

Hong Kong Exchange, and Clearing Limited and The Stock Exchange of Hong Kong Limited make no representation of the content, fidelity, accuracy, completeness, and effect, liability, or reliance on the content, fidelity, accuracy, or completeness.



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)

2022 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The following is the third quarterly report of JOINN Laboratories (China) Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for financial year 2022 (the “**2022 Third Quarterly Report**”). This announcement and the accompanying financial statements are originally prepared in Chinese and published in both English and Chinese. If there is any inconsistency or conflict between the Chinese and English versions, the Chinese version shall prevail.

Shareholders of the Company and public investors should note that the financial report therein is prepared in accordance with the PRC Accounting Standards for Business Enterprises and has not been audited.

By Order of the Board
JOINN Laboratories (China) Co., Ltd.
Feng Yulia
Chairman

Beijing, the PRC, October 28, 2022

All the data of this announcement, the Board of the Company, Mr. Feng Yulia, Mr. Chai Yulin and Executive Director, Mr. Zha Conglin, Mr. Gao Daming, Mr. Sun Yulin and Mr. Ya Dalin, Executive Director, Mr. G. Xia lei, a non-executive Director, and Mr. Sun Mingcheng, Mr. Zhai Yungong, Mr. O. Xia jie and Mr. Zhang Fan, independent non-executive Directors.

The board of Directors and all Directors of the Company warrant that the information in this announcement do not contain any false representation, misleading statement or material omission and are individually and jointly responsible for the truthfulness, accuracy and completeness of such information in accordance with the laws.

IMPORTANT NOTICE:

The board of Directors, the Supervisory Committee, the Directors, Supervisors and senior management of the Company warrant that the information stated in this quarterly report is true, accurate, complete and without any false representation, misleading statement or material omission, and assume several and joint liabilities.

The person in charge of the Company, the person in charge of accounting affairs, and the person responsible for the accounting department (head of the accounting department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

Whether the third quarterly report has been audited

Yes No

I. MAJOR FINANCIAL DATA

(I) Ke accounting data and financial indicators

Unit: RMB Currency: RMB

Item	Reporting Period	Change during the Reporting Period compared to the same period of last ear (%)	From the beginning of the ear to the end of the Reporting Period	Change from the beginning of the ear to the end of the Reporting Period compared to the same period of last ear (%)
Revenue	499,511,815.43	55.01	1,276,392,981.45	48.97
Net profit attributable to shareholders of the Company	260,913,556.78	176.77	632,033,151.04	154.85
Net profit attributable to shareholders of the Company after deducting non-recurring gain or loss items	260,340,236.28	195.97	605,461,176.88	178.60
Net cash flow from operating activities	Not applicable	Not applicable	778,288,380.46	67.93
Basic earnings per share (RMB per share)	0.49	88.46	1.18	73.53

Item	Reporting Period	Change during the Reporting Period compared to the same period of last year (%)	From the beginning of the year to the end of the Reporting Period	Change from the beginning of the year to the end of the Reporting Period compared to the same period of last year (%)
Diluted earnings per share (RMB per share)	0.49	88.46	1.18	76.12
Weighted average return on net assets (%)	3.51	Increased by 1.78 percentage points	8.49	Increased by 3.95 percentage points
	At the end of the Reporting Period		At the end of last year	Change as compared to the end of last year (%)
Total assets	10,079,078,937.04		8,537,077,111.40	18.06
Owners' equity attributable to shareholders of the listed company	7,663,429,173.99		7,136,214,378.04	7.39

Note: The "Reporting Period" refers to the three-month period from the beginning of this quarter to the end of this quarter, the same below.

Description of key accounting data and financial indicators of the Company

1. Main factors affecting the net profit attributable to shareholders of listed company

The net profit attributable to shareholders of the listed company from the beginning of the year to the end of the Reporting Period increased by 154.85% year-on-year. In addition to the growth of the principal business, the loss due to the change of valuation and the gain due to the partial redemption of Changchun BCHT Biotechnology Co (长春百克生物技术股份有限公司) (“BCHT Biotechnology”) under trading financial assets, the aggregate of which resulted in a loss of RMB4,880,000 (the same period of the previous year: gain on fair value change of RMB53,136,000), the government subsidy from the beginning of the year to the end of the Reporting Period was RMB8,457,000 (the same period of the previous year: RMB23,608,000), the acquisition of negative goodwill arising from the acquisition of Yunnan Yinmore Bio-Tech Co., Ltd. and Guangxi Weimei Bio-Tech Co., Ltd. from the beginning of the year to the end of the Reporting Period was RMB14,367,000 (the same period of the previous year: RMB0), and the one-off exchange loss from the proceeds raised from the beginning of the year to the end of the Reporting Period was RMB0 (the same period of the previous year: RMB49,479,000). All of the above are pre-tax amounts.

