of the year.

Of them, share capital, capital reserve, surplus reserve and undistributed profit amounted to RMB749.8887 million, RMB5,267.1282 million, RMB144.2592 million and RMB2,163.9715 million, representing 9.06%, 63.60%, 1.74% and 26.13% of the shareholders' equity, respectively.

(4) *Asset-liability ratio*

At the end of 2023, the asset-liability ratio was 17.41%, representing a decrease of 3.56 percentage points as compared to 20.97% at the beginning of the year.

(5) *The net decrease of cash and cash equivalents for 2023 was RMB45.8226 million, of which:*

- ① Cash inflows from operating activities were RMB2,433.3065 million and cash outflows were RMB1,810.4314 million, the net cash flows were RMB622.8751 million;
- ② Cash inflows from investing activities were RMB623.9031 million, cash outflows were RMB939.3326 million, net cash flows were -RMB315.4295 million which were mainly the cash outflow as a result of the payment of the balance of acquisition and the purchase of long-term assets such as fixed assets;
- ③ Cash inflows from financing activities were nil, cash outflows were RMB361.6779 million and net cash flows were -RMB361.6779 million, which were mainly the expenditures for the Share Buy-back and dividends paid in cash during the period.

## 2. *Operating performance*

In 2023, the Company achieved operating income, total profits and net profits of RMB2,376.4868 million, RMB506.9504 million and RMB391.5526 million, of which operating income increased by 4.78% as compared to 2022, and total profits and net profits decreased by 59.12% and 63.52% as compared to 2022, respectively. Main reasons are: (1) during the reporting period, the investment and financing enthusiasm of the pharmaceutical industry had yet to recover significantly, market demand had undergone substantial changes and competition had intensified. Amidst the general trend of the industry, the revenue of the laboratory services business of the Company remained stable and grew slightly. However, due to the decline in order pricing, the gross profit margin decreased year-on-year and the net

profit from the laboratory services business declined year-to-year; (2) during the reporting period, the results were negatively impacted by the loss on fair value changes of biological assets held by the Company due to the decline in market prices.

3. *Major financial indicators for 2023*

Asset-liability ratio: 17.41%; current ratio: 4.85; quick ratio: 3.49;

Accounts receivables turnover (times/year): 11.20; inventory turnover (times/year): 0.67;

Weighted average return on net assets: 4.82%;

Weighted average return on net assets after deducting non-recurring profit or loss: 4.10%;

Weighted average earning per Share: RMB0.53;

Weighted average earning per Share after deducting non-recurring profit or loss: RMB0.45;

Net assets per share: RMB11.04.

**(III) Investments**

1. Increase in payments of fixed assets, intangible assets and other long-term assets of RMB192.7213 million, which is mainly used for trial investigations of cases and capacity building.

As at the end of the period, the cash balance of investment expenses was RMB373.3541 million, mainly representing the internal idle funds used in cash management, so as to increase our capital income.

**JOINN LABORATORIES (CHINA) CO., LTD.**

28 March 2024

JOINN LABORATORIES (CHINA) CO., LTD.  
WORKING SYSTEMS FOR INDEPENDENT DIRECTORS

## Chapter I General Provisions

**Article 1** To ensure the standardised operation of JOINN Laboratories (China) Co., Ltd. (hereinafter referred to as the “Company”) and the execution of duties of independent directors of the Company according to law, to improve the proceedings of independent directors, to improve the rules of independent directors and improve the work efficiency and scientific decision-making capacity of independent directors, to give full play to the role of independent directors in corporate governance, and to protect the lawful rights and interests of the Company and the directors, the rules are formulated in accordance with the Company law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the “SSE Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”, “The Stock Exchange of Hong Kong Limited” hereinafter referred to as the “Hong Kong Stock Exchange”), the Articles of Association of JOINN Laboratories (China) Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant laws, regulations and regulatory documents in the place where the Company’s shares are listed.

**Article 2** The independent directors of the Company shall strictly follow the procedures stipulated under the rules during the deliberation, and exercise the authorities endowed by the laws, administrative regulations, departmental rules and the Articles of Association.

**Article 3** The independent directors represent the directors who do not have any position in the Company other than serving as a director and have no direct or indirect interest relationship with the Company and the substantial shareholders and de facto controller of the Company, or other relationships that may affect their independent and objective judgments.

Independent directors shall perform their duties and responsibilities independently without influence from the Company and the substantial shareholders and de facto controller of the Company or other entities or individuals.

**Article 4** Independent directors shall have the obligation of fidelity and diligence to the Company and all shareholders, and shall conscientiously perform their duties by playing a role of participation in decision-making, supervision and balance, and professional consultation in the Board, safeguard the overall interests of the Company and protect the legal rights and interests of minority shareholders in accordance with laws, administrative regulations, the requirements of the China Securities Regulatory Commission, the operating rules of the Shanghai Stock Exchange and the provisions under the Articles of Association.

**Article 5** The Company formulates an independent director system. The independent director system shall comply with the laws, administrative regulations, the provisions of the CSRC and the business rules of the stock exchange, and shall be conducive to the sustainable and standardised development of the listed company, and shall not be detrimental to the interests of the listed company.

The listed company shall provide the necessary safeguards for independent directors to perform their duties in accordance with the laws.

**Article 6** The Board of the Company sets in place independent directors, the proportion of independent directors of the Company shall not be less than one-third of the members of the Board; the persons acting as independent directors of the Company shall include at least one accounting professional and comply with the relevant requirements of the Hong Kong Listing Rules. The Company shall establish an audit committee under the Board, and the members of the audit committee shall be directors who do not hold senior management positions in the Company, where more than half of the members shall be independent directors, and accounting professional(s) among the independent directors shall serve as convener(s).

The Company may, as deemed necessary, establish special committees under the Board, including nomination, remuneration and appraisal, strategy and other committees. The independent directors shall constitute a majority of the remuneration and appraisal committee and nomination committee and shall serve as the convener(s) of such committees.

A person who is nominated as a candidate for the independent director in the capacity of an accounting professional shall have sufficient professional knowledge and experience in accounting and shall meet at least one of the following conditions:

- (1) possess the qualification as a certified public accountant;
- (2) possess a senior professional title, associate professor title or doctoral degree majored in accounting, auditing or financial management;
- (3) possess a senior title in economic management with over 5 years of full-time working experience at a professional position in accounting, auditing or financial management.

**Article 7** An independent director shall continuously strengthen his/her study of securities laws, regulations and rules, and continuously improve his/her ability to perform his/her duties. The Company shall organise the independent directors to participate in relevant trainings, including those organised by the securities regulatory authorities, to continuously improve their professional knowledge required for performing their duties in areas such as accounting, economics, laws and regulatory standards for listed companies.

