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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)

COMPLETION OF GRANT REGISTRATION UNDER THE 2021 RESTRICTED SHARE INCENTIVE SCHEME

Reference is made to the circular of JOINN Laboratories (China) Co., Ltd. (the “**Company**”) dated December 30, 2021 (the “**Circular**”) in relation to, among other things, (i) the proposed adoption of the 2021 Restricted A Share Incentive Scheme; (ii) the proposed issue of Restricted A Shares under specific mandate; (iii) the proposed adoption of the Assessment Administrative Measures on the Implementation of the 2021 Restricted A Share Incentive Scheme; and (iv) the proposed authorization to the Board to deal with matters in relation to the 2021 Restricted A Share Incentive Scheme; the poll results announcement of the first Extraordinary General Meeting of 2022, the first A Share Class Meeting for 2022 and the first H Share Class Meeting for 2022, and the announcement of grant of Restricted A Shares to the Participants under the 2021 Restricted Share Incentive Scheme dated January 28, 2022. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the Circular.

I. BASIC INFORMATION OF THE RESTRICTED SHARE INCENTIVE SCHEME

1. On September 21, 2021, the twenty-ninth meeting of the third session of the Board of the Company considered and approved the Resolution on the 2021 Restricted A Share Incentive Scheme (Draft) of the Company and its summary, the Resolution on the Assessment Administrative Measures on the Implementation of the 2021 Restricted A Share Incentive Scheme of the Company and the Resolution on Requesting the General Meeting of Shareholders to Authorize the Board to Deal With Matters in relation to the 2021 Restricted A Share Incentive Scheme. The twentieth meeting of the third session of the Supervisory Committee of the Company considered and approved the above-mentioned resolutions. The Company has announced the list of Participants internally. After the expiration of the publication period, the Supervisory Committee reviewed the list of Participants granted under the Share Incentive Scheme and made explanations on publication. The independent Directors of the Company have expressed their independent opinions on whether the Share Incentive Scheme is beneficial to the sustainable development of the Company and whether there is any prejudice to the interests of the Company and all Shareholders.

2. On December 31, 2021, the Company issued the “Notice of the 2022 First Extraordinary General Meeting, the 2022 First A Share Class Meeting and the 2022 First H Share Class Meeting of JOINN Laboratories (China) Co., Ltd”.
3. On January 19, 2022, the 2022 First Extraordinary General Meeting, the 2022 First A Share Class Meeting and the 2022 First H Share Class Meeting considered and approved the Resolution on the 2021 Restricted A Share Incentive Scheme (Draft) of the Company and its summary, the Resolution on the Assessment Administrative Measures on the Implementation of the 2021 Restricted A Share Incentive Scheme of the Company and the Resolution on Requesting the General Meeting to Authorize the Board to Deal With Matters in relation to the 2021 Restricted A Share Incentive Scheme. The Company’s implementation of the 2021 Restricted A Share Incentive Scheme was approved and the Board was authorized to determine the Grant Date, so as to grant Restricted A Shares to the Participants when the Participants meet the conditions and deal with all matters necessary for the grant.
4. On 28 January 2022, the Resolution on the Grant of Restricted A Shares to the Participants was considered and approved at the thirty-first meeting of the third session of the Board and the twenty-second meeting of the third session of the Supervisory Committee of the Company. The independent Directors of the Company have expressed independent opinions in this regard and are of the view that the qualification of the participants is legal and valid, and the grant date determined complies with relevant regulations.

II. GRANT AND REGISTRATION OF RESTRICTED SHARES

The grant under the Incentive Scheme of the Company is as follows:

1. Grant Date of the Restricted Shares: 28 January 2022
2. Number of Restricted Shares to be granted: 366,300 Shares
3. Number of Participants of the Restricted Shares: 505 persons
4. The actual number of persons registered for the Restricted Shares: In the process of subsequent actual subscription and payment, 208 persons waived their subscription voluntarily, thus the actual number of persons registered was 297.
5. Grant Price of Restricted Shares: RMB83.97 per share
6. Source of Shares: Ordinary A Shares of the Company issued to the Participants by the Company through private placement
7. List of Participants and Status of Grant:

The allocation of the Restricted Shares to be granted under the Share Incentive Scheme among the Participants is set out in the table below:

Name	Position	Number of Restricted Shares granted (0' 000 shares)	Percentage of the total number of Restricted Shares granted	Percentage to current total share capital
	Key technical (business) personnel (297 persons)	36.63	100%	0.1%
	Total (297 persons)	36.63	100.00%	0.1%

III. VALIDITY PERIOD, LOCK-UP PERIOD AND UNLOCKING ARRANGEMENT OF THE RESTRICTED SHARE INCENTIVE SCHEME

The validity period of the Share Incentive Scheme shall commence from the date of grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 48 months.

The lock-up period of the Restricted Shares granted under the Scheme is 12 months, 24 months and 36 months from the date of completion of registration. The Restricted Shares granted to the Participants under the Share Incentive Scheme shall not be transferred, used as guarantee or for repayment of debts before the unlocking. Shares and dividends obtained by the Participants from the conversion of capital reserve into share capital, dividend distribution, bonus issue and share subdivision due to the Restricted Shares that have not been unlocked shall be locked in accordance with the Scheme.