2. Factors affecting net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss

From the beginning of the year to the end of the Reporting Period, the net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss increased by 178.60% as compared with the corresponding period of last year. The unrealized portion of the gain from the change of fair value of biological assets from the beginning of the year to the end of the Reporting Period was RMB218,614,000 and the realized portion was RMB21,488,000 (the same period of the previous year: RMB16,010,000 and RMB11,829,000, respectively), the interest income was RMB104,458,000 (the same period of the previous year: RMB40,056,000) and the exchange gain was RMB33,399,000 (the same period of the previous year: RMB1,374,000). All of the above are pre-tax amounts.

The net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss increased by 70.99% year-on-year after excluding the unrealized gain from the fair value change of biological assets and the effect of the above-mentioned interest income and exchange gain or loss.

(II) Non-recurring profit or loss items and amounts

Unit: RMB Currency: RMB

Item	Amount during the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period	Description
Gain or loss on disposal of non-current assets	-64,891.80	-206,915.17	
Tax refunds or relief subject to ultra vires or without official approval or on an occasional basis			
Government grants included in profit or loss of the current period, except for those closely related to the Company's normal operation and which were granted on a recurring basis subject to certain amount or volume upon fulfilment of specific standards in compliance with the government policies and regulations	3,803,699.87	8,456,891.33	
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period			
Gain from the difference between the cost of investment on the subsidiaries, associates and joint ventures and the shared fair value of identifiable net assets of the investee		14,366,738.89	
Profit or loss from exchange of non-monetary assets			
Gain or loss from entrusted investments or assets management			

Item	Amount during the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period	Description
Provision for impairment of assets due to force majeure i.e. natural disasters			
Profit or loss from debt restructuring			
Corporate restructuring costs, such as employee placement expenses and integration costs			
Profit or loss representing the difference between the unfair transaction consideration and the fair value of the transaction			
Net profit or loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the current period to the date of merger			
Profit or loss from contingencies not related to the ordinary operations of the Company			
Profit or loss arising from changes in the fair value from holding financial assets available-for-trading, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and investment incomes from disposals of trading financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other creditor's rights investments, except for effective hedging business related to normal operating of the Company	-3,089,926.69	5,726,548.07	

Item	Amount during the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period	Description
Reversal of the provisions for impairment of receivables and contract assets subject to impairment test separately			
Profit or loss from external entrusted loans			
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement			
One-off adjustment to profit or loss for the current period in accordance with laws and regulations on taxation and accounting			
Fees income from custodian business			
Other non-operating incomes and expenses other than the above items	4,928.87	208,667.20	
Other profit or loss items falling within the meaning of non-recurring profit or loss			
Less: Effect of income tax	80,489.75	1,979,956.16	
Effect on interest of minority shareholders (after tax)			
Total	573,320.50	26,571,974.16	

Information on the classification of non-recurring profit or loss items listed in “Explanatory Announcement No. 1 on Disclosure of Information by Companies with Publicly Issued Securities – Non-recurring Profit or Loss” as recurring profit or loss items

Applicable Not applicable

(III) Changes in ke accounting data and financial indicators and reasons for such changes

Applicable Not applicable

Items	Change (%)	Main reason
Revenue (for the Reporting Period)	55.01	Mainly due to the business growth during the Reporting Period
Revenue (from the beginning of the year to the end of the Reporting Period)	48.97	Mainly due to the business growth from the beginning of the year to the end of the Reporting Period
Net profit attributable to shareholders of the listed company (for the Reporting Period)	176.77	Mainly due to the business growth and gains of biological assets
Net profit attributable to shareholders of the listed company (from the beginning of the year to the end of the Reporting Period)	154.85	Mainly due to the business growth, gains of biological assets, fund income and exchange gain from the beginning of the year to the end of the Reporting Period
Net profit attributable to shareholders of the listed company after deducting of non-recurring profit or loss (for the Reporting Period)	195.97	Mainly due to the business growth and gains of biological assets during the Reporting Period
Net profit attributable to shareholders of the listed company after deducting of non-recurring profit or loss (from the beginning of the year to the end of the Reporting Period)	178.60	Mainly due to the business growth, gains of biological assets, fund income and exchange gain from the beginning of the year to the end of the Reporting Period
Net cash flow from operating activities (from the beginning of the year to the end of the Reporting Period)	67.93	Mainly due to the increase in sales collected and interest income brought by the business growth from the beginning of the year to the end of the Reporting Period