**Chapter II Qualifications and Conditions for Serving as Independent Directors**

**Article 8** Independent directors shall possess the qualifications suitable for exercise of their authorities and shall comply with the relevant laws, administrative regulations, departmental rules, regulatory documents and relevant provisions of the stock exchange where the Company's shares are listed. A person who serving as independent directors, in addition to meeting the conditions for directors of the Company as stipulated in the Articles of Association, shall also meet the following basic conditions:

- (1) possess the qualifications suitable for serving as a director of the listed company in accordance with laws, administrative regulations, provisions of the stock exchange where the Company's shares are listed and other relevant provisions;
- (2) possess the necessary independence for serving as an independent director as required by laws and regulations;
- (3) possess basic knowledge on the operations of a listed company, and be familiar with relevant laws, administrative regulations, systems and rules;
- (4) possess at least five years of working experience in legal, accounting or economics fields required for his/her performance of duties as an independent director;
- (5) participate in the training organised by the China's securities regulatory department(s) and its authorised institution(s) and obtain qualification certificate(s) of independent directors;
- (6) possess good personal integrity and no major dishonest acts or other bad records;
- (7) comply with laws, administrative regulations, departmental rules, regulatory documents and other conditions as stipulated in the Articles of Association.

**Article 9** An independent director must remain independent. The following persons shall not serve as independent directors:

- (1) a person who holds a position in the Company or its subsidiaries, his/her spouse, parents, children and major social relations;
- (2) a natural person shareholder who directly or indirectly holds more than one percent of the issued shares of the Company or any of the top ten largest shareholders of the Company and their spouses, parents and children;
- (3) a person who holds a position in the shareholders directly or indirectly holding more than five percent of the issued shares of the Company or any of the top five largest shareholders of the Company and their spouses, parents and children;

- (4) a person who holds a position in the subsidiaries of the Company's controlling shareholders and de facto controller and their spouses, parents and children;
- (5) a person who has major business relationship with the Company and its controlling shareholder, de facto controller or any of their respective subsidiaries, or a person who holds a position in a unit that has major business relationship with the Company or the unit's controlling shareholder or de facto controller;
- (6) a person who provides financial, legal, consulting, sponsorship or other services to the Company and its controlling shareholder, de facto controller or any of their respective subsidiaries, including but not limited to all members of the project team of the intermediary institution providing the services, reviewers at all levels, persons who sign on the reports, partners, directors, senior management and the key persons in charge;
- (7) a person who falls under any of the circumstances set forth in items (1) to (6) in the last 12 months;
- (8) any other person who is not independent as stipulated by laws, administrative regulations, departmental rules and other regulatory documents, and any other person who is not independent as identified by the securities supervision and management departments or stock exchange where the Company's shares are listed and those stipulated by the Articles of Association.

The independent directors shall conduct annual self-examination on their independence and submit the self-examination findings to the Board. The Board shall assess the independence of the incumbent independent directors each year and issue special opinions for disclosure at the same time as the annual report.

### **Chapter III Nomination, Election and Replacement of Independent Directors**

**Article 10** The board of directors and the supervisor committee of the Company and the shareholders individually or jointly holding more than one percent of the issued shares of the Company may nominate candidates for the independent directors, who shall be determined through election at the general meeting.

An investor protection institution established in accordance with laws may publicly request shareholders to entrust it with exercise of the right to nominate the independent directors on its behalf.

The nominator specified in clause 1 shall not nominate a person who has interest in the nominator or any other close relationship that may affect the independent performance of duties as a candidate for the independent director.

**Article 11** The nominators of independent directors shall seek the consent of the nominees before any nomination to be made. Nominators shall have sufficient understanding of the profile of the nominees, such as occupation, academic background, title of position, detailed working experiences and all part-time engagements of the nominees, whether there is any major dishonest acts and other bad records, with expressed views related to the fulfilment of the independence and other criteria for acting as independent directors. Public declaration shall be made by nominees in relation to his/her fulfilment of the independence and other criteria for acting as independent directors.

**Article 12** The nomination committee under the board of directors shall conduct a review on the nominees' qualifications and form definite review opinions.

The Company shall, before convening a general meeting for electing the independent directors, disclose relevant information required by Article 11 of the Rule in accordance with the provisions, and submit the relevant materials of all candidates for the independent directors (including but not limited to nominator's statement, the candidate's statement and the independent director's resume) to the stock exchange. The relevant materials submitted shall be authentic, accurate, and complete.

The stock exchange shall review the relevant materials of the candidates for independent directors pursuant to regulations, make a prudent judgement on whether the candidates for independent directors meet the qualifications and have the right to raise an objection. The Company shall not propose any candidate to the general meeting for election if the stock exchange objects to such candidate.

Independent directors shall submit an independence confirmation to the Hong Kong Stock Exchange upon appointment to confirm: (a) their independence in relation to the factors described in Rules 3.13(1) to (8) of the Hong Kong Listing Rules; (b) any past or current financial or other interests they had in the business of the Company or its subsidiaries, or any connections with any core connected persons of the Company (if any); and (c) there are no other factors that could affect their independence when submitting the Form H required under the Hong Kong Listing Rules.

After being appointed as an independent director, if he/she encounters any new circumstances or changes that may affect his/her independence, the independent director must notify the Hong Kong Stock Exchange as soon as practicable. All independent directors are required to provide a written confirmation of their independence to the Company on an annual basis. The Company must confirm in its annual report each year whether it has received the aforementioned confirmations and whether it still considers the relevant independent directors to be independent.

**Article 13** To elect two or more independent directors, a cumulative voting system shall be implemented at a general meeting of the Company. The voting by minority shareholders shall be counted separately and disclosed.

**Article 14** The term of office of an independent director shall be the same as that of other directors of the Company and may be renewed upon expiration, and the consecutive terms of office shall generally not exceed six years.

**Article 15** Prior to the expiry of the term of office of an independent director, the Company may remove him/her from office according to statutory procedures. If the Company early terminates an independent director from his/her position, the Company shall promptly disclose the specific reasons and grounds therefor. If an independent director has any objection to the removal, the Company shall disclose it in a timely manner.

Any independent director who fails to meet the qualification or independence requirements after taking office shall immediately cease the performance of his/her duties and resign from his/her position. If he/she fails to resign, the board shall immediately remove him or her from office in accordance with the relevant provisions as soon as it becomes aware or should become aware of such facts.

