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JOINN

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 OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

This announcement is approved by the Board of Directors (the "Board") of the Company (the "Company") and the Director(s) of the Company (the "Director(s)"). The Company is a subsidiary of JOINN Labs (the "Group, we, our, us" or "JOINN Labs"). The reporting period is 30 June 2024 (the "Reporting Period"), compared to 30 June 2023.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000	% Change
Revenue	849,357	1,012,077	-16.1%
Operating profit	211,301	447,799	-52.8%
Operating loss	(172,238)	89,508	-292.4%
Loss attributable to equity holders of the Company	(169,742)	90,627	-287.3%
Loss attributable to equity holders of the Company and non-controlling interests	7,916,013	8,018,014	-1.3%

INTERIM RESULTS

The Board of Directors has approved the unaudited condensed consolidated financial statements for the six months ended 30 June 2024, which are set out on pages 10 to 15.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June 2024 RMB'000 (Unaudited)	\$ 30 June 2023 RMB'000 ()
Revenue	4	849,357	1,012,077
Cost of sales		(638,056)	(564,278)
Gross profit	4(b)	211,301	447,799
Finance income	5	80,124	99,769
Finance expense		(254,441)	(198,770)
Share of profit/loss of associates		(12,163)	(11,866)
Share of profit/loss of joint ventures		(168,555)	(159,703)
Share of profit/loss of subsidiaries		(47,840)	(56,933)
(Loss)/profit from operations		(191,574)	120,296
Finance income	6(a)	(1,249)	(1,681)
Finance expense		15,472	(1,679)
(Loss)/profit before taxation	6	(177,351)	116,936
Income tax expense/(benefit)	7	5,113	(27,428)
(Loss)/profit for the period		(172,238)	89,508
Other comprehensive income for the period (after tax)			
Items that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(FVOCI)	-
Items that will not be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		3,025	13,252
Other comprehensive income for the period (after tax)		3,025	13,252
Total comprehensive (expense)/income for the period		(169,213)	102,760

**Six months
ended
30 June
2024**

5
30 June
2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2024 RMB'000 (Unaudited)	At 31 Dec 2023 RMB'000 (Audited)
Non-current assets			
☑ Investment properties		1,357,783	1,303,491
☑ Intangible assets		43,869	47,800
☑ Prepaid expenses and deposits		–	19,529
☑ Other non-current assets		136,854	136,007
☑ Financial assets at fair value through other comprehensive income		400,440	558,874
☑ Financial assets at fair value through profit or loss		159,840	159,840
☑ Financial assets at fair value through profit or loss (FVTPL)	10	615,111	587,784
☑ Cash and cash equivalents		1,380,647	30,832
☑ Receivables		36,330	32,784
☑ Other receivables		37,516	28,251
		<u>4,168,390</u>	<u>2,905,192</u>
Current assets			
☑ Investment properties		185,603	184,593
☑ Cash and cash equivalents		843,425	772,739
☑ Receivables		603,116	905,749
☑ Other receivables		108,670	127,172
☑ Prepaid expenses and deposits		209,419	212,888
☑ Other current assets		156,403	149,070
☑ Financial assets at fair value through other comprehensive income		–	1,533,490
☑ Financial assets at fair value through profit or loss	10	1,228,053	373,354
☑ Other current assets		2,158,195	2,862,912
		<u>5,492,884</u>	<u>7,121,967</u>
Current liabilities			
☑ Trade payables	12	64,587	43,323
☑ Other payables		1,128,532	1,151,974
☑ Other current liabilities		282,606	203,215
☑ Financial liabilities at fair value through profit or loss		27,926	27,500
☑ Other current liabilities		14,544	41,353
		<u>1,518,195</u>	<u>1,467,365</u>
Net current assets		<u>3,974,689</u>	<u>5,654,602</u>
Total assets less current liabilities		<u>8,143,079</u>	<u>8,559,794</u>