Items	Change (%)	Main reason
Basic earnings per share (RMB per share) (for the Reporting Period)	88.46	Mainly due to the business growth and gains of biological assets during the Reporting Period
Basic earnings per share (RMB per share) (from the beginning of the year to the end of the Reporting Period)	73.53	Mainly due to the business growth, gains of biological assets, fund income and exchange gain from the beginning of the year to the end of the Reporting Period
Diluted earnings per share (RMB per share) (for the Reporting Period)	88.46	Mainly due to the business growth and gains of biological assets during the Reporting Period
Diluted earnings per share (RMB per share) (from the beginning of the year to the end of the Reporting Period)	76.12	Mainly due to the business growth, gains of biological assets, fund income and exchange gain from the beginning of the year to the end of the Reporting Period

II. INFORMATION OF SHAREHOLDERS

(I) Statement of the total number of holders of ordinary shares and holders of preference shares with restored voting rights, and the particulars of shareholdings of the top 10 shareholders

Unit: Share

Total number of holders of ordinary shares as at the end of the Reporting Period		37,275	Total number of holders of preference shares with restored voting rights as at the end of the Reporting Period (if any)		0	
Shareholding of top 10 shareholders						
Full name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of Shares subject to trading restrictions	Shares pledged, marked or frozen	
					Status of shares	Number of shares
Feng Yuxia	Domestic natural person	119,400,452	22.31%		Nil	
HKSCC NOMINESS LIMITED	Overseas legal person	84,984,589	15.88%		Nil	
Zhou Zhiwen	Domestic natural person	64,373,511	12.03%		Nil	
Industrial and Commercial Bank of China Limited China – Europe Medical and Health Hybrid Securities Investment Fund	Others	21,945,200	4.10%		Nil	
Gu Xiaolei	Domestic natural person	21,069,430	3.94%		Pledged	6,860,000
Zuo Conglin	Domestic natural person	15,461,669	2.89%	16,464	Nil	
Hong Kong Securities Clearing Company Limited	Overseas legal person	14,240,023	2.66%		Nil	
National Social Security Fund (Combination 406)	Others	11,656,497	2.18%		Nil	
Gu Meifang	Domestic natural person	10,592,882	1.98%		Pledged	6,860,000
CITIC Securities Capital Management Co., Ltd.	State-owned legal person	5,140,058	0.96%		Nil	

III. OTHER MATTERS REQUIRED ATTENTION

Other important information on the Company's operation during the reporting period that needs to be brought to the attention of investors

Applicable Not applicable

During the first three quarters, the Group adopted strong measures to ensure smooth delivery of the orders on hand. As of the end of the Reporting Period, the Group had orders on hand of over RMB4.6 billion, which provided stronger protection for future business growth.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Item	As at September 30, 2022	As at December 31, 2021
Deposit receivables from reinsurance contracts		
Other receivables	7,610,087.05	5,829,139.90
Including: Interest receivables		
Dividend receivables		
Financial assets purchased under agreements to resell		
Inventories	2,211,838,983.50	700,587,125.17
Contract assets	83,844,602.32	98,998,680.46
Assets held-for-sale		
Non-current assets due within one year		
Other current assets	26,649,902.41	19,677,173.24
Total current assets	5,718,665,853.89	5,814,484,316.60
Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	23,656,305.57	25,288,781.66
Investments in other equity instruments	111,820,000.00	105,660,752.02
Other non-current financial assets	155,000,000.00	
Investment properties		
Fixed assets	583,277,706.86	493,153,049.69
Construction in progress	283,320,208.96	127,361,072.75
Biological assets for breeding	784,507,118.96	74,114,850.27
Oil and gas assets		
Right-of-use assets	84,921,119.90	84,491,321.22
Intangible assets	315,912,362.98	137,192,887.32
Development expenses		
Goodwill	136,335,444.97	122,430,758.12
Long-term deferred expenditures	41,980,559.89	30,514,189.52
Deferred tax assets	32,467,064.72	43,853,733.53
Other non-current assets	1,807,215,190.34	1,478,531,398.70
Total non-current assets	4,360,413,083.15	2,722,592,794.80