If the resignation or removal of an independent director due to the circumstances as stipulated in the preceding paragraph will render the ratio of the independent directors in the board or its special committees to be in inconsistency with the requirements as provided in the Rules or the Articles of Association, or in a lack of accounting professionals among the independent directors, the Company shall complete the election for replacement within sixty days after the date of the occurrence of aforementioned facts.

**Article 16** An independent director may tender his/her resignation before the expiry of his/her term of office. An independent director who resigns shall submit a written resignation to the board, in which he/she shall explain any conditions related to his/her resignation or which are considered by him/her as necessary to draw the attention of the shareholders and creditors of the Company. The Company shall disclose the reasons and any matters of concern in relation to the resignation of the independent director.

If the resignation of an independent director will render the ratio of the independent directors in the board or its special committees to be in inconsistency with the requirements as provided in the Rules or the Articles of Association, or in a lack of accounting professionals among the independent directors, the independent director who tenders resignation shall continue to perform his/her duties until the date when a new independent director is appointed. The Company shall complete the election for replacement within sixty days from the date of resignation of the independent director.

If the independent directors of the Company cannot meet the requirements of the Hong Kong Listing Rules on the number, qualification or independence at any time, the Company shall notify the Hong Kong Stock Exchange immediately and explain details and reasons in an announcement. The Company shall also appoint sufficient independent directors within three months in violation of relevant provisions to meet the requirements of the Hong Kong Listing Rules.

Should the resignation of an independent director cause the ratio of independent directors in the board of the Company to fall below one-third, the resignation of the independent director shall become effective after the vacancy is filled by the new independent director elected at the general meeting.



**Chapter IV Roles of Independent Directors and Performance of Duties**

**Article 17** An independent director shall assume the obligation of loyalty and diligence to the Company and all its shareholders, and shall, in accordance with the requirements of relevant laws and regulations, the Articles of Association and the Rules, conscientiously perform his/her duties, safeguard the overall interests of the Company, and, particularly, protect the legitimate rights and interests of minority shareholders.

As stated in the Measures for the Administration of Independent Directors of Listed Companies, within the transition period of one year from the date on which the Measures becomes effective, the qualification requirement that any one individual independent director may, in principle, serve concurrently as an independent director in five listed companies at the most shall be revised to the extent that any one individual independent director may serve concurrently as an independent director in three domestically listed companies at the most, which is in compliance with the requirements provided in the Measures for the Administration of Independent Directors of Listed Companies, and should ensure that he/she has sufficient time and energy to faithfully discharge the duties as an independent director.

**Article 18** Independent directors shall fulfil the following duties:

- (1) to involve in the decision-making of the board and provide explicit opinions on the matters discussed;
- (2) to supervise matters as stated in Article 24 of the Rules and the relevant provisions on the special committees under the board of directors that are stipulated in Article 26, Article 27 and Article 28 of the Measures for the Administration of Independent Directors of Listed Companies, which indicate potential material conflict of interest between the listed company and its controlling shareholders, de facto controllers, directors and senior management, so as to ensure that the decisions of the board are in line with the overall interests of the listed company and to protect the legitimate interests of minority shareholders;
- (3) to provide professional and objective advice on the Company's operation and development, thereby facilitating improvement in the standard of the decisions of the board;
- (4) other duties as stipulated by laws, administrative regulations, regulations of the CSRC, and the Articles of Association.

**Article 19** In addition to the powers and duties the Company Law and other relevant laws and regulations have conferred to the independent directors as directors, the independent directors shall have the following specific authorities:

- (1) to independently engage an intermediary organization to conduct audits, consultations or verifications on specific matters of the Company;
- (2) to make proposals to the board for holding extraordinary general meetings;
- (3) to make proposals to the board for holding board meetings;

- (4) to collect voting rights from shareholders in a public way in accordance with the laws;
- (5) to express independent opinions on matters that may prejudice the interests of the Company or minority shareholders;
- (6) other authorities conferred by laws, administrative regulations, departmental rules, regulatory documents, the rules of stock exchanges where the Company's shares are listed, the Articles of Association, and other provisions of the Rules.

For performing the duties of items (1) to (3) as provided in the preceding paragraph, independent directors shall obtain the prior consent of more than half of all independent directors.

The Company shall make disclosures in due course when independent directors exercise the authority provided in paragraph (1) of this article. In the case of failure to perform the duties and authorities stated above, the Company shall disclose the details and reasons.

**Article 20** Prior to the convening of a board meeting, independent directors may communicate with the secretary of the board to make enquiries, request for supplementary materials, and offer opinions and suggestions on the matters to be considered. The Board and other relevant personnel shall seriously study the questions, requests and opinions raised by the independent directors and provide timely feedback to the independent directors on the revision of the motions.

**Article 21** Independent directors shall attend board meetings in person. If, for any reason, they are unable to attend the meetings in person, the independent directors shall review the materials of the meetings in advance, form a clear opinion and appoint in writing other independent directors to attend on their behalf.

As to an independent director who fails to attend two consecutive board meetings in person and does not appoint another independent director to attend on his/her behalf, the board shall propose to convene a general meeting to remove him/her from his/her position as an independent director within thirty days from the date of such fact.

**Article 22** Independent directors who vote against or abstain from voting on resolutions of the board shall explain the specific reasons and basis, and the legal compliance of the matters to be considered in the resolutions, the potential risks and the impact on the rights and interests of the Company and the minority shareholders. The dissenting opinions of the independent directors shall also be disclosed at the same time when the Company discloses the resolutions of the board, and shall be stated in the resolutions of the board and the minutes of the meeting.

**Article 23** The independent directors shall, on an ongoing basis, pay attention to the implementation of the resolutions of the board of directors related to the matters stated in Article 24 of the Rules and the relevant provisions on the special committees under the board of directors that are stipulated in Article 26, Article 27 and Article 28 of

the Measures for the Administration of Independent Directors of Listed Companies. The independent directors shall report to the board of directors in a timely manner and may request the Company to make a written explanation if they identify violations of laws, administrative regulations, regulations of the CSRC, business rules of the stock exchanges and the Articles of Association, or violations of the resolutions of the general meetings and the board of directors. Where disclosure matters are involved, the Company shall disclose in a timely manner.

**Article 24** The following matters shall be submitted to the board for consideration after being approved by a majority of all independent directors of the Company:

- (1) related-party transactions that shall be disclosed;
- (2) the proposal for change or waiver of commitments by the Company and related parties;
- (3) decisions made and measures taken by the board of directors of the acquired company in response to the acquisition;
- (4) other matters as specified by laws, administrative regulations, regulations of the CSRC, and the Articles of Association.

