

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 PARTIAL REPURCHASE AND CANCELLATION OF THE RESTRICTED A SHARES; AND (2) PROPOSED PARTIAL CANCELLATION OF THE STOCK OPTIONS

Reference is made to (i) the 2018 Stock Option and Restricted Share Incentive Scheme (Draft) (the “**2018 Incentive Scheme (Draft)**”) of JOINN Laboratories (China) Co., Ltd. (the “**Company**”) which became effective on February 27, 2018, (ii) the 2019 Stock Option and Restricted Share Incentive Scheme (Draft) (the “**2019 Incentive Scheme (Draft)**”) of the Company which became effective on August 15, 2019, and (iii) the 2020 Stock Option Incentive Scheme (Draft) (the “**2020 Incentive Scheme (Draft)**”) of the Company which became effective on July 15, 2020, as disclosed in the prospectus dated February 16, 2021 of the Company (the “**Prospectus**”). Unless the context requires otherwise, capitalised terms used herein shall have same meanings as those defined in the Prospectus.

On February 27, 2018, the Company’s first extraordinary general meeting of 2018 resolved and approved the following resolutions, which were “Proposal on the 2018 Incentive Scheme (Draft) and Its Summary”, “Proposal on Measures for the Evaluation and Management of the Implementation of the 2018 Incentive Scheme (the “**2018 Incentive Scheme**”)”, and “Proposal on requesting a mandate granted to the board of directors by the Annual General Meeting (the “**AGM**”) to deal with matters pertaining to the 2018 Incentive Scheme”. The implementation of the 2018 Incentive Scheme was approved and a mandate was granted to the board of directors (the “**Board**”) of the Company by the AGM to determine the grant date, grant stock options and restricted A shares to the incentive objects when the conditions are met, and deal with all matters necessary for the grant.

On August 15, 2019, the Company’s fourth extraordinary general meeting of 2019 resolved and approved the following resolutions, which were “Proposal on the 2019 Incentive Scheme (Draft) and Its Summary”, “Proposal on Measures for the Evaluation and Management of the Implementation of the 2019 Incentive Scheme (the “**2019 Incentive Scheme**”)”, and “Proposal on requesting a mandate granted to the board of directors by the AGM to deal with matters pertaining to the 2019 Incentive Scheme”. The implementation of the 2019 Incentive Scheme was approved and a mandate was granted to the Board by the AGM to determine the grant date, grant stock options and restricted A shares to the incentive objects when the conditions are met, and deal with all matters necessary for the grant.

On July 15, 2020, the second extraordinary general meeting of 2020 resolved and approved the following resolutions, which were “Proposal on the 2020 Incentive Scheme (Draft) and Its Summary”, “Proposal on Measures for the Evaluation and Management of the Implementation of the 2020 Incentive Scheme (the “**2020 Incentive Scheme**”, together with the 2018 Incentive Scheme and the 2019 Incentive Scheme, the “**Incentive Schemes**)”, and “Proposal on requesting a mandate granted to the board of directors by the AGM to deal with matters pertaining to the 2020 Incentive Scheme”. The implementation of the 2020 Incentive Scheme was approved and a mandate was granted to the Board by the AGM to determine the grant date, grant stock options to the incentive objects when the conditions are met, and deal with all matters necessary for the grant.

The Board of the Company hereby announces that, on August 30, 2021, at the 28th meeting of the third session of the Board, the Board resolved and approved, among others: (i) proposed adjustment of the number of restricted A shares and repurchase prices granted by the Incentive Schemes; (ii) proposed partial cancellation of the 2019 stock options and 2020 stock options; and (iii) proposed partial repurchase and cancellation of the 2018 restricted A shares and the 2019 restricted A shares.