After unlocking, the Company shall handle the unlocking for the Participants who have satisfied the unlocking conditions. The Restricted Shares held by the Participants who have not satisfied the unlocking conditions shall be repurchased and cancelled by the Company. If the unlocking conditions of the Restricted Shares have not been fulfilled, the relevant interests shall not be deferred to the next period.

The unlocking period and the unlocking schedule for each tranche of the Restricted Shares granted under the Scheme are set out as follows:

Unlocking Arrangement	Time of unlocking	Proportion of unlocking
Restricted Shares First Unlocking Period	Commencing on the first trading day after expiry of the 12-month period from the registration completion date of the grant and ending on the last trading day of the 24-month period from the registration completion date of the grant	40%
Restricted Shares Second Unlocking Period	Commencing on the first trading day after expiry of the 24-month period from the registration completion date of the grant and ending on the last trading day of the 36-month period from the registration completion date of the grant	30%
Restricted Shares Third Unlocking Period	Commencing on the first trading day after expiry of the 36-month period from the registration completion date of the grant and ending on the last trading day of the 48-month period from the registration completion date of the grant	30%

IV. CAPITAL VERIFICATION OF THE SHARE SUBSCRIPTION FUNDS UNDER THE GRANT

Talent Certified Public Accountants (Special General Partnership) issued the Capital Verification Report on the grant of shares of the Company: As of March 3, 2022, the Company has received the capital contribution of RMB30,758,211 subscribed by 297 participants, all of which are monetary contributions, of which RMB366,300 was included in paid-in capital and RMB30,391,911 was included in capital reserve (capital premium).

V. REGISTRATION OF RESTRICTED SHARES

On 29 March 2022, the registration of the Restricted Shares granted under the Incentive Scheme of the Company has been completed, and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited issued the Certificate of Registration of Changes in Securities.

VI. IMPACT ON THE CONTROLLING SHAREHOLDER OF THE COMPANY BEFORE AND AFTER THE GRANT

Upon completion of the grant of the Restricted Shares, the total number of shares of the Company increased from 381,246,492 shares to 381,612,792 shares, resulting in a change in the shareholding proportion of the controlling shareholders and de facto controllers of the Company. Ms. Feng Yuxia and Mr. Zhou Zhiwen, the controlling shareholders and de facto controllers of the Company, held 138,099,435 shares of the Company prior to the Grant, representing 36.22% of the total share capital of the Company. Upon completion of the Grant, the number of shares of the Company held by Ms. Feng Yuxia and Mr. Zhou Zhiwen, remained unchanged, representing 36.19% of the new share capital of the Company. The Grant will not result in any change in the controlling shareholders of the Company.

VII. CHANGES IN SHARE CAPITAL STRUCTURE

Unit: 0'000 shares

Nature of Shares	Before the change		Increase/decrease of this change		After the change	
	Number	Percentage (%)	Increase	Decrease	Number	Percentage (%)
A Shares:	320,534,652	84.08%	366,300		320,900,952	84.09%
1. Shares without selling restrictions	320,268,235	84.01%			320,268,235	83.92%
2. Shares with sales restrictions	266,417	0.07%	366,300		632,717	0.17%
H Shares:	60,711,840	15.92%			60,711,840	15.91%
Total:	<u>381,246,492</u>	<u>100%</u>	<u>366,300</u>		<u>381,612,792</u>	<u>100%</u>

After the completion of the grant of the Restricted Shares, the Company's equity distribution still meets the listing conditions.

VIII. PLAN FOR USE OF PROCEEDS

All proceeds raised from the issuance of the Restricted Shares will be used to replenish the working capital of the Company.

IX. IMPACT OF NEW SHARES ON THE FINANCIAL REPORT OF THE COMPANY AFTER THE GRANT

According to the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payments, the grant of the Restricted Shares under the Incentive Scheme of the Company will have certain impact on the financial position and operating results of the Company for the relevant year. The Board has determined that the Grant Date of the Incentive Scheme shall be 28 January 2022, and the costs of the Restricted Share Incentive Scheme shall be recognized by instalments from 2022 to 2025 according to the unlocking proportion of the Restricted Shares of each tranche and the total fair value of the Restricted Shares on the Grant Date.

It is estimated that the total incentive cost of the Restricted Shares is RMB4.728933 million. The amortization of the cost of the Restricted Shares from 2022 to 2025 is as follows:

Number of Restricted Shares <i>(0'000 shares)</i>	Total amortization expenses <i>(RMB0'000)</i>	2022 <i>(RMB0'000)</i>	2023 <i>(RMB0'000)</i>	2024 <i>(RMB0'000)</i>	2025 <i>(RMB0'000)</i>
36.63	472.8933	249.7117	150.8117	61.1698	11.2001

The incentive cost of the Restricted Shares will be charged to relevant costs and expenses. The above results do not represent the final accounting cost. The actual accounting cost is related to the Grant Date, the Grant Price and the number of the Grant, as well as the actual effective and lapsed quantity. The above-mentioned financial position and operating results of the Company shall be subject to the annual audit report issued by the accounting firm.

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

Hong Kong, March 31, 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 and 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.