	At 30 June 2024 RMB'000 (Unaudited)	31 D 2023 RMB'000 (Audited)
Non-current liabilities		
Deferred tax liabilities	28,959	41,925
Other non-current liabilities	128,282	162,341
Other non-current liabilities	70,596	74,487
	<u>227,837</u>	<u>278,753</u>
NET ASSETS	<u>7,915,242</u>	<u>8,281,041</u>
CAPITAL AND RESERVES		
Share capital	749,889	749,889
Reserves	7,166,124	7,529,427
Total equity attributable to equity shareholders of the Company	7,916,013	8,279,316
Non-controlling interests	(771)	1,725
TOTAL EQUITY	<u>7,915,242</u>	<u>8,281,041</u>

3 CHANGES IN ACCOUNTING POLICIES

Accounting Policy	2024	2023
Accounting Policy 1, Presentation of Financial Statements: Classification of liabilities, accounts receivable, and accounts payable		
Accounting Policy 1, Presentation of Financial Statements: Non-current liabilities, including lease liabilities		
Accounting Policy 16, Leases: Lease liabilities, lease receivables		
Accounting Policy 7, Cash flows, and Financial Statement 7, Financial Instruments: Disclosure of financial instruments		

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue Component	2024	2023
Revenue from contracts with customers	809,704	976,681
Contract liabilities	39,653	31,332
Other revenue	-	4,064
Total Revenue	849,357	1,012,077

Revenue from contracts with customers decreased by 10% from 2023 to 2024, primarily due to the impact of the new revenue recognition policy adopted in 2024. The decrease was primarily driven by the impact of the new revenue recognition policy adopted in 2024, which resulted in a decrease of RMB2,900 million (31 D) in 2024 compared to RMB3,300 million (31 D) in 2023.

(b) Segment reporting

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C ...
T ... C ...

S ...
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(i) *Segment e, l,*

F ... G ...

T ...

T G ... A ...

D. The Company's revenue is derived from the following segments:

G. The Company's revenue is derived from the following segments:

	Six months ended 30 June 2024			
	Non-clinical studies services <i>RMB'000</i>	Clinical trial and related services <i>RMB'000</i>	Sales of research models <i>RMB'000</i>	Total <i>RMB'000</i>
Disaggregated by timing of revenue recognition				
☑ Revenue from external customer	809,704	9,468	-	819,172
Revenue from external customer	-	30,185	-	30,185
Revenue from external customer	809,704	39,653	-	849,357
Revenue from external customer	427	-	226,740	227,167
Reportable segment revenue	810,131	39,653	226,740	1,076,524
Reportable segment gross profit	196,940	9,996	9,276	216,212
			30 June 2023	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Disaggregated by timing of revenue recognition				
☑ Revenue from external customer	976,681	21,740	4,064	1,002,485
Revenue from external customer	-	9,592	-	9,592
Revenue from external customer	976,681	31,332	4,064	1,012,077
Revenue from external customer	1,091	-	81,273	82,364
Reportable segment revenue	977,772	31,332	85,337	1,094,441
Reportable segment gross profit	432,375	10,021	2,922	445,318

5 OTHER GAINS AND LOSSES, NET

	Six months ended 30 June 2024 RMB'000	30 June 2023 RMB'000
Gains from disposal of property, plant and equipment (Note 12)	9,571	15,108
Losses from disposal of property, plant and equipment (Note 12)	61,632	60,861
Losses from disposal of subsidiaries (Note 12)	(213)	15,081
Losses from disposal of associates (Note 12)	(555)	(100)
Gains from disposal of financial assets (Note 12)	12,548	7,523
Losses from disposal of financial assets (Note 12)	(2,749)	1,099
Losses from disposal of investments in subsidiaries (Note 12)	(110)	197
	80,124	99,769

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation attributable to equity holders of the Company (Note 12):

(a) Finance costs

	Six months ended 30 June 2024 RMB'000	30 June 2023 RMB'000
Finance costs	-	85
Finance income	1,249	1,596
	1,249	1,681