The relevant matters are described as follows:

PROPOSED PARTIAL REPURCHASE AND CANCELLATION OF THE RESTRICTED A SHARES

I. Reasons for, Number of and Price of the Repurchase and Cancellation

Pursuant to 2018 Incentive Scheme (Draft) and Measures for the Evaluation and Management of the Implementation of Equity Incentive Plan of the Company, as 8 incentive participants have resigned due to personal reasons or have not satisfied performance appraisal targets at individual level, the Board decided to cancel the qualifications of such incentive participants and repurchase and cancel 35,725 restricted A shares in total, which have been granted but not yet unlocked. The Company will repurchase and cancel 35,725 restricted A shares with a repurchase price of RMB6.76 per share.

Pursuant to 2019 Incentive Scheme (Draft) and Measures for the Evaluation and Management of the Implementation of Equity Incentive Plan of the Company, as 6 incentive participants have resigned due to personal reasons or have not satisfied performance appraisal targets at individual level, the Board decided to cancel the qualifications of such incentive participants and repurchase and cancel 25,214 restricted A shares in total, which have been granted but not yet unlocked. The Company will repurchase and cancel 25,214 restricted A shares with a repurchase price of RMB11.85 per share.

II. Total Amount and Source of Fund for the Repurchase

The repurchase of the restricted A shares will be funded internally. The total fund required for the repurchase of the restricted A shares amounts to RMB241,500 and RMB298,786 with respect to the 2018 Incentive Scheme and 2019 Incentive Scheme, respectively.

III. Change of Shareholding Structure of the Company after the Repurchase and Cancellation

Nature of Shares	Immediately prior to the restricted A shares repurchase		Number of restricted A shares repurchased	Upon completion of the restricted A shares repurchase	
	Number of shares	Proportion		Number of shares	Proportion
A Shares:	318,686,316	83.998%	-60,939	318,625,377	83.995%
(i) Shares subject to selling restrictions	537,485	0.142%	-60,939	476,546	0.126%
(ii) Shares not subject to selling restrictions	318,148,831	83.856%		318,148,831	83.870%
H Shares	60,711,840	16.002%		60,711,840	16.005%
Total	379,398,156	100.00%	-60,939	379,337,217	100.00%

Note: Any discrepancies in the above table between totals and sum of figures listed are due to rounding.

PROPOSED PARTIAL CANCELLATION OF THE STOCK OPTIONS

Pursuant to the implementation of the 2019 Incentive Scheme, as 19 incentive participants have resigned due to personal reasons, and no longer meet the requirements for incentive participants, and 8 incentive participants have not satisfied performance appraisal targets at individual level, the Board decided to cancel the qualifications of resigned incentive participants, and cancel 74,676 options in total, consisting of 59,388 options which have been granted to resigned incentive participants but not yet exercised, and 15,288 options for the unsatisfaction of performance appraisal target at individual level.

Pursuant to the implementation of the 2020 Incentive Scheme, as 10 incentive participants have resigned due to personal reasons, and no longer meet the requirements for incentive participants, and 19 incentive participants have not satisfied performance appraisal targets at individual level, the Board decided to cancel the qualifications of resigned incentive participants, and cancel 147,000 options in total, consisting of 105,000 options which have been granted to resigned incentive participants but not yet exercised, and 42,000 options for the unsatisfaction of performance appraisal target at individual level.

EFFECT OF THE REPURCHASE AND CANCELLATION OF OPTIONS AND RESTRICTED A SHARES ON THE COMPANY

The repurchase and cancellation of options and restricted A shares will not have any material impact on the financial position and operating results of the Company and will not affect the diligence of the management of the Company. The management of the Company will continue to work diligently and strive to create value for the shareholders of the Company.

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

Hong Kong, Monday, August 30, 2021

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, Dr. YAO Dalin as executive Directors, Mr. GU Xiaolei as a non-executive Director, and Mr. SUN Mingcheng, Dr. ZHAI Yonggong, Mr. OU Xiaojie and Mr. ZHANG Fan as independent non-executive Directors.