**Article 25** The Company shall regularly or irregularly convene meetings attended by all independent directors (hereinafter referred to as the “Special Meetings of Independent Directors”). Matters listed in the items (1) to (3) under Article 19 and Article 24 of the Rules shall be considered at the Special Meetings of Independent Directors.

The Special Meetings of Independent Directors may study and discuss other matters of the Company as needed.

The Special Meetings of Independent Directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; in the event that the convener is not performing his/her duties or is unable to perform his/her duties, two or more independent directors may convene their own meeting and elect a representative to chair the meeting.

The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

The Special Meetings of Independent Directors may be convened on the condition that more than two-thirds of independent directors attend the meetings in person or by proxies. Every independent director has one vote, and the resolutions of the Special Meetings of Independent Directors shall be approved by more than half of the independent directors.

As required, independent directors may invite other non-independent directors, supervisors and senior management members of the Company, other department leaders, intermediary organizations and relevant external parties, which are related to resolutions of the meetings, to attend the meetings, providing information of the matters considered thereat and expressing their views.

The voting of Special Meetings of Independent Directors may be taken by show of hands or by poll (for those held in the form of physical meetings), with the voting by communication means being available as well. The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

**Article 26** Independent directors shall perform their duties at the special committees under the board of the Company in accordance with laws, administrative regulations, regulations of the CSRC, business rules of the stock exchanges, and the Articles of Association.

Independent directors shall attend the meetings of special committees in person. If, for any reason, they are unable to attend the meetings in person, the independent directors shall review the materials of the meetings of the special committees in advance, form a clear opinion and appoint in writing other independent directors to attend on their behalf. When an independent director pays attention to major matters of the Company within the scope of the special committee's responsibilities while performing his/her duties, he/she may submit such matters to the special committees for discussion and consideration in a timely manner in accordance with the procedures.

The Company shall, in accordance with the provisions of the Rules, set clear terms for the structure and responsibilities of the special committees in the Articles of Association, and develop standard procedures for the special committees, to clarify the composition, the term of office, the scope of responsibilities, the rules of procedure, documentation and other matters. Where the relevant authorities under the State Council have otherwise specified provisions on the conveners of the special committees, such provisions shall prevail.

**Article 27** The Audit Committee of the board of the Company shall be responsible for reviewing the financial information of the Company and the disclosure thereof and supervising and assessing the internal and external audits and internal control. The following matters shall be submitted to the board for deliberation after obtaining the approval of a majority of all members of the Audit Committee:

- (1) disclosing financial accounting reports, financial information in periodical reports, and internal control evaluation reports;
- (2) engaging or dismissing the accounting firm providing audit services to the Company;
- (3) engaging or dismissing the responsible person in charge of financial affairs of the Company;
- (4) modifying accounting policies or accounting estimates, or correcting material accounting errors due to reasons other than changes in accounting standards;

- (5) other matters prescribed by laws, administrative regulations, provisions of the CSRC, and the Articles of Association.

The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened when it is proposed by two or more members, or when the convener deems as necessary. The quorum for any meeting of the Audit Committee shall be two-thirds of its members.

**Article 28** The Nomination Committee of the board of the Company shall be responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the board on the following matters:

- (1) nomination, appointment and dismissal of directors;
- (2) appointment or dismissal of senior management officers;
- (3) other matters stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

If the board does not adopt or does not fully adopt the recommendations from the Nomination Committee, it shall record and disclose the opinions of the Nomination Committee and the specific reasons for its decision in the resolution of the board.

**Article 29** The Remuneration and Evaluation Committee of the board of the Company shall be responsible for formulating the assessment standards for directors and senior management and implementing the performance review, formulating and reviewing the remuneration policies and plans for directors and senior management, and making recommendations to the board on the following matters:

- (1) remuneration of directors and senior management;
- (2) formulating or changing equity incentive scheme, employee shareholding scheme, granting interests to the participants of incentive schemes and determining on the satisfaction of relevant conditions precedent for such granting;
- (3) arranging shareholding schemes for directors and senior management in the subsidiary to be spun off;
- (4) other matters stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

If the board does not adopt or does not fully adopt the recommendations from the Remuneration and Evaluation Committee, it shall record and disclose the opinions of the Remuneration and Evaluation Committee and the specific reasons for its decision in the resolution of the board.

**Article 30** The independent directors shall, on an ongoing basis, pay attention to the implementation of the resolutions of the board of directors related to the matters stated in Articles 24, 27, 28 and 29 of the Rules. The independent directors shall report to the board of directors in a timely manner and may request the Company to make a written explanation if they identify violations of laws, administrative regulations, regulations of the CSRC, business rules of the stock exchanges and the Articles of Association, or violations of resolutions of the general meetings and the board of directors. Where disclosure matters are involved, the Company shall disclose in a timely manner.

If the Company fails to make an explanation or disclose in a timely manner in accordance with the provisions mentioned above, the independent directors may report such failure to the CSRC and the Shanghai Stock Exchange.

**Article 31** The independent directors should spend not less than fifteen days a year on-site at the Company.

In addition to attending general meetings, meetings of the board of directors and its special committees, and the Special Meetings of Independent Directors in accordance with the requirements, the independent directors may perform their duties by various means, such as obtaining information on the Company's operations on a regular basis, receiving reports from management, communicating with the person in charge of the internal audit organisation and intermediaries such as the accounting firm undertaking the Company's auditing business, conducting on-site inspections, and communicating with the minority shareholders.

**Article 32** Minutes of meetings of the board of directors of the Company and its special committees and the Special Meetings of Independent Directors shall be prepared in accordance with the requirements, and the opinions of the independent directors shall be set out in the minutes of the meetings. The independent directors shall sign to confirm the minutes of the meetings.

Independent directors shall prepare work records to record in detail the performance of their duties. Information obtained by the independent directors in the course of performing their duties, minutes of relevant meetings, records of communications with staff of the Company and the intermediaries, etc. shall form an integral part of the work records.

With respect to the important contents of the work records, the independent directors may request the secretary to the board of directors and other relevant personnel to sign to confirm the same, and the Company and the relevant personnel shall cooperate with such request.

Work records of the independent directors and information provided by the Company to independent directors should be kept for at least ten years.

**Article 33** The Company shall improve the communication mechanism between the independent directors and the minority shareholders, and the independent directors may verify the issues raised by the investors with the Company in a timely manner.

