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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) PROPOSED CHANGE OF THE REGISTERED CAPITAL OF THE COMPANY; AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The board (the “**Board**”) of directors (the “**Directors**”) of JOINN Laboratories (China) Co., Ltd. (the “**Company**”) hereby announces that, at the 7th meeting of the fourth session of the Board, the Board resolved and approved, among others: (i) proposed change of the registered capital of the Company; and (ii) proposed amendments to the articles of association of the Company (the “**Articles of Association**”).

#### **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 of the Company has increased from 381,565,307 shares to 535,678,676 shares and the registered capital has increased from RMB381,565,307 to RMB535,678,676, both as at the date of this announcement. 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).

## 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 Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 People’s Republic of China (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
<p><b>Article 6</b> The registered capital of the Company is RMB381,565,307.</p>	<p><b>Article 6</b> The registered capital of the Company is RMB<b>535,678,676</b>.</p>
<p><b>Article 22</b></p> <p>.....</p> <p>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.</p>	<p><b>Article 22</b></p> <p>.....</p> <p>The shareholding of the Company is: <b>535,678,676</b> ordinary shares, including <b>450,682,100</b> shares held by shareholders of domestically listed domestic shares, accounting for approximately <b>84.13%</b> of the total share capital of the Company; <b>84,996,576</b> shares held by shareholders of H Shares, accounting for approximately <b>15.87%</b> of the total share capital of the Company.</p>

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>

Original Articles	Amended Articles
<p><b>Article 157</b></p> <p>...</p> <p>(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</p>	

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>

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>

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>

Original Articles	Amended Articles
	<p>If the data involved in the above index calculation is negative, the absolute value of the data shall be taken.</p> <p><b>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.</b></p> <p><b>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.</b></p> <p><b>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.</b></p>

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> <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. 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><b>(1) disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;</b></p>

Original Articles	Amended Articles
	<p>(2) <b>appointment or dismissal of an accounting firm which undertakes audit work of the Company;</b></p> <p>(3) <b>appointment or dismissal of the person-in-charge of finance of the Company;</b></p> <p>(4) <b>amendment of significant accounting error or change in accounting policy or accounting estimate for reasons other than a change in accounting standards; and</b></p> <p>(5) <b>any other matters stipulated by the laws, administrative regulations, the CSRC, and the Articles of Association.</b></p> <p><b>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.</b></p>

Original Articles	Amended Articles
<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> <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:</b></p> <ul style="list-style-type: none"> <li><b>(1) nomination or appointment or dismissal of Directors;</b></li> <li><b>(2) appointment or dismissal of senior management personnel;</b></li> <li><b>(3) any other matters stipulated by the laws, administrative regulations, the CSRC, and the Articles of Association.</b></li> </ul> <p><b>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.</b></p>



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>

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>

Original Articles	Amended Articles
<p data-bbox="165 229 782 300">(VII) Decision-making procedures for cash dividends plan</p> <p data-bbox="165 342 782 1049">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="165 1102 197 1123">...</p>	<p data-bbox="813 229 1428 300"><b>(VII) Decision-making procedures for cash dividend distribution:</b></p> <p data-bbox="813 342 1428 1421">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="813 1474 845 1495">...</p>

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 annual general meeting of the Company of 2023 (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 Board has resolved to propose a resolution at the AGM to authorise the Board to delegate the management of the Company to handle the approval and filing independent Directors.

## GENERAL

The Board considers that the said proposed change of registered capital and the amendments to the Articles of Association are in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole. The proposed change of the registered capital of the Company is subject to the consideration and approval by the Shareholders by way of special resolution at the AGM, A Share class meeting and H Share class meeting of the Company, while the proposed amendments to the Articles of Association are only subject to the consideration and approval by the Shareholders by way of special resolution at the AGM. A circular containing, among others, (i) proposed change of the registered capital of the Company; (ii) proposed amendments to the Articles of Association; and (iii) notices convening the AGM and the class meetings will be despatched to Shareholders in due course.

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

Beijing, the PRC, 28 March 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.*