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As at the date of this announcement, (i) Staidson is held as to 36.11% by Yizhao (Beijing), 1.96% by Mr. Zhou through Huatai Securities Asset Management – China Merchants Bank – Huatai – Juli Collective Asset Management Scheme No. 16 (華泰證券資管 - 招

The principal terms of the 2024 Staidson Research and Development Service Framework Agreement are set out below:

Date: 5 February 2024

Parties: (i) the Company (as service provider); and
(ii) Staidson (as service recipient)

Term: From 1 January 2024 to 31 December 2024

Scope of services: The Group shall provide a comprehensive range of pharmaceutical research and development services covering non-clinical and clinical trial stages to the Staidson Group (the “Staidson Group”)

Pricing policy: The service fees to be charged by the Group for the provision of the Staidson Services shall be determined by the parties after arm’s length negotiations with reference to (i) the cost incurred in connection with the drug research and development services; (ii) the nature, complexity and value of the drug research and development services to be provided at various stages; (iii) the prices charged for previous transactions of a similar kind; and (iv) the prevailing market price of similar services provided by the Company to independent third-party customers. The price to be charged by the Group for the provision of drug research and development services to Staidson will be in line with the then market rates and not more favorable than what the Company offers to other independent third-party customers.

The below tables set out the historical annual caps and transaction amounts of the continuing connected transactions under the Staidson Research and Development Service Framework Agreement:

Historical Annual Caps under the Staidson Research and Development Service Framework Agreement

	2023	2022	2021
	(RMB million)	(RMB million)	(RMB million)
Historical annual caps under the Staidson Research and Development Service Framework Agreement	70	80	

Historical Transaction Amounts under the Staidson Research and Development Service Framework Agreement

	2023	2022	2021
	(RMB million)	(RMB million)	(RMB million)
Actual transaction amount under the Staidson Research and Development Service Framework Agreement	58.6	74.13	0.079*

* Since all percentage ratios (except the profit ratio) of the transaction amount of Staidson Services from 1 January 2024 to the date of this announcement are less than 0.1%, the transaction amount is fully exempt pursuant to Rule 14A.76(1)(a) of the Listing Rules.

The below table sets out the annual cap of the continuing connected transactions contemplated under the 2024 Staidson Research and Development Service Framework Agreement:

	2024
	(RMB million)
Transaction amount under the Staidson Research and Development Service Framework Agreement	75

In arriving at the above proposed annual cap, the Company has taken into account the following factors: (i) the fact that Staidson intends to engage the Company in a large number of projects for the year ending 31 December 2024 and the expected demand of Staidson for the drug research and development services for the year ending 31 December 2024; (ii) the historical transaction amounts with Staidson; (iii) the labour and equipment costs of the drug research and development services; and (iv) the capacity of the Company to provide the drug research and development services.

The proposed annual cap is set at RMB75 million. The relevant highest applicable percentage ratio still exceeds 0.1% but less than 5%. Therefore, the continuing connected transactions contemplated under the 2024 Staidson Research and Development Service Framework Agreement shall be subject to the reporting, announcement and annual review requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The principal terms of the 2024 Shengtong Software Technology Development Service Framework Agreement are set out below:

Date:	5 February 2024
Parties:	(i) Shengtong (as service provider); and (ii) the Company (as service recipient)
Term:	From 1 January 2024 to 31 December 2024
Scope of services:	Shengtong shall provide ophthalmic technology software development services to the Group (the “ <u>ophthalmic technology software development services</u> ”)
Pricing policy:	The service fees to be charged for the provision of the Shengtong Services shall be determined by the parties after arm's length negotiation with reference to: (i) the scale of the projects to be provided by Shengtong; (ii) the cost for provision of the Shengtong Services; (iii) the average profit margin charged by other suppliers for provision of similar services in the market. The price to be charged by the Shengtong Group for the provision of the Shengtong Services to the Group will be calculated with reference to the cost for provision of the Shengtong Services and a profit margin determined with reference to the average profit margin charged by other suppliers for provision of similar services in the market. The calculation of the price for the provision of the Shengtong Services will be in line with the market practice and not more favorable than those paid by the Company to other independent third-party suppliers.

