

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)

PROFIT WARNING

**ANNOUNCEMENT ON THE ESTIMATED DECREASE IN
ANNUAL RESULTS FOR THE YEAR OF 2023**

This announcement is made by JOINN Laboratories (China) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

I. ESTIMATED RESULTS FOR THE CURRENT PERIOD

(I) Period covered by the estimated results

From 1 January 2023 to 31 December 2023.

(II) Estimated results

The board of directors (the “**Board**”) of the Company wishes to inform shareholders and potential investors of the Company that, based on a preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2023 (the “**Reporting Period**”), and on the information currently available to the Board, the preliminary estimates made by the Company’s finance department are as follows:

1. It is expected that the operating revenue of the Group in 2023 would range from approximately RMB2,267,971,000 to RMB2,494,768,100, representing an increase of approximately RMB0 to RMB226,797,100 as compared with the corresponding period of the previous year, with a year-to-year increase of approximately 0% to 10.0%.
2. It is expected that net profit attributable to shareholders of the Company in 2023 would range from approximately RMB310,912,000 to RMB418,337,800, representing a decrease of approximately RMB655,919,400 to RMB763,345,100, as compared with the corresponding period of the previous year, with a year-to-year decrease of approximately 61.1% to 71.1%.
3. It is expected that net profit attributable to shareholders of the Company after deducting non-recurring gains and losses in 2023 would range from approximately RMB285,629,900 to RMB387,573,400, representing a decrease of approximately RMB631,862,000 to RMB733,805,500 as compared with the corresponding period of the previous year, with a year-to-year decrease of approximately 62.0% to 72.0%. Among which:
 - 3.1. Net profit from the laboratory services business would range from approximately RMB443,454,500 to RMB501,104,900.
 - 3.2. Net loss from changes in fair value of biological assets would range from approximately RMB251,741,400 to RMB282,550,700.
 - 3.3. Net profit from gains on fund management would range from approximately RMB124,726,000 to RMB138,209,900.

(III) The estimated results have not been audited by certified public accountants.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

1. Operating revenue of the Company: RMB2,267,971,000. Net profit attributable to shareholders of the Company: RMB1,074,257,200. Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses: RMB1,019,435,400. Among which, net profit from laboratory services business: RMB576,503,800; net profit from changes in fair value of biological assets: RMB308,092,500; and net profit from gains on fund management: RMB134,839,100.
2. Earnings per share: RMB2.01.

III. MAIN REASONS FOR THE ESTIMATED DECREASE IN RESULTS DURING THE CURRENT PERIOD

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. Against the backdrop of 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 prices, 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.

IV. RISK WARNING

There are no material uncertainties affecting the accuracy of the estimated results.

V. OTHER EXPLANATION

The information in this announcement is only based on the preliminary assessment by the Board, with reference to the management accounts and the information currently available, which are subject to finalisation and adjustments, and has not been audited by the auditors or reviewed by the audit committee of the Company. The Company is still in the process of finalising its annual results for the year ended 31 December 2023. The financial information and other details of the Company for the year ended 31 December 2023 will be disclosed in the annual results announcement for the year ended 31 December 2023 in accordance with the requirements of the Listing Rules, which is expected to be published by the end of March 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Beijing, the PRC, 23 January 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.