(b) Staff costs

	Six months ended 30 June 2024 RMB'000	30 June 2023 RMB'000
Salaries and allowances	260,622	264,758
Employee benefits expense	23,673	23,422
Employee share-based payments	-	3,156
	284,295	291,336

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

<p>T B90,627,000) C ()/ B169,742,000 (S 30 2023:</p>		<p>Six months ended 30 June 2024</p>	<p>S 30 2023</p>
<p>1 1</p>		<p>749,888,699</p>	<p>535,678,676</p>
<p>2023</p>		<p>–</p>	<p>214,090,076</p>
<p>E</p>		<p>(411,365)</p>	<p>(453,487)</p>
<p>30</p>		<p>749,477,334</p>	<p>749,315,265</p>

(b) Diluted (loss)/earnings per share

<p>T B90,627,000), B169,742,000 (S 30 2023:</p>		<p>Six months ended 30 June 2024</p>	<p>S 30 2023</p>
<p>30</p>		<p>749,477,334</p>	<p>749,315,265</p>
<p>E</p>		<p>411,365</p>	<p>580,310</p>
<p>E</p>		<p>–</p>	<p>95,900</p>
<p>E</p>		<p>–</p>	<p>1,723,397</p>
<p>30</p>		<p>749,888,699</p>	<p>751,714,872</p>

9 DIVIDENDS

(a) Interim dividend

The Company has not declared any interim dividends for the period ended 30 June 2024 (2023: Nil).

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the reporting period

On 20 June 2024, the Board of Directors of the Company has approved a final dividend of RMB0.16 per share for the year ended 31 December 2023.

The dividend is payable to the equity shareholders of the Company on 20 June 2024. The dividend is payable to the equity shareholders of the Company on 20 June 2024.

10 FINANCIAL ASSETS AT FVTPL

	At 30 June 2024 RMB'000	31 D 2023 RMB'000
Non-Current assets		
Equity investments at FVTPL	354,639	354,639
Debt investments at FVTPL	260,472	233,145
	615,111	587,784
Current assets		
Debt investments at FVTPL	1,228,053	373,354
	1,228,053	373,354
	1,843,164	961,138

Notes:

(1) On 18 June 2024, the Board of Directors of the Company has approved a final dividend of RMB0.16 per share for the year ended 31 December 2023. The dividend is payable to the equity shareholders of the Company on 20 June 2024.

11 TRADE AND BILLS RECEIVABLES

	At 30 June 2024 <i>RMB'000</i>	31 D 2023 <i>RMB'000</i>
T	225,539	224,602
A	(23,142)	(18,588)
	202,397	206,014
B	7,022	6,874
	209,419	212,888
T	144,250	160,784
A	53,445	42,891
1. 2	4,454	2,278
2. 3	248	61
3. 4	202,397	206,014

12 TRADE PAYABLES

	At 30 June 2024 RMB'000	A. 31 D 2023 RMB'000
Trade payables	64,587	43,323
Other payables		
A. 30 June 2024, 2023		
	At 30 June 2024 RMB'000	A. 31 D 2023 RMB'000
Trade payables	62,618	42,778
Other payables	1,969	545
	64,587	43,323
A. 30 June 2024, 2023		

13 SHARE CAPITAL

	No. of shares	Amount RMB'000
Ordinary shares, issued:		
A. 1 January 2023	535,678,676	535,679
B. Issued during the year	214,244,424	214,244
C. Repurchased during the year	(34,401)	(34)
A. 31 D 2023	749,888,699	749,889
At 30 June 2024	749,888,699	749,889