The below table sets out historical annual transaction amounts of the continuing connected transactions in respect of the Shengtong Services:

Historical Transaction Amounts in respect of the Shengtong Services

	2022	2023	2024
	(RMB million)	(RMB million)	(RMB million)
Actual transaction amounts of the Shengtong Services	0	2.62	0

The below table sets out the annual cap of the continuing connected transactions contemplated under the 2024 Shengtong Software Technology Development Service Framework Agreement:

	(RMB million)
Transaction amount under the 2024 Shengtong Software Technology Development Service Framework Agreement	7

In arriving at the above proposed annual cap, the Company has taken into account the following factors: (i) the expected demand of the Company for various types of ophthalmology non-clinical projects. Based on the existing projects of the Company, it is expected that there will be approximately 5 to 6 ophthalmology non-clinical projects in the year of 2024; and (ii) the expected cost for providing the customised software development services by Shengtong.

The proposed annual cap is set at RMB7 million. The relevant highest applicable percentage ratio still exceeds 0.1% but less than 5%. Therefore, the continuing connected transactions contemplated under the 2024 Shengtong Software Technology Development Service Framework Agreement shall be subject to the reporting, announcement and annual review requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The principal terms of the Partnership Agreement are set out below:

- Parties:
- (i) the Company (as limited partner);
 - (ii) Wuxi Guolian (as general partner);
 - (iii) Giant Capital (as general partner);
 - (iv) Wuxi Capital (as limited partner); and
 - (v) Jiangsu Yuanli (as limited partner)
- Name of the Partnership Fund: Wuxi Jin Yi Bin New Biomedical Venture Capital Partnership (Limited Partnership)* (無錫金易賦新生物醫藥創業投資合夥企業(有限合夥))
- Purpose of the Partnership Fund: To invest in early-stage and mature-stage companies focusing on life and healthcare fields, such as biomedicine, life sciences, major innovative breakthrough technologies that have not satisfied clinical needs, medical devices, CRO (contract research organisations), etc.
- Terms of the Partnership Fund: Seven years from the date of first capital contribution made by the partners of the Partnership, with the first three years as the investment period (the “*Investment Period*”) and the remaining period as the exit period (the “*Exit Period*”).
- The general partners of the Partnership can exercise their discretion to extend the terms of the Partnership for 2 times, with each extension not exceeding one year (the “*Extension Period*”).

Capital contribution:

The total capital contribution for all partners of the Partnership Fund shall be RMB1,000 million, which shall be contributed in the following manner:

	(RMB' million)	(%)
Wuxi Guolian	1	0.1
Giant Capital	1	0.1
Jiangsu Yuanli	300	30
Wuxi Capital	300	30
The Company	300	30
Other investors	98	9.8
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	1,000	100

* As at the date of this announcement, only Wuxi Guolian, Giant Capital, Jiangsu Yuanli, Wuxi Capital and the Company subscribed for capital in the Partnership Fund. The Partnership Fund will search for suitable investors to subscribe for the Partnership Fund in the future.

The size of the Partnership Fund and the capital contribution amount of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the Partnership Fund. Wuxi Guolian, Giant Capital, Jiangsu Yuanli, Wuxi Capital and the Company shall contribute their capital contribution amount by three instalments pursuant to the term of the Partnership Agreement.

The Company will make its capital contribution under the Partnership Fund by its internal resources. Subject to the applicable accounting standards, upon the establishment of the Partnership Fund, the financial results of the Partnership Fund will not be consolidated into the accounts of the Company, and will be accounted for as financial asset of the Company.

The Directors consider the 2024 Staidson Research and Development Service Framework Agreement to be consistent with the business and commercial objectives of the Company, as the long-term collaboration with Staidson Group enables us to further explore the pharmaceutical contract research organisation services market and improve our brand reputation.

The Company is committed to improving the service efficiency and accuracy of non-clinical research ophthalmology projects. Through the customised development and subsequent use of technical software, the entering into of the 2024 Shengtong Software Technology Development Service Framework Agreement will help the Company to better serve its customers, as well as to reduce costs and improve market competitiveness.

