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

Reference is made to (i) 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; (ii) the 2020 Stock Option Incentive Scheme (Draft) (the “**2020 Incentive Scheme (Draft)**”) of the Company which became effective on July 15, 2020. Both the 2019 Incentive Scheme (Draft)”) and the 2020 Incentive Scheme (Draft) are disclosed in the prospectus dated February 16, 2021 of the Company (the “**Prospectus**”); and (iii) the 2021 Restricted A Share Incentive Scheme (Draft) of the Company which became effective on January 19, 2022, please refer to the circular of Company dated December 30, 2021 (the “**Circular**”) for details. Unless the context requires otherwise, capitalised terms used herein shall have same meanings as those defined in the Prospectus and the Circular.

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” (collectively, the “**2019 Incentive Scheme**”), and “Proposal on requesting a mandate granted to the Board in the annual general meeting 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 in the annual general meeting 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” (collectively, the “**2020 Incentive Scheme**”), and “Proposal on requesting a mandate granted to the Board in the annual general meeting 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 in the annual general meeting 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.

On January 19, 2022, the first extraordinary general meeting of 2022, the first A Share class meeting of 2022 and the first H Share class meeting of 2022, resolved and approved the following resolutions, which were “Proposal on the 2021 Incentive Scheme (Draft) and Its Summary”, “Proposal on Measures for the Evaluation and Management of the Implementation of the 2021 Incentive Scheme” (collectively, the “**2021 Incentive Scheme**”, together with the 2019 Incentive Scheme and the 2020 Incentive Scheme, the “**Incentive Schemes**”), and “Proposal on requesting a mandate granted to the Board in the general meeting to deal with matters pertaining to the 2021 Incentive Scheme”. The implementation of the 2021 Incentive Scheme was approved and a mandate was granted to the Board by the general meeting 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 (the “**Board**”) of directors of the Company (the “**Directors**”) hereby announces that, on August 30, 2022, at the 35th 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 2019 Incentive Schemes and the 2021 Incentive Scheme; (ii) proposed adjustment of the number of stock options and exercise prices granted by the 2019 Incentive Scheme and the 2020 Incentive Scheme; (iii) proposed partial cancellation of the 2019 stock options and 2020 stock options; and (iv) proposed partial repurchase and cancellation of the 2021 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 the 2021 Incentive Scheme, as 18 incentive participants have resigned due to personal reasons or have not satisfied performance appraisal targets at individual level, the Board therefore decided to cancel the qualifications of such incentive participants and repurchase and cancel 21,868 restricted A shares in total, which have been granted but not yet unlocked. The Company will repurchase and cancel 21,868 restricted A shares with a repurchase price of RMB59.72 per share. None of the above 18 incentive participants is a connected person as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **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 RMB1,306,000.

## **III. Opinions of Independent Non-Executive Directors**

Upon verification, the independent non-executive Directors are of the view that, the repurchase and cancellation of the restricted A Shares are in compliance with the relevant provisions under the 2021 Incentive Scheme. After the completion of the repurchase and cancellation of the restricted A Shares, the Company shall continue to implement the 2021 Incentive Scheme in accordance with the relevant laws and regulations.

## **IV. Opinions of Supervisory Committee**

The supervisory committee of the Company is of the view that, the repurchase and cancellation of the restricted A Shares are in compliance with the relevant provisions under the 2021 Incentive Scheme. After the completion of the repurchase and cancellation of the restricted A Shares, the 2021 Incentive Scheme shall continue to be implemented in accordance with the relevant laws and regulations.

## **V. Conclusion of the Legal Opinion**

Kangda Law Firm is of the view that the repurchase and cancellation of the restricted A Shares are in compliance with the relevant provisions under the 2021 Incentive Scheme, the articles of association of the Company and the Company Law of the People's Republic of China.

## **PROPOSED PARTIAL CANCELLATION OF THE STOCK OPTIONS**

Pursuant to the implementation of the 2019 Incentive Scheme, as 36 incentive participants have resigned due to personal reasons or have not satisfied performance appraisal targets at individual level, thus no longer meet the requirements for incentive participants, the Board therefore decided to cancel the qualifications of resigned incentive participants, and cancel 104,272 stock options in total, which have been granted but not yet exercised.

Pursuant to the implementation of the 2020 Incentive Scheme, as 45 incentive participants have resigned due to personal reasons or have not satisfied performance appraisal targets at individual level, thus no longer meet the requirements for incentive participants, the Board therefore decided to cancel the qualifications of resigned incentive participants, and cancel 147,000 stock options in total, which have been granted but not yet exercised.

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

The repurchase and cancellation of stock 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, August 30, 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.*