MANAGEMENT DISCUSSION AND ANALYSIS

I. Discussion and Analysis on Business Operation

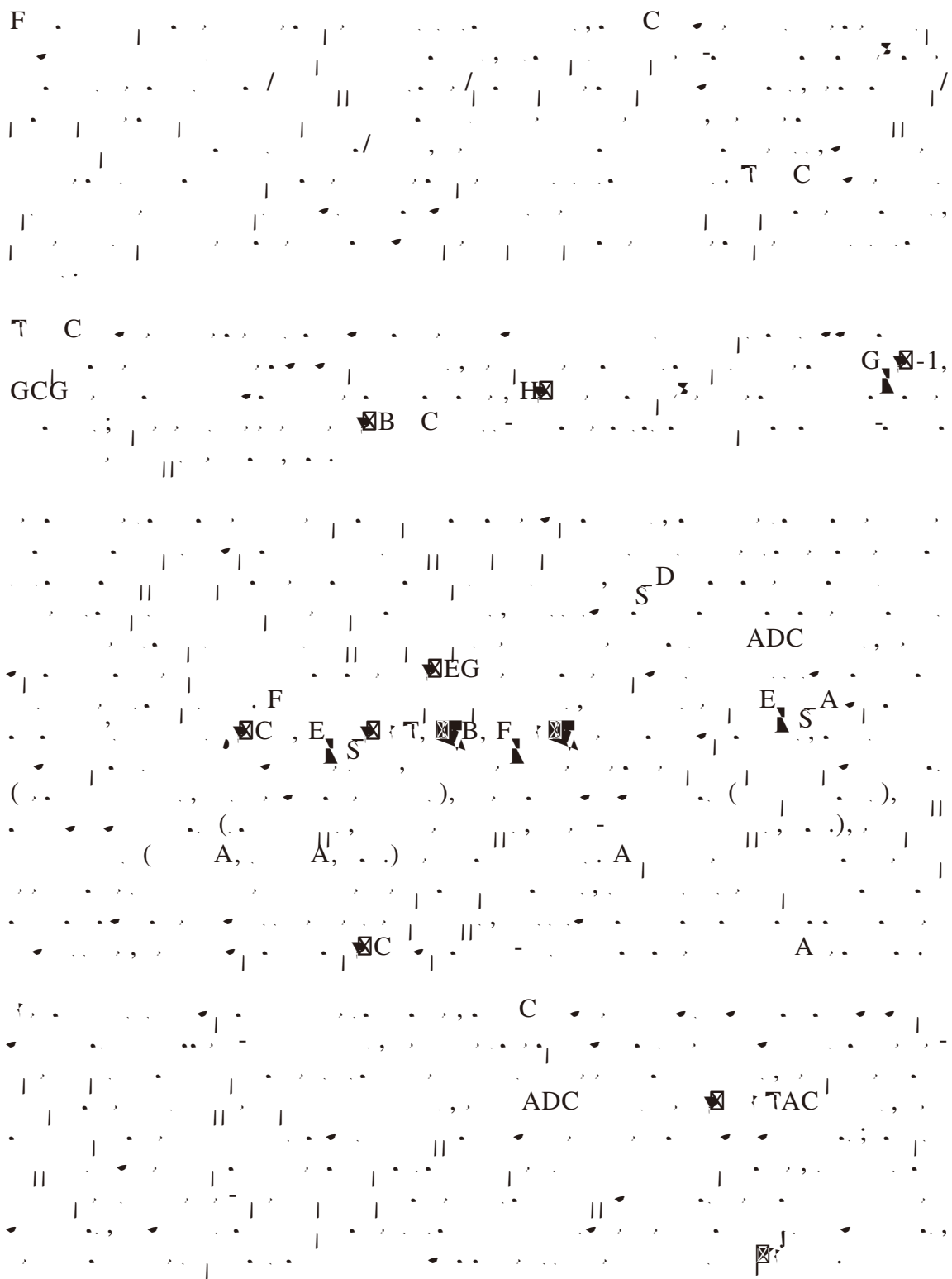
Staff Building

C
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Production Capacity Building

T 20,000
2023. T S
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(3) Experimental model research

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C

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(4) Drug quality research and testing business

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Implementation of Featured Experiments

2024, . 024, .

II. Financial Review

Overview

The Group's revenue for the six months ended 30 June 2024 was RMB1,012.1 million, an increase of 16.1% from RMB849.4 million for the six months ended 30 June 2023.