**Article 34** Independent opinions expressed by the independent directors on material matters shall at least include the following:

- (1) the basic information of the material matter;
- (2) the basis of the opinions provided, including the procedures performed, the documents reviewed, the details of onsite investigations and other information;
- (3) the legal compliance of the material matter;
- (4) the impact on the interests of the Company and minority shareholders, the potential risks and the effectiveness of measures the Company have adopted;
- (5) the conclusive opinions provided. If a qualified opinion, dissenting opinion or disclaimer of opinion is raised on a material matter, the relevant independent directors shall explicitly explain the reasons or obstacles for being unable to express opinions.

Independent directors shall sign for the independent opinions expressed and submit such opinions to the board of directors in due course, which shall be disclosed together with the relevant announcements of the Company.

**Article 35** The independent directors shall submit an annual duty report to the annual general meeting of the Company to explain their fulfilment of duties. The annual duty report shall include the following contents:

- (1) the number and manner of attendance in the board meetings and the votes thereof and the number of attendance in general meetings;
- (2) participation in the work of the special committees of the board of directors and the Special Meetings of Independent Directors;
- (3) deliberations on the matters listed in Articles 24, 27, 28 and 29 of the Rules and the exercise of the special powers of the independent directors listed in the paragraph 1 of Article 19 of the Rules;
- (4) the significant matters, manners and results of communications with the internal audit organisation and the accounting firm undertaking the Company's auditing business in respect of the Company's financial and business conditions;
- (5) communications with the minority shareholders;
- (6) the time and content of on-site work in the Company;
- (7) other circumstances of fulfilment of duties.

The annual duty report of the independent directors shall be disclosed no later than the time when the Company issues the notice of the annual general meeting.

**Chapter V Performance Security for Independent Directors**

**Article 36** The Company shall provide necessary working conditions and personnel support to the independent directors in the performance of their duties, and designate the board office, the board secretary and other dedicated departments and dedicated personnel to assist independent directors in performing their duties.

The board secretary shall ensure the unimpeded access to information between the independent directors and other directors, senior management and other relevant personnel, and ensure that the independent directors have access to adequate resources and necessary professional advice when performing their duties.

**Article 37** The Company shall ensure that the independent directors have equal right to information as the other directors. In order to ensure the effective performance of their responsibilities by the independent directors, the Company shall regularly inform the independent directors of the Company's operations, provide information, organise or cooperate with the independent directors to carry out site visits and other work.

The Company may organise independent directors to participate in the research and discussion sessions before the board considers major and complicated matters, so as to fully listen to the opinions of the independent directors, and timely feedback to the independent directors on the adoption of opinions.

**Article 38** The Company shall give notice of board meeting to independent directors in a timely manner, provide relevant meeting materials no later than the notice period of board meeting stipulated by laws, administrative regulations, regulations of the CSRC or the Articles of Association, and provide effective communication channels for the independent directors; for the meetings convened by the special committees of the board, the Company shall provide related materials and information no later than three days prior to convening the special committee meeting in principle. The Company shall keep the above-mentioned meeting materials for at least ten years.

If two or more independent directors consider that the meeting materials are incomplete, insufficient or not timely provided, they may submit written proposal to the board to postpone the meeting or the consideration of such matter, and the board shall adopt it.

In principle, the meetings of the board and the special committees shall be convened by way of on-site meetings. When necessary, such meetings may also be convened through video, telephone or other methods according to the relevant procedures and on such a premise that all attending directors can fully communicate with each other and express their opinions.

**Article 39** In the exercise of powers by the independent directors, the directors, senior management and other relevant personnel of the Company shall cooperate with them, and shall not reject, hinder or conceal relevant information, or interfere with their independent exercise of powers.

If an independent director encounters obstruction in the exercise of his/her duties and powers in accordance with the laws, he/she may explain the situation to the board, request cooperation from the directors, senior management and other relevant personnel,



and record the specific circumstances of the obstruction and the resolution of the situation in his/her work records; if the obstruction cannot be eliminated, he/she may report to the CSRC and the stock exchange(s).

Where the performance of duties by an independent director involves information that should be disclosed, the Company shall process the disclosure in a timely manner; where the Company does not disclose such information, the independent director may directly apply for disclosure, or report to the CSRC and the stock exchange(s).

**Article 40** The Company shall bear any necessary expenses incurred by the independent directors in engaging professional institutions and performing other duties and responsibilities.

**Article 41** The Company could establish a liability insurance system for independent directors to reduce the risks that may be caused by independent directors in normal performance of their duties.

**Article 42** The Company shall pay the independent directors subsidies appropriate to their duties and responsibilities. The standards of the said subsidies shall be proposed by the board of directors and approved by the general meeting and shall be disclosed in the annual report of the Company.

Apart from the above mentioned subsidies, the independent directors shall not acquire other interests from the Company and its substantial shareholders, actual controller or interested institutions and officers.

#### **Chapter VI Supplementary Provisions**

**Article 43** Except as otherwise provided in the Rules, the “above” and “below” referred to in the Rules shall be inclusive of the stated figure; while “exceeding” and “more than” shall be exclusive of the stated figure.

**Article 44** Matters not covered in the Rules shall be implemented in accordance with provisions of national laws, administrative regulations, departmental rules, the Articles of Association, the Measures for the Administration of Independent Directors of Listed Companies, SSE Listing Rules and Hong Kong Listing Rules. Should there be any inconsistency between the Rules and the laws, administrative regulations and departmental rules promulgated by the State or the Articles of Association and relevant rules of the Company amended through legal procedure in subsequent periods, the provisions of relevant national laws, administrative regulations, departmental rules, the Articles of Association, the Measures for the Administration of Independent Directors of Listed Companies, SSE Listing Rules, Hong Kong Listing Rules and the relevant rules of the Company shall prevail.

**Article 45** The Rules shall be interpreted by the board of directors of the Company.

**Article 46** The Rules shall come into effect upon consideration and approval by the general meeting of the Company.

JOINN Laboratories (China) Co., Ltd.

JOINN LABORATORIES (CHINA) CO., LTD.  
RULES FOR MANAGEMENT OF EXTERNAL INVESTMENTS

## Chapter I General Provisions

**Article 1** To strengthen the internal control of external investment activities of JOINN Laboratories (China) Co., Ltd. (the “Company”), to regulate external investment activities, prevent external investment risks, to ensure the security of external investments and to achieve greater external investment benefits, these rules are formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “SSE Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules” and “The Stock Exchange of Hong Kong Limited” hereafter referred to as the “Hong Kong Stock Exchange”) and the Articles of Association of JOINN Laboratories (China) Co., Ltd. (the “Articles of Association”).

