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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)

ANNOUNCEMENT ON ESTIMATED GROWTH IN RESULTS FOR THE HALF YEAR OF 2021

This announcement is made by JOINN Laboratories (China) Co., Ltd. (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Hong Kong Listing Rules.

IMPORTANT NOTICE:

1. The net profit attributable to the shareholders of the Company will increase by approximately RMB73.559 million to RMB82.5813 million, representing a period-on-period increase of approximately 97.2% to 109.1% as compared with the data in the financial statements for the corresponding period of last year;
2. The net profit attributable to the shareholders of the Company is expected to increase by approximately RMB59.0003 million to RMB68.0226 million as compared with the data in the restated financial statements for the corresponding period of last year, representing a period-on-period increase of approximately 65.4% to 75.4%.

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Period of estimated results

From 1 January 2021 to 30 June 2021.

(II) Estimated results

The preliminary estimates made by the Company's finance department are as follows:

1. It is expected that the net profit attributable to the shareholders of the Company for the period from January to June 2021 will be approximately RMB149.2238 million to RMB158.2461 million, representing an increase of approximately RMB73.559 million to RMB82.5813 million as compared with the data in the financial statements for the corresponding period of last year, representing a period-on-period increase of approximately 97.2% to 109.1%.
2. It is expected that the net profit attributable to the shareholders of the Company after deducting non-recurring gains and losses for the period from January to June 2021 will increase by approximately RMB60.9059 million to RMB69.9283 million as compared with the data in the financial statements for the corresponding period of last year, representing a period-on-period increase of approximately 95.0% to 109.1%.
3. It is expected that the net profit attributable to the shareholders of the Company for the period from January to June 2021 will increase by approximately RMB59.0003 million to RMB68.0226 million as compared with the data in the restated financial statements for the corresponding period of last year, representing a period-on-period increase of approximately 65.4% to 75.4%.
4. It is expected that the net profit attributable to the shareholders of the Company after deducting non-recurring gains and losses for the period from January to June 2021 will increase by approximately RMB46.3473 million to RMB55.3696 million as compared with the restated financial statements for the corresponding period of last year, representing a period-on-period increase of approximately 58.9% to 70.4%.
5. It is expected that the revenue from January to June 2021 will increase by approximately RMB117.3337 million to RMB157.0692 million as compared with the data in the financial statements for the corresponding period of last year, representing a period-on-period increase of approximately 29.5% to 39.5%.

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

II. RESULTS FOR THE CORRESPONDING PERIOD OF LAST YEAR

- (I) Net profit attributable to shareholders of the Company for the corresponding period of last year: RMB75.6648 million. Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss: RMB64.1024 million; earnings per share: RMB0.34.
- (II) Restated net profit attributable to shareholders of the Company for the corresponding period of last year: RMB90.2235 million; net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses: RMB78.6611 million.
- (III) Revenue realized for the corresponding period of last year was RMB397.355 million.

III. MAIN REASONS FOR THE ESTIMATED GROWTH IN RESULTS DURING THE PERIOD

- (I) Impact of principal business. With extensive experience in evaluation of innovative drugs and good reputation accumulated in the industry, the Company continued to maintain rapid growth in order intake in the first half of 2021. At the same time, the Company explored the room of capacity to the greatest extent through reasonable arrangement of test projects, which further improved the utilization rate of facilities. The execution and completion of domestic safety evaluation orders were higher than that of the corresponding period of last year, showing a significant sizable effect.
- (II) Impact of non-operating profit or loss. It was mainly due to (i) the government grants amounting to approximately RMB19.7238 million received during the prior year and current year were transferred to profit or loss for the current period in accordance with the Accounting Standards for Business Enterprises; (ii) the gain in fair value change of equity investments recognized during the current period of approximately RMB52.98 million, which was due to the Company's participation in the placement of A Shares to strategic investors of the IPO of Changchun BCHT Biotechnology Co.; for details, please refer to the Announcement on Participating in the Placement of A Shares to Strategic Investors of the IPO of Changchun BCHT Biotechnology Co. disclosed by the Company on the website of the Shanghai Stock Exchange on June 11, 2021 and the overseas regulatory announcement disclosed on the website of The Stock Exchange of Hong Kong Limited on the same date; and (iii) the exchange loss of approximately RMB48.7117 million was due to the proceeds from the Hong Kong IPO received during the current period.
- (III) Impact of gains from changes in fair value of biological assets. In 2020, the subsequent measurement model of the Company in respect of biological assets was changed from cost model to fair value model, therefore the information for the comparable period was adjusted accordingly. For details of the changes in accounting policies, please refer to the Announcement on Changes in Accounting Policies disclosed by the Company on the website of the Shanghai Stock Exchange on January 20, 2021 and Note 2 (g) to the Accountants' Report in Appendix I to the prospectus of the Company dated February 16, 2021.

IV. RISK WARNING

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

V. OTHER EXPLANATIONS

The financial data contained in this results forecast is prepared in accordance with the China Accounting Standards for Business Enterprises and the estimated data is only preliminary accounting figures. The specific and accurate financial data shall refer to the unaudited 2021 interim results announcement and the 2021 Interim Report prepared in accordance with the China Accounting Standards for Business Enterprises or the International Financial Reporting Standards officially disclosed by the Company. Investors are advised to pay attention to investment risks.

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

Hong Kong, August 9, 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 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.