Revenue

The following table sets out the revenue of the Group for the six months ended 30 June 2024 and 30 June 2023, and the percentage contribution of each revenue source to the total revenue of the Group.

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Contract revenue	809,704	95.3	976,681	96.5
Commission	39,653	4.7	31,332	3.1
Others	-	-	4,064	0.4
Total	849,357	100.0	1,012,077	100.0

Cost of Services

The following table sets out the cost of services of the Group for the six months ended 30 June 2024 and 30 June 2023, and the percentage contribution of each cost of services to the total cost of services of the Group.

Contract cost	638.1		564.3	
Commission	13.1%			
Others				
Total	638.1		564.3	

Gross Profit and Gross Profit Margin

	30 Dec 2024	30 Dec 2023
F	B211.3	B447.8
	24.9%	44.2%
	30 Dec 2024	30 Dec 2023

Other Gains and Losses, Net

	30 Dec 2024	30 Dec 2023
F	B80.1	B99.8
	19.7%	(...)/
	30 Dec 2024	30 Dec 2023
F	B0.2	B15.1
	30 Dec 2024	30 Dec 2023

Losses arising from changes in fair value of biological assets

	30 Dec 2024	30 Dec 2023
F	B254.4	B198.8
	28.0%	
	30 Dec 2024	30 Dec 2023

Selling and Marketing Expenses

	30 Dec 2024	30 Dec 2023
T	B12.2	B11.9
G	2.5%	
	30 Dec 2024	30 Dec 2023

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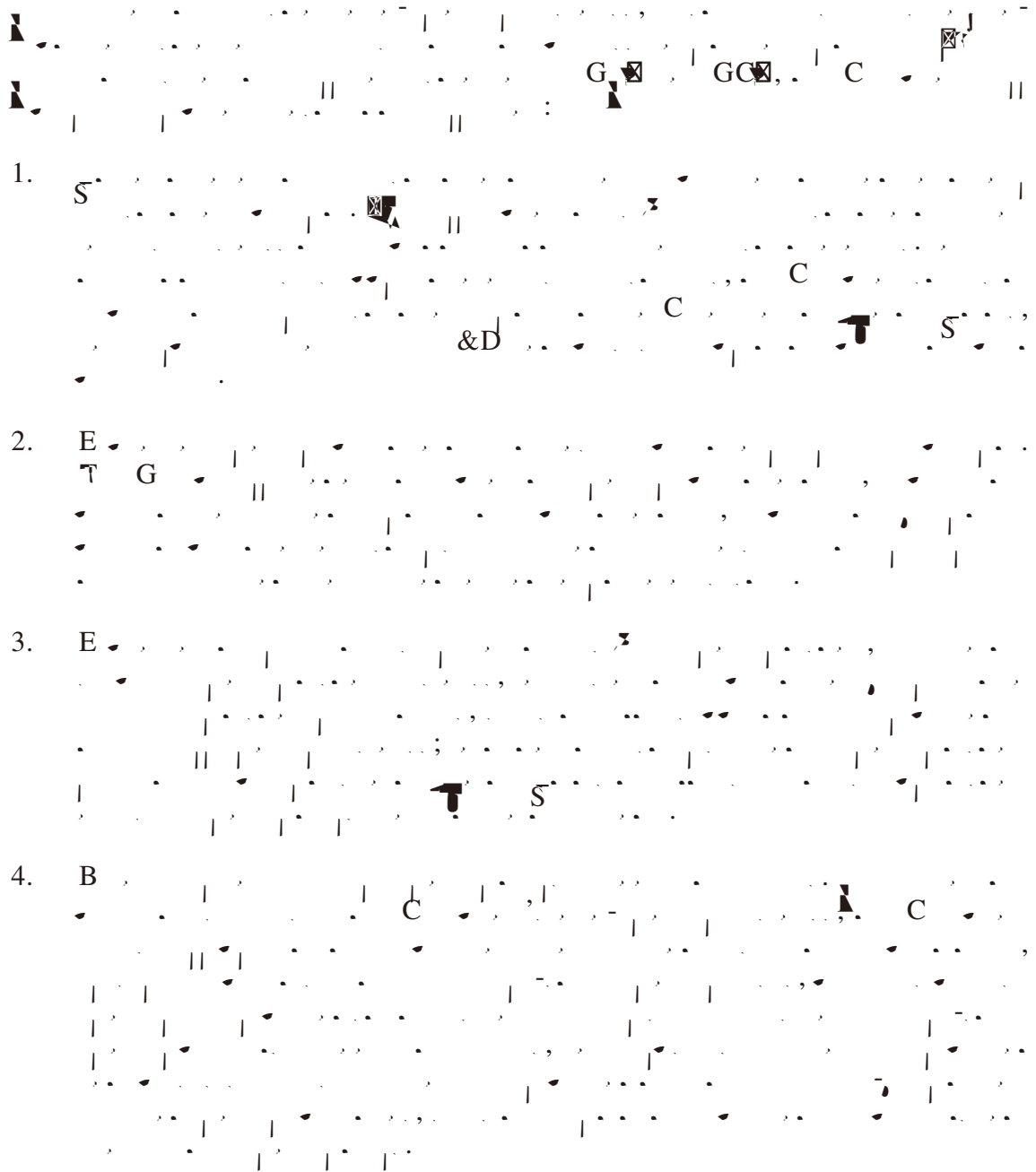
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(2) Clinical trial and related business