**Article 2** External investments referred to herein represent the act of investing disposable resources including cash, tangible assets and intangible assets into other organizations or individuals in order to implement the strategy of expanding production and operation scale and achieve the target of obtaining long-term income. Such activities include investments in funds, the establishment of subsidiaries, additional investments in subsidiaries, setting up associates and joint ventures with other entities, mergers or equity acquisitions or transfers, increase or decrease of project funds, as well as investments in stocks, futures, and other venture capitals, and entrusted wealth management, etc.

**Article 3** All external investment activities of the Company shall comply with relevant national laws and regulations and industrial policies, be in line with the long-term development plans and development strategies of the Company, benefit the expansion of the principal business and the expansion of reproduction, facilitate the sustainable development of the Company, have expected returns on investment and be conducive to improving the Company’s overall economic benefits.

**Article 4** The external investments of the Company shall be conducted under the centralized management of the Company’s headquarters in principle. If a subsidiary has the necessity to make external investment, such investment shall be made after obtaining prior approval from the Company. The Company’s investments in subsidiaries shall be guided, supervised and managed with reference to these rules.

Subsidiaries referred to herein represent wholly-owned subsidiaries, majority-owned subsidiaries and investees over which the Company has de facto control.

**Chapter II Decision-Making of External Investments**

**Article 5** The Company adopts a hierarchical approval system for external investments, with approvals conducted at each level of authority. The specific division of authority is as follows:

- (I) Material investment transactions of the Company meeting one of the following criteria is subject to consideration and approval by the board of directors of the Company:
1. the total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 10% of the latest audited total assets of the Company;
  2. the net assets involved in the subject matter (such as equity) of the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;
  3. the transaction value (including liabilities and expenses incurred) accounts for over 10% of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million;
  4. the profit derived from the transaction accounts for over 10% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million;
  5. the relevant operating income of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 10% of audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB10 million;
  6. the relevant net profit of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 10% of the net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million.

Where the figure in the calculation of the above indicators is a negative value, its absolute value shall be taken.

- (II) Material investment transactions of the Company meeting one of the following criteria is also subject to the consideration and approval at the general meeting after being considered and approved by the board of directors:
1. the total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited total assets of the Company;

2. the net assets involved in the subject matter (such as equity) of the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for over 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;
3. the transaction value (including liabilities and expenses incurred) accounts for over 50% of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million;
4. the profit derived from the transaction accounts for over 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;
5. the relevant operating income of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 50% of audited operating income of the Company in the latest accounting year, and the absolute amount exceeds RMB50 million;
6. the relevant net profit of the subject matter (such as equity) of the transaction in the latest accounting year accounts for over 50% of the net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million.

Where the figure in the calculation of the above indicators is a negative value, its absolute value shall be taken.

- (III) Subject to laws, regulations and normative documents, if the external investments of the Company do not meet any of the above criteria, the investment department and other business departments shall, after examination and assessment, report to the chairman of the board of directors for approval for implementation.

Despite of the above-mentioned provisions, in the event that the investments of the Company constitute related/connected transactions and/or disclosable transactions under the SSE Listing Rules and the Hong Kong Listing Rules, the investments shall also be in accordance with the requirements of the SSE Listing Rules, the Hong Kong Listing Rules and the Management Rules for Related Transactions, etc.

**Article 6** The relevant departments of the Company shall provide the chairman, the board of directors or the general meeting a feasibility study report and relevant information on the proposed investment project according to project information for their decision-making before the general meeting or the board of directors makes a decision on external investments.

**Article 7** The power to conduct investment in derivatives by the Company shall not be authorized to individual directors or the operation management of the Company without review and approval by the board of directors or the general meeting of the Company.

**Article 8** If the Company entrusts others to manage its wealth, it should select a qualified professional financial institution with good credit status and financial status, no bad credit record and strong profitability as the trustee. The risk grade, investment variety, amount, duration and the rights and obligations of both parties of entrusted wealth management products shall be clearly specified and in line with the relevant systems of the Company.

The board of directors of the Company shall assign dedicated personnel to track the progress and security status of the entrusted wealth management funds. Abnormal situations are required to report in time so that the board of directors can immediately take effective measures to recover the funds to avoid or reduce the losses suffered by the Company.

### Chapter III Post Division

**Article 9** The investment department of the Company, as the department for management of external investment, shall be responsible for the feasibility study and evaluation of the Company's external investment projects. During the evaluation process, it is essential to take into full consideration of the various national regulations on external investment and ensure compliance with the Company's internal rules and regulations, so that all the external investment activities are carried out in a lawful manner, with cooperation from other business departments.

Responsibilities of the investment department: responsible for providing strategic and financial investment recommendations based on the development strategy of the Company and the industry trends and taking into account the principle of return and capital security, making investment decisions and executing transactions for the Company's projects, as well as organizing and preserving all key transaction documents. It is also responsible for post-investment management in addition to mergers and acquisitions transactions, details of which are set out in the rules or procedures for post-investment management. In case of any asset disposal, the department shall be responsible for executing the disposal.

Responsibilities of the business department: responsible for the professional judgment aspect in project evaluation or business engagement and implementation if there are business synergy opportunities. It is also responsible for management inputs if there is a commitment to input management during the investment phase. In case of any controlling acquisition, the department shall be responsible for post-investment management, and putting forward the demand for asset disposal if asset disposal is triggered.

**Article 10** The finance department of the Company is responsible for evaluating the impact of investment matters on the Company's overall cash flow and making investment decisions from the perspective of capital security. It collaborates with the investment department on capital arrangements and is also in charge of the accounting treatment for mergers and acquisitions, as well as the disposal of assets.

**Article 11** The securities department of the Company is responsible for making judgments on the approval and information disclosure requirements related to investment matters, and promptly fulfilling the review procedures and information disclosure; determining whether related party transactions are involved; judging whether the raised funds is permissible; and other matters subject to supervision and regulation of the capital market.

**Article 12** The internal audit department of the Company is responsible for reviewing and supervising the compliance of invested projects, and submitting the audit report to the chairman for approval.

#### **Chapter IV Investment Disposal**

**Article 13** The Company shall strengthen the control over the asset disposal of external investment projects. The recovery, transfer and write-off of external investments must be carried out in accordance with the amount limits stipulated in these rules and other relevant rules, and shall be subject to the passing of resolutions by the chairman of the Company, the board of directors or the general meeting of shareholders depending on the amount and importance.

#### **Chapter V Information Disclosure of External Investment**

**Article 14** The Company shall perform the obligation of information disclosure for its external investment in strict accordance with relevant laws and regulations, the rules of the stock exchange where the Company's shares are listed, as well as the provisions of the Articles of Association and the Information Disclosure Management System.