The entering into of the Partnership Agreement is a strategic exploration based on long-term development plan of the Company. The Company can leverage on the industry experience, resource advantages and management platforms of professional investment institutions to find core competitiveness, high growth or strong growth potential enterprises or projects in the field of biotechnology. These high-quality enterprises or projects would have a positive impact on the Partnership Fund's solid industrial foundation and layout of the medical and health industry and further expand the Company's industrial layout, which could enhance the Company's profitability and create new profit growth points for the sustainable development of the Company in the future. Besides, the management experience and risk control system of general partners of the Partnership Fund could also assist the Partnership Fund to seize investment opportunities, which is conducive to controlling investment and merger risks and ensuring the quality of the investment projects.

In view of the above reasons and benefits, given the transactions contemplated under the 2024 Agreements and the Partnership Agreement are conducted in the ordinary and usual course of business of the Company and on normal commercial terms or better, the Board (including the independent non-executive Directors) is of the view that the annual caps of each of the 2024 Agreements and the terms of the Partnership Agreement are determined on normal commercial terms, fair and reasonable, and are in the interest of the Company and shareholders as a whole.

Shareholders should note that the annual caps of the 2024 Agreements represent the best estimates by the Directors of the amounts of the relevant transactions based on the information currently available. The annual caps of the 2024 Agreements bear no direct link, nor constitute a guide or commitment to the Group's future financial information or performance.

In order to safeguard the interests of shareholders, the Group will adopt the following internal control procedures in relation to the continuing connected transactions contemplated under the 2024 Agreements:

- before the Company or any of its subsidiaries enter into any individual agreements under the relevant 2024 Agreements, the Group will comply with its internal control procedures regarding related party transactions and will review the terms of the individual agreement to ensure that such terms offered are fair and reasonable and similar to the terms offered to the independent third parties;
- the Group will also regularly monitor the implementation of the 2024 Agreements and report to the Board and the management of the Group on a regular basis;
- the independent non-executive Directors and auditors of the Company will review the transactions under the 2024 Agreements annually (including rates and fees charged for the transactions), and provide annual confirmation in accordance with the Listing Rules; and
- the Group will strictly monitor the continuing connected transactions contemplated under the 2024 Agreements so as not to exceed the annual caps under the 2024 Agreements. If the annual caps are expected to be exceeded, the Board will consider whether to revise the annual caps accordingly and comply with the applicable Listing Rules.

The Directors believe that the above measures and procedures can ensure that the pricing and other contractual terms of the continuing connected transactions of the Group are concluded on normal commercial terms, fair and reasonable and in line with the interests of the Company and shareholders, and that the continuing connected transactions are conducted based on the terms agreed in the relevant new agreements and comply with Chapter 14A of the Listing Rules.

The Group is a leading non-clinical CRO focused on drug safety assessment. The Group is also in the process of expanding our offerings to an integrated range of services covering discovery, non-clinical and clinical trial stages in the drug R&D service chain. The Group's non-clinical studies refer to pharmaceutical R&D studies other than clinical trials conducted on human subjects. Such non-clinical studies encompass all major stages of the pharmaceutical R&D process, including discovery, non-clinical and clinical trial stages.

Staidson, the parent company of the Staidson Group, is a joint stock limited company incorporated in the PRC on 16 August 2002 and listed on the Shenzhen Stock Exchange (stock code: 300204). Staidson is held as to 36.11% by Yizhao (Beijing) Medical Science & Technology Co., Ltd. (熠昭(北京)醫藥科技有限公司) (which is held as to 85% in aggregate by Ms. Feng and Mr. Zhou), 1.96% by Mr. Zhou through Huatai Securities Asset Management – China Merchants Bank – Huatai – Juli Collective Asset Management Scheme No. 16 (華泰證券資管 - 招商銀行 - 華泰聚力16號集合資產管理計劃), and 1.11% by Mr. Zhou directly. Mr. Zhou is also the chairperson of the board of directors and the legal representative of Staidson. Staidson Group is primarily engaged in the research and development, production and marketing of drugs.