Item	As at September 30, 2022	As at December 31, 2021
Total assets	10,079,078,937.04	8,537,077,111.40
Current liabilities:		
Short-term borrowings	1,261,421.32	
Borrowings from central bank		
Funds borrowed		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payables		
Account payables	98,936,691.96	53,643,700.05
Receipts in advance		
Contract liabilities	1,518,666,049.95	972,212,948.09
Financial assets sold under agreements to repurchase		
Deposits from customers and banks		
Customer deposits for securities trading		
Customer deposits for securities underwriting		
Employee benefit payables	103,092,368.49	76,953,292.65
Tax payables	54,211,758.92	23,714,028.40
Other payables	277,675,882.09	55,779,757.32
Including: Interest payables		
Dividend payables		
Handling charges and commission payable		
Reinsurance account payables		
Liabilities held-for-sale		
Non-current liabilities due within one year	28,388,412.83	26,194,969.19
Other current liabilities	7,690,032.77	5,743,288.02
Total current liabilities	2,089,922,618.33	1,214,241,983.72
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	4,875,343.91	4,938,730.83
Debenture payables		

Item	As at September 30, 2022	As at December 31, 2021
Including: Preference shares		
Perpetual bonds		
Lease liabilities	62,878,981.45	64,187,948.50
Long-term payables		
Long-term payroll payables		
Projected liabilities		
Deferred income	78,776,858.92	60,844,178.03
Deferred tax liabilities	172,034,736.39	48,428,113.48
Other non-current liabilities		
Total non-current liabilities	318,565,920.67	178,398,970.84
Total liabilities	2,408,488,539.00	1,392,640,954.56
Owners' equity (or shareholders' equity):		
Paid up capital (or share capital)	534,191,429.00	381,246,492.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	5,424,303,208.26	5,543,570,402.31
Less: Treasury shares	40,295,319.28	3,934,695.52
Other comprehensive income	61,932,148.26	26,743,283.68
Special reserve		
Surplus reserve	87,429,174.04	87,429,174.04
General risks reserve		
Retained earnings	1,595,868,533.71	1,101,159,721.53
Total owners' equity (or shareholders' equity) attributable to the parent company	7,663,429,173.99	7,136,214,378.04
Non-controlling interests	7,161,224.05	8,221,778.80
Total owners' equity (or shareholders' equity)	7,670,590,398.04	7,144,436,156.84
Total liabilities and owners' equity (or shareholders' equity)	10,079,078,937.04	8,537,077,111.40

Legal Representative:
Feng Yuqia

Chief Financial Officer.:
Yu Aishui

Director of Accounting Department:
Yu Aishui

Consolidated Income Statement

January to September 2022

Prepared by: JOINN Laboratories (China) Co., Ltd.

Unit: RMB Currency: RMB Type of audit: Unaudited

Item	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
I. Total revenue	1,276,392,981.45	856,804,399.15
Including: Operating Revenue	1,276,392,981.45	856,804,399.15
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total cost	810,012,663.71	689,993,916.62
Including: Operating Cost	641,981,089.00	430,911,120.31
Interest expenses		
Handling charges and commission expenses		
Payments on surrender		
Net claim expenses		
Net provision for insurance contract reserves		
Policyholder dividend expenses		
Reinsurance costs		
Taxes and surcharges	7,297,222.05	6,398,889.59
Selling expenses	12,389,866.31	11,610,877.17
Administration expenses	233,217,077.96	195,536,949.15
Research and development expenses	50,053,890.87	35,019,894.79
Finance expenses	-134,926,482.48	10,516,185.61
Including: Interest expense	2,671,743.04	2,250,675.03
Interest income	104,458,461.03	40,056,279.98

Item	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
Add: Other income	14,942,210.85	28,987,145.73
Investment gains ("–" indicating loss)	8,427,903.30	11,995,172.63
Including: Gains from investment in associates and joint ventures	-1,632,476.09	
Derecognition of income from financial assets measured at amortised cost		
Exchange gains ("–" indicating loss)		
Gains from net exposure to hedging ("–" indicating loss)		
Gains from changes in fair value ("–" indicating loss)	235,768,268.74	80,069,612.58
Credit impairment losses ("–" indicating loss)	-4,597,870.22	-312,847.56
Assets impairment losses ("–" indicating loss)	-3,084,989.89	-6,007,908.68
Gains from disposal of assets ("–" indicating loss)	-60,198.61	3,050.73
III. Operating profit (– indicating loss)	717,775,641.91	281,544,707.96
Add: Non-operating income	14,635,576.11	38,287.00
Less: Non-operating expenses	206,886.58	1,280,919.75
IV. Profits before income tax (– indicating total losses)	732,204,331.44	280,302,075.21
Less: Income tax expenses	101,231,735.15	33,292,553.43
V. Net profits (– indicating net loss)	630,972,596.29	247,009,521.78
(I) Classified by the continuity of operation		
1. Net profit from continuing operations ("–" indicating net loss)	630,972,596.29	247,009,521.78