**Article 15** The Company's directors, supervisors, senior management personnel and those who become aware of the Company's external investment activities due to work-related reasons shall perform the obligation of confidentiality until such information is publicly disclosed. The board of directors of the Company will hold accountable and penalize those who disclose the Company's external investment activities without authorization or other individuals who have obtained the information, depending on the severity of the circumstances and the losses and impacts caused to the Company.

**Article 16** The secretary of the board of directors shall be responsible for the public disclosure of the Company's non-public external investment information. Other directors, supervisors, senior management personnel and related informed personnel are not allowed to release any non-public investment information of the Company without written authorization from the board of directors.

**Article 17** All relevant departments and holding subsidiaries of the Company shall strictly follow the Company's Information Disclosure Management System and Subsidiary Management System and other relevant regulations to fulfill the basic obligations of information disclosure.

#### **Chapter VI Supplementary Provisions**

**Article 18** For the purposes of these rules, the terms "above" and "up to" are inclusive of the given figure, while "more than" and "less than" are exclusive of the given figure.

**Article 19** Matters not covered in these rules shall be implemented according to relevant national laws and regulations, relevant provisions of the CSRC, the SSE Listing Rules, the Hong Kong Listing Rules and the Articles of Association. In the event of any contradiction between these rules and relevant laws and regulations, relevant provisions of the CSRC, the SSE Listing Rules, the Hong Kong Listing Rules and the Articles of Association, such implementation shall be subject to the latest laws and regulations, relevant provisions of the CSRC, the SSE Listing Rules, the Hong Kong Listing Rules and the Articles of Association.

**Article 20** These rules shall come into effect as of the date of approval by the general meeting of the Company. The original Rules for Management of External Investments shall be automatically invalidated from the effective date of these rules.

**Article 21** These rules are subject to the interpretation by the board of directors.

**JOINN Laboratories (China) Co., Ltd.**



This explanatory statement contains all the information required to be given to the Shareholders pursuant to Rule 10.06 of the Listing Rules in connection with the A Share Repurchase Mandate and the H Share Repurchase Mandate, which is set out as follows:

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of issued Shares was 749,888,699, which comprised 630,893,493 A Shares and 118,995,206 H Shares. Subject to the passing of the special resolutions in respect of the grant of the A Share Repurchase Mandate and the grant of the H Share Repurchase Mandate, on the basis that the total number of issued A Shares and the total number of issued H Shares as at the Latest Practicable Date will remain unchanged on the date of the AGM and the Class Meetings, during the period in which the A Share Repurchase Mandate and the H Share Repurchase Mandate remain in force, the Directors will be authorised to repurchase up to approximately 63,089,349 A Shares under the A Share Repurchase Mandate and to repurchase up to 11,899,520 H Shares under the H Share Repurchase Mandate, representing 10% of the total issued A Shares and 10% of the total issued H Shares, respectively.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the repurchase mandate is in the best interests of the Company and the Shareholders. Repurchases of A Shares and/or H Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASE**

In repurchasing A Shares and/or H Shares, the Company may only apply funds from its internal resources legally available for the purpose under the Articles of Association, the Listing Rules and the laws, rules and regulations applicable to the PRC, including but not limited to the surplus funds and undistributed profits of the Company.

## **4. IMPACT ON THE WORKING CAPITAL**

Taking into account the current working capital position of the Company, the Directors are of the opinion that, the exercise of the A Share Repurchase Mandate and the H Share Repurchase Mandate in full will not have a material adverse impact on the working capital and/or gearing position of the Company (as compared with the working capital and/or gearing position as at 31 December 2023 disclosed in the latest published audited accounts as contained in the 2023 Annual Report of the Company). The number of A Shares and/or H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining and in the best interest of the Company.

## 5. STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the A Shares and/or H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the A Shares and/or H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the A Shares and/or H Shares so cancelled.

## 6. MARKET PRICE OF SHARES

The highest and lowest trading prices per H Share on the Stock Exchange during each of the previous 12 months preceding up to and including the Latest Practicable Date were as follows:

	A Shares		H Shares	
	Highest RMB	Lowest RMB	Highest HK\$	Lowest HK\$
<b>2023</b>				
May	50.87	44.27	23.464	20.00
June	47.28	39.96	22.80	17.58
July	42.27	26.34	21.95	17.80
August	29.35	23.70	21.20	15.44
September	25.06	22.53	16.22	13.86
October	27.39	22.00	16.26	12.32
November	29.67	25.96	16.44	13.30
December	26.79	22.30	13.78	11.16
<b>2024</b>				
January	23.73	16.52	12.96	9.63
February	19.47	13.80	10.62	8.91
March	21.90	16.75	11.00	8.62
April	19.40	16.39	10.20	8.22
May (up to the Latest Practicable Date)	18.74	15.77	10.22	8.1

## 7. GENERAL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined under the Hong Kong Listing Rules) have any present intention, in the event that the proposed grant of the A Share Repurchase Mandate and/or the proposed grant of the H Share Repurchase Mandate are approved by the Shareholders, to sell any Shares to the Company.

The Company has not been notified by any core connected persons (as defined under the Hong Kong Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the proposed grant of the A Share Repurchase Mandate and/or the proposed grant of the H Share Repurchase Mandate are approved by the Shareholders.

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to make repurchases of the A Shares and/or the H Shares pursuant to the A Share Repurchase Mandate and/or the H Share Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the PRC.

#### 8. IMPLICATION UNDER THE TAKEOVERS CODE

Pursuant to Rule 32 of the Takeovers Code, if as a result of a Share repurchase, a Shareholder's proportionate interest in the voting right of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Ms. Feng Yuxia ("**Ms. Feng**"), the chairperson of the Board and an executive Director, and Mr. Zhou Zhiwen ("**Mr. Zhou**"), the spouse of Ms. Feng, collectively held an aggregate of 241,886,614 A Shares, representing approximately 32.26% of the total number of issued Shares. In the event that the Directors exercised both the A Share Repurchase Mandate and the H Share Repurchase Mandate in full, the aggregate shareholding of Ms. Feng and Mr. Zhou in the Company would be increased to approximately 35.84% of the total number of issued Shares. The increase of Ms. Feng and Mr. Zhou's proportionate interest in the Company will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, Ms. Feng and Mr. Zhou, or a group of Shareholders acting in concert with them could obtain or consolidate control of the Company and, when exceeding the 2% creeper, become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

Save as disclosed herein, the Directors are not aware of any consequences which may arise under the Takeovers Code if the A Share Repurchase Mandate and/or the H Share Repurchase Mandate is exercised. The Directors have no present intention to exercise the A Share Repurchase Mandate and/or the H Share Repurchase Mandate to such an extent as would trigger the application of the Takeovers Code in the manner described above.