Shengtong is a company established in the PRC with limited liability and is owned as to approximately 95.13% directly and indirectly through ST Research Technologies Limited (a limited liability company incorporated in Hong Kong and controlled by Mr. Zhou Fengyuan, the son of Ms. Feng) by Mr. Zhou Fengyuan. Shengtong is a company engaged in the internet information technology development, service and consultancy and software development in the PRC.

Giant Capital is a company established in the PRC with limited liability and is principally engaged in investment management services. It is wholly owned by Yizhao (Beijing), which is owned as to 85% in aggregate by Ms. Feng and Mr. Zhou, 5% by Mr. Zuo and 5% by Mr. Zhang Hongshan (張洪山) and 5% by Mr. Li Tao (李濤), all independent third parties, respectively.

Wuxi Guolian is a company established in the PRC with limited liability and is principally engaged in private equity investment fund management and venture capital fund management services. It is owned as to 55% by Wuxi Venture Capital Group Co., Ltd (無錫市創新投資集團有限公司), 30% by Wuxi Guolian Industrial Investment Group Co., Ltd.* (無錫國聯實業投資集團有限公司), 10% by Wuxi Yimian Textile Group Co., Ltd.* (無錫一棉紡織集團有限公司) and 5% by Wuxi Guolian Materials Investment Co., Ltd.* (無錫市國聯物資投資股份有限公司), respectively, which are all controlled by the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會).

Wuxi Capital is a company established in the PRC with limited liability and is principally engaged in financial enterprise investment, non-securities equity investment, venture capital and provision of management services to enterprises. It is owned as to 73.5% by Wuxi Guofa Capital Operation Co., Ltd.* (無錫市國發資本運營有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會).

Jiangsu Yuanli is a company established in the PRC with limited liability and is principally engaged in private equity investment fund management and venture capital fund management services. It is indirectly wholly owned by Wuxi Huishan District State-owned Assets Management Office* (無錫市惠山區國營資產管理辦公室).

To the best knowledge of the Directors, Wuxi Guolian, Wuxi Capital and Jiangsu Yuanli are all independent third parties.

As at the date of this announcement, (i) Staidson is held as to 36.11% by Yizhao (Beijing), 1.96% by Mr. Zhou through Huatai Securities Asset Management – China Merchants Bank – Huatai – Juli Collective Asset Management Scheme No. 16 (華泰證券資管 - 招商銀行 - 華泰聚力16號集合資產管理計劃), and 1.11% by Mr. Zhou directly; and (ii) Shengtong is held as to approximately 95.13% by Mr. Zhou Fengyuan, the son of Ms. Feng (an executive Director). Accordingly, (i) Staidson; and (ii) Shengtong are all associates of the Directors or controlling shareholders of the Company (as the case may be), and are therefore connected persons of the Company. The transactions contemplated under each of the 2024 Staidson Research and Development Service Framework Agreement and the 2024 Shengtong Software Technology Development Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Giant Capital, one of the general partners of the Partnership Fund, is wholly-owned by Yizhao (Beijing), which is owned as to 85% in aggregate by Ms. Feng and Mr. Zhou. As Mr. Zhou and Ms. Feng are the controlling shareholders of the Company, the establishment of the Partnership Fund and the entering into of the Partnership Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the highest annual cap for each of the 2024 Agreements exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under each of the above-mentioned agreements shall be subject to the reporting, announcement and annual review requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Partnership Agreement exceed 0.1% but is less than 5%, the transactions contemplated under the Partnership Agreement shall be subject to the reporting, announcement and annual review requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Feng, an executive Director and the chairperson of the Board, Mr. Gao and Mr. Zuo, the executive Directors, have abstained from voting at the meeting of the Board to approve: (i) the 2024 Staidson Research and Development Service Framework Agreement and the annual caps thereunder due to the fact that Ms. Feng has equity interests in Staidson, while Mr. Gao is the husband of the niece of Ms. Feng, and Mr. Zuo is a director of the controlling shareholder of Staidson; (ii) the 2024 Shengtong Software Technology Development Service Framework Agreement and the annual caps thereunder, due to the fact that the son of Ms. Feng has 95.13% interests in Shengtong, while Mr. Gao is the husband of the niece of Ms. Feng; and (iii) the Partnership Agreement and the transactions contemplated thereunder, due to the fact that Ms. Feng and Mr. Zuo both have equity interests in Giant Capital, while Mr. Gao is the husband of the niece of Ms. Feng. Save as disclosed above, none of the other Directors have any material interest in the 2024 Agreements and the Partnership Agreement, or were required to abstain from voting on the resolutions of the transactions thereunder.

