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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)

PARTIAL REPURCHASE AND CANCELLATION OF THE RESTRICTED A SHARES

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; and (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.

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.

The Board of the Company hereby announces that, on March 30, 2022, at the 32nd meeting of the third session of the Board, the Board resolved and approved 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 and Number 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 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.

Pursuant to 2019 Incentive Scheme (Draft) and Measures for the Evaluation and Management of the Implementation of Equity Incentive Plan of the Company, as 14 incentive participants have resigned due to personal reasons or have not satisfied performance appraisal targets at individual level, the Board decided to repurchase and cancel 41,160 restricted A shares in total, which have been granted but not yet unlocked. The Company will repurchase and cancel 41,160 restricted A shares.

In summary, the Company will cancel a total of 76,885 shares of restricted A shares that have not been released from restriction of sale.

II. Repurchase and Cancellation Arrangement

The Company has applied to open a designated account for share repurchase (account number: B882377509) in Shanghai Branch of China Securities Depository and Clearing Corporation Limited and applied to Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the repurchase and transfer of 76,885 restricted A shares granted to the above incentive participants but not yet released from restricted sale. The repurchase and cancellation of the restricted A shares is expected to be completed on July 25, 2022, and the Company will subsequently complete the relevant industrial and commercial registration modification procedures in accordance with the laws and regulations.

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

Nature of Shares	Immediately prior to the restricted A shares repurchase and cancellation		Number of restricted A shares repurchased	Upon completion of the restricted A shares repurchase and cancellation	
	Number of shares	Proportion		Number of shares	Proportion
A Shares:	320,930,352	84.092%	-76,885	320,853,467	84.089%
(i) Shares subject to selling restrictions	632,717	0.166%	-76,885	555,832	0.146%
(ii) Shares not subject to selling restrictions	320,297,635	83.926%		320,297,635	83.943%
H Shares	60,711,840	15.908%		60,711,840	15.911%
Total	381,642,192	100.000%	-76,885	381,565,307	100.000%

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

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

The repurchase and cancellation of 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, July 20, 2022

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.