#### 9. REPURCHASE OF SHARES BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



**JOINN LABORATORIES (CHINA) CO., LTD.**  
**北京昭衍新藥研究中心股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 6127)**

**NOTICE OF THE ANNUAL GENERAL MEETING OF 2023**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “AGM”) of JOINN Laboratories (China) Co., Ltd. (the “Company”) will be held at 2:30 p.m. on Thursday, 20 June 2024 at Meeting Room, Pullman Beijing South, 12 Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China, 100176 for the following purposes of considering and, if deemed appropriate, approving the following resolutions.

**ORDINARY RESOLUTIONS**

To consider and approve:

1. The annual report and summary for 2023;
2. The work report of the Board of Directors for 2023;
3. The work report of the Supervisory Committee for 2023;
4. The final account report for 2023;
5. The proposed 2023 Profit Distribution Plan;
6. The re-appointment of the auditor for the financial report and the internal control auditor for 2024;
7. The proposed remuneration of Directors;
8. The proposed remuneration of Supervisors;
9. The Proposed Amendments to the Working System for Independent Directors of the Company;
10. The Proposed Amendments to the Rules for Management of External Investments.

**SPECIAL RESOLUTIONS**

11. The proposed change of the registered capital of the Company;

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## NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

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12. The proposed amendments to the Articles of Association of the Company;
13. The grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate.

Details of the above resolutions proposed at the AGM are contained in the circular, which is available on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.joinnlabs.com](http://www.joinnlabs.com)).

By Order of the Board  
**JOINN Laboratories (China) Co., Ltd.**  
**Feng Yuxia**  
*Chairperson*

Beijing, China, 29 May 2024

*Notes:*

1. Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated 29 May 2024.
2. For the purpose of holding the AGM, the register of members of the Company will be closed from Monday, 17 June 2024 to Thursday, 20 June 2024 (both days inclusive), during which period no transfer of shares can be registered. In order for H Shareholders to be qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 14 June 2024 for registration. The Shareholders whose names appear on the register of members of the Company on Thursday, 20 June 2024 are entitled to attend and vote at the AGM.
3. For the purpose of determining the list of H Shareholders who are entitled to the Profit Distribution, the register of members of the Company will be closed from Wednesday, 3 July 2024 to Friday, 5 July 2024 (both days inclusive), during which period no transfer of Shares will be registered. H Share Shareholders whose names appear on the H Share register of members of the Company on Friday, 5 July 2024 are entitled to the Profit Distribution. In order to be entitled to receive the Profit Distribution, all share certificates, together with the instruments of transfers, must be lodged for registration with the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 2 July 2024.
4. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.

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## NOTICE OF THE ANNUAL GENERAL MEETING OF 2023

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6. In order to be valid, the proxy form must be deposited, for H Shareholders of the Company, to the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time for holding the AGM or the adjourned meeting (as the case may be) (i.e. not later than 2:30 p.m. on Wednesday, 19 June 2024 (Hong Kong time)). If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meetings should they so wish.
7. Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the AGM. If corporate Shareholders appoint authorised representative to attend the AGM, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the AGM.
8. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
9. All resolutions at the AGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
10. References to time and dates in this notice are to Hong Kong time and dates.
11. For any matter relating to the Annual General Meeting, please contact Mr. Jia Fengsong (via email: [jiafengsong@joinn-lab.com](mailto:jiafengsong@joinn-lab.com) or telephone: +86 010 6786 9582).



**JOINN LABORATORIES (CHINA) CO., LTD.**  
**北京昭衍新藥研究中心股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 6127)**

**NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2024**

NOTICE IS HEREBY GIVEN that the second H Share Class Meeting of 2024 (the “**H Share Class Meeting**”) of JOINN Laboratories (China) Co., Ltd. (the “**Company**”) will be held at Meeting Room, Pullman Beijing South, 12 Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China, 100176 on Thursday, 20 June 2024 after the conclusion of the Annual General Meeting of 2023 and the A Share Class Meeting of 2024 and any adjournments thereof, for the following purposes of considering and, if deemed appropriate, approving the following resolutions.

**SPECIAL RESOLUTIONS**

To consider and approve:

1. The proposed change of the registered capital of the Company;
2. The proposed amendments to the Articles of Association of the Company; and
3. The grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate.

By Order of the Board  
**JOINN Laboratories (China) Co., Ltd.**  
**Feng Yuxia**  
*Chairperson*

Beijing, China, 29 May 2024

*Notes:*

1. Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated 29 May 2024.
2. For the purpose of holding the H Share Class Meeting, the register of members of the Company will be closed from Monday, 17 June 2024 to Thursday, 20 June 2024 (both days inclusive), during which period no transfer of shares can be registered. In order for H Share Shareholders to be qualified to attend and vote at the H Share Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 14 June 2024 for registration. The H Shareholders whose names appear on the register of members of the Company on Thursday, 20 June 2024 are entitled to attend and vote at the H Share Class Meeting.

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## NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2024

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3. For the purpose of determining the list of H Shareholders who are entitled to the Profit Distribution, the register of members of the Company will be closed from Wednesday, 3 July 2024 to Friday, 5 July 2024 (both days inclusive), during which period no transfer of Shares will be registered. H Share Shareholders whose names appear on the H Share register of members of the Company on Friday, 5 July 2024 are entitled to the Profit Distribution. In order to be entitled to receive the Profit Distribution, all share certificates, together with the instruments of transfers, must be lodged for registration with the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 2 July 2024.
4. Shareholders who are entitled to attend and vote at the H Share Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
6. In order to be valid, the proxy form must be deposited, for H Shareholders of the Company, to the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time for holding the H Share Class Meeting or the adjourned meeting (as the case may be) (i.e. not later than 2:30 p.m. on Wednesday, 19 June 2024 (Hong Kong time)). If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the H Share Class Meeting or any adjourned meetings should they so wish.
7. Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the H Share Class Meeting. If corporate Shareholders appoint authorised representative to attend the H Share Class Meeting, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the H Share Class Meeting.
8. Shareholders attending the H Share Class Meeting shall be responsible for their own travel and accommodation expenses.
9. All resolutions at the H Share Class Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Listing Rules.
10. References to time and dates in this notice are to Hong Kong time and dates.
11. For any matter relating to the H Share Class Meeting, please contact Mr. Jia Fengsong (via email: [jiafengsong@joinn-lab.com](mailto:jiafengsong@joinn-lab.com) or telephone: +86 010 6786 9582).