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

“2024 Agreements”	the 2024 Staidson Research and Development Service Framework Agreement and the 2024 Shengtong Software Technology Development Service Framework Agreement
“2024 Shengtong Software Technology Development Service Framework Agreement”	the software technology development service framework agreement entered into between the Company and Shengtong on 5 February 2024 for a term commencing from 1 January 2024 to 31 December 2024
“2024 Staidson Research and Development Service Framework Agreement”	the research and development service framework agreement entered into between the Company and Staidson on 5 February 2024 for a term commencing from 1 January 2024 to 31 December 2024
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“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 PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Giant Capital”	Beijing Giant Capital Investment Management Co., Ltd.* (北京宏儒和愉投資管理有限公司), a company established in the PRC with limited liability and a general partner of the Partnership Fund
“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
“independent third party(ies)”	third party(ies) independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“Jiangsu Yuanli”	Jiangsu Yuanli Industrial Investment Co., Ltd.* (江蘇原力產業投資股份有限公司), a company established in the PRC with limited liability and a limited partner of the Partnership Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Mr. Gao”	Mr. Gao Dapeng (高大鵬), the joint company secretary and an executive Director of the Company, and the husband of the niece of Ms. Feng

“Mr. Zhou”	Mr. Zhou Zhiwen (周志文), a controlling shareholder of the Company and the spouse of Ms. Feng
“Mr. Zuo”	Mr. Zuo Conglin (左從林), the vice chairperson of the Board and an executive Director
“Ms. Feng”	Ms. Feng Yuxia (馮宇霞), a controlling shareholder, the chairperson of the Board and an executive Director of the Company, and the spouse of Mr. Zhou
“Partnership Agreement”	the partnership agreement to be entered into between the Company, Giant Capital, Wuxi Guolian and Wuxi Capital for the establishment of the Partnership Fund
“Partnership Fund”	Wuxi Jin Yi Bin New Biomedical Venture Capital Partnership (Limited Partnership)* (無錫金易賦新生物醫藥創業投資合夥企業(有限合夥)), the limited partnership fund established pursuant to the Partnership Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shengtong”	Shengtong Technology (Beijing) Co., Ltd.(生全智能科技(北京)有限公司)
“Shengtong Group”	Shengtong and its subsidiaries
“Staidson”	Staidson (Beijing) Biopharmaceuticals Co., Ltd. (舒泰神(北京)生物製藥股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300204)
“Staidson Group”	Staidson and its subsidiaries
“Wuxi Guolian”	Wuxi Guolian Industrial Investment Co., Ltd. (無錫國聯產業投資私募基金管理有限公司), a company established in the PRC with limited liability and a general partner of the Partnership Fund
“Wuxi Capital”	Wuxi Capital Group Co., Ltd.* (無錫市創新投資集團有限公司), a company established in the PRC with limited liability and a limited partner of the Partnership Fund

“Yizhao (Beijing)”

Yizhao (Beijing) Medical Science & Technology Co., Ltd. (熠昭(北京)醫藥科技有限公司), a company established in the PRC and is held as to 85% in aggregate by Ms. Feng and Mr. Zhou

“%”

per cent.

By order of the Board


Chairperson

Beijing, the PRC, 5 February 2024

As at the date of this announcement, the Board comprises Ms. Feng Yuxia as the chairperson and executive Director, Mr. Zuo Conglin, Mr. Gao Dapeng, Ms. Sun Yunxia and Dr. Yao Dalin as executive Directors, and Mr. Sun Mingcheng, Dr. Zhai Yonggong, Mr. Ou Xiaojie and Mr. Zhang Fan as independent non-executive Directors.