Item	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
2. Net profit from discontinued operations (“-” indicating net loss)		
(II) Classified by the ownership		
1. Net profit attributable to equity shareholders of the company (“-” indicating net loss)	632,033,151.04	248,006,161.31
2. Profit and loss of non-controlling interests (“-” indicating net loss)	-1,060,554.75	-996,639.53
VI. Other comprehensive income, net of tax	35,188,864.58	-1,441,837.91
(I) Other comprehensive income attributable to owners of the parent company, net of tax	35,188,864.58	-1,441,837.91
1. Other comprehensive income that will not be reclassified to profit or loss	5,235,360.78	
(1) Changes in re-measurement of defined benefit plans		
(2) Other comprehensive income that will not be transferred to profit or loss accounted for using equity method		
(3) Changes in fair value of investments in other equity instruments	5,235,360.78	
(4) Changes in fair value of the company’s own credit risk		
2. Other comprehensive income that will be reclassified to profit or loss	29,953,503.80	-1,441,837.91
(1) Other comprehensive income that will be transferred to profit or loss accounted for using equity method		
(2) Changes in fair value of other debt investments		

Item	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
(3) Financial assets reclassified to other comprehensive income		
(4) Credit impairment allowance of other debt investments		
(5) Cash flow hedging reserve		
(6) Exchange difference on translation of foreign financial statements	29,953,503.80	-1,441,837.91
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	666,161,460.87	245,567,683.87
(1) Total comprehensive income attributable to equity shareholders of the parent company	667,222,015.62	246,564,323.40
(2) Total comprehensive income attributable to non-controlling interests	-1,060,554.75	-996,639.53
VIII. Earnings per share:		
(I) Basic earnings per share (RMB per share)	1.18	0.68
(II) Diluted earnings per share (RMB per share)	1.18	0.67

For the business combination involving enterprises under common control during the Reporting Period, realised net profit of the merged parties before the merger was RMB0 (corresponding period of the previous year: RMB0).

<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Director in Charge of Accounting Department:</i>
Feng Yuqia	Yu Aishui	Yu Aishui

Item	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business entities	1,689,054,770.83	
Cash paid for other investing activities	13,550,000.00	
Subtotal of cash outflow from investing activities	2,819,274,982.93	2,290,934,619.51
Net cash flow from investing activities	-2,031,208,544.03	-1,886,877,234.38
III. Cash flo from financing activities:		
Cash received from capital contributions	80,068,361.40	5,407,415,864.64
Including: Cash received from capital contribution by minority shareholders of subsidiaries		
Cash received from borrowings	19,173,126.18	
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	99,241,487.58	5,407,415,864.64
Cash repayments of borrowings	20,544,929.76	2,674,981.38
Cash payments for distribution of dividends, profits or interest expenses	137,634,890.23	95,181,014.88
Including: Dividends and profits paid by subsidiaries to non-controlling interests		
Cash payments relating to other financing activities	27,449,193.38	31,119,560.40
Sub-total of cash outflow from financing activities	185,629,013.37	128,975,556.66
Net cash flow from financing activities	-86,387,525.79	5,278,440,307.98

Item	First three quarters of 2022 (January to September)	First three quarters of 2021 (January to September)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	43,285,143.84	-47,960,035.11
V. Net increase in cash and cash equivalents	-1,296,022,545.52	3,807,050,612.68
Add: Cash and cash equivalents at the beginning of the period	4,150,396,311.94	305,043,920.05
VI. Cash and cash equivalents at the end of the period	2,854,373,766.42	4,112,094,532.73

Director

Legal Representative: *Chief Financial Officer:* *Accounting Director:*
Feng Yu'ia **Yu Aishui** **Yu Aishui**

Adjustments to financial statements at the beginning of the year upon initial adoption of new accounting standards or interpretation of standards since 2022

Applicable Not applicable

This announcement is hereby made.

Board of Directors of JOINN Laboratories (China) Co., Ltd.
October 28 2022