(3) Research model business



Interim dividend

The Board of Directors has declared an interim dividend of 12.5% (US\$ 12.5%) for the period ending 30 June 2024. The dividend will be paid on 15 July 2024.

Use of Proceeds from the Global Offering

The Hong Kong Companies (Companies) have used the net proceeds from the Global Offering of 27 ()12.5()12.5(H

Use of Proceeds	Approximate percentage of the total amount	Original allocation of the Proceeds	New allocation of the proceeds	Amount of net proceeds utilized as of 30 June 2024	Amount of net proceeds utilised during the Reporting Period

Use of Proceeds	Approximate percentage of the total amount (%)	Original allocation of the Proceeds (RMB milli, #)	New allocation of the proceeds (RMB milli, #)	Amount of net proceeds utilized as of 30 June 2024 (RMB milli, #)	Amount of net proceeds utilised during the Reporting Period (RMB milli, #)	Balance of the net proceeds after proposed re-allocation (RMB milli, #)	Expected timeframe for utilizing the remaining unutilized net proceeds after proposed re-allocation
()	2.6	137.4	137.4	32.6	3.3	104.8	B . , 2026
()	1.65	265	265	1.1	1.1	166667	

Future Plans for Material Investments

T G 2024, B D

Purchase, Sale or Redemption of Listed Securities

28 2024, B D C A B D 1,735,600 A B28,277,143.40

D 12,832,580 H \$194,570,000 (H S)

S C C ()

Capital Expenditure and Commitments

T G 30 2024 F 30 2024 G B106.1 B115.9 2023.

Charges on Group Assets

A 30 2024, G

Contingent Liabilities

T G 30 2024.

Event after the end of the Reporting Period

T 30 2024.

Audit Committee

The Board (Audit Committee) ... (), D ... F, S ... 3.21

The Audit Committee ... G ... 30 2024. The Audit Committee ... 30 2024

Publication of Interim Results Announcement and Interim Report

The Company () ... H ... S ... E ... () ... H ... S ... E ... C

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JOINN Laboratories (China) Co., Ltd.
Feng Yuxia
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H ... , 30 A ... 2024

A, a he da e, f hi, a, a, a ce e, he B, a d c, i, e, M. FENG Y ia a, he Chai, e, A and e ec i e Di ec, M. ZUO C, a gli, M. GAO Da, e, M. SUN Y ia ia, D. YAO Dalia, e ec i e Di ec, and M. SUN Mi, a che, D. ZHAI Y, a, a, M. OU Xia, jie and M. ZHANG Fa, a, i, e, e, e, e, e ec i e Di ec, .