

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Shanghai Haohai Biological Technology Co., Ltd.\***

**上海昊海生物科技股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6826)**

### **2024 FIRST QUARTERLY REPORT**

This announcement is made by Shanghai Haohai Biological Technology Co., Ltd.\* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Part XIVA of The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) to provide shareholders of the Company and the public with the updated financial information of the Company. This announcement is also published on the website of the Shanghai Stock Exchange simultaneously.

The unaudited results (the “**First Quarterly Report**”) of the Group for the three months ended 31 March 2024 (the “**Reporting Period**”) are provided. The financial information contained in the First Quarterly Report was prepared in accordance with the Chinese Accounting Standards for Business Enterprises, and consists accounting data which has not been audited. Potential investors and shareholders of the Company are advised to pay attention to the underlying investment risks.

The First Quarterly Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the First Quarterly Report shall prevail.

By order of the Board  
**Shanghai Haohai Biological Technology Co., Ltd.\***  
**Hou Yongtai**  
*Chairman*

Shanghai, the PRC, 29 April 2024

*As at the date of this announcement, the executive directors of the Company are Dr. Hou Yongtai, Mr. Wu Jianying, Ms. Chen Yiyi and Mr. Tang Minjie; the non-executive directors of the Company are Ms. You Jie and Mr. Huang Ming; and the independent non-executive directors of the Company are Mr. Shen Hongbo, Mr. Jiang Zhihong, Mr. Su Zhi, Mr. Yang Yushe and Mr. Zhao Lei.*

\* *For identification purpose only*

## IMPORTANT NOTICE

The board of directors (the “**Board**”), the supervisory committee, the directors, supervisors and senior management of the Company, hereby warrant the truthfulness, accuracy and completeness of the contents of the First Quarterly Report, guarantee that there are no false representations, misleading statements or material omissions contained in the First Quarterly Report, and are jointly and severally responsible for the liabilities of the Company.

The legal representative of the Company, the person in charge of accounting affairs of the Company and the person in charge of the accounting department of the Company, warrant the truthfulness, accuracy and completeness of the financial information contained in the First Quarterly Report.

The First Quarterly Report is audited

Yes  No

### I. MAJOR FINANCIAL DATA

#### (I) Major accounting data and financial indicators

Items	<i>Unit: Yuan Currency: RMB</i>		Increase/ decrease for the Reporting Period over the corresponding period of last year (%)
	The Reporting Period		
Revenue	645,995,271.22		5.68
Net profit attributable to shareholders of the Company	97,541,532.98		20.16
Net profit after deducting nonrecurring profit or loss attributable to shareholders of the Company	95,217,851.02		33.05
Net cash flows from operating activities	75,969,702.64		-4.96
Basic earnings per share (RMB/share)	0.58		23.40
Diluted earnings per share (RMB/share)	0.58		23.40
Weighted average return on net assets (%)	1.72		Increased by 0.24 percentage point
Total research and development (“R&D”) expenses	64,900,123.30		21.03
R&D expenses as a percentage of revenue (%)	10.05		Increased by 1.28 percentage points
			<b>Increase/decrease as at the end of the Reporting Period over the end of last year (%)</b>
	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	
Total assets	7,192,952,822.94	7,105,496,951.15	1.23
Equity attributable to shareholders of the Company	5,755,069,480.72	5,650,064,203.23	1.86

## (II) Non-recurring profit or loss items and amount

Applicable    Not applicable

*Unit: Yuan   Currency: RMB*

<b>Non-recurring profit or loss items</b>	<b>Amount for the Reporting Period</b>	<b>Note</b>
Gains or losses on disposal of non-current assets (including the written-off portion of provision for asset impairment)	-36,321.22	
Government grant included in profit or loss for the current period (other than those that are closely related to the Company's normal operation, in line with national of policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss)	3,820,341.64	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	-461,101.23	
Other non-operating income and expenses other than above-mentioned items	-262,850.78	
Less: Effect of income tax	500,970.28	
Effect of non-controlling interests (after tax)	<u>235,416.17</u>	
Total	<u><u>2,323,681.96</u></u>	

For items not listed in the “Notice on Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items (《公開發行證券的公司信息披露解釋性公告第1號 – 非經常性損益》)” and defined as non-recurring profit or loss items with a significant amount, and non-recurring profit or loss items listed in “Notice on Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items” and defined as recurring profit or loss items, reasons shall be provided.

Applicable    Not applicable

### (III) Changes in major accounting data and financial indicators and reasons for changes

Applicable     Not applicable

<b>Items</b>	<b>Percentage change (%)</b>	<b>Key reasons</b>
Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company	33.05	During the Reporting Period, the Group's high-margin hyaluronic acid products continued their good sales momentum, and the continuous increase in sales volume brought about an increase in the overall gross profit and profit before tax of the Group. At the same time, the government grant received by the Group during the Reporting Period decreased significantly as compared with the same period of last year, and the non-recurring net income decreased by 75.83% as compared with the same period of last year, so the net profit attributable to shareholders of the Company after deducting non-recurring profit or loss increased by 33.05% as compared with the same period of last year.

## II. SHAREHOLDERS

### (I) Total number of ordinary shareholders and preferred shareholders with voting rights resumed and shareholding of the top ten shareholders of the Company

*Unit: share*

Total number of ordinary shareholders at the end of the Reporting Period	7,438	Total number of preferred shareholders with voting rights resumed at the end of the Reporting Period (if any)	Not applicable
--	-------	---	----------------

#### Shareholding of the top ten shareholders (excluding shares lent under the margin refinancing transfer business)

Name of shareholders	Nature of shareholders	Number of shares held	Proportion of shareholding (%)	Number of shares subject to selling restrictions	Number of restricted shares including lending shares for securities financing	Status of shares (pledged, marked or frozen)	
						Status	Number
Jiang Wei <sup>(1)</sup>	Domestic natural person	47,520,000	28.17	0	0	None	0
HKSCC NOMINEES LIMITED <sup>(2)</sup>	Overseas legal person	29,523,589	17.50	0	0	Unknown	-
You Jie	Domestic natural person	28,800,000	17.07	0	0	None	0
Lou Guoliang	Domestic natural person	6,151,186	3.65	0	0	None	0
Wu Jianying	Domestic natural person	6,068,369	3.60	0	0	None	0
Hou Yongtai	Domestic natural person	6,006,260	3.56	0	0	None	0
Peng Jinhua	Domestic natural person	2,830,000	1.68	0	0	None	0
Liu Yuanzhong	Domestic natural person	2,000,000	1.19	0	0	None	0
Huang Ming	Domestic natural person	2,000,000	1.19	0	0	None	0
Wang Wenbin	Domestic natural person	1,719,534	1.02	0	0	None	0

### Shareholdings of the top ten shareholders not subject to selling restrictions

Name of shareholders	Number of shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Jiang Wei <sup>(1)</sup>	47,520,000	RMB ordinary shares	47,520,000
HKSCC NOMINEES LIMITED <sup>(2)</sup>	29,523,589	Overseas listed foreign shares	29,523,589
You Jie	28,800,000	RMB ordinary shares	28,800,000
Lou Guoliang	6,151,186	RMB ordinary shares	6,151,186
Wu Jianying	6,068,369	RMB ordinary shares	6,068,369
Hou Yongtai	6,006,260	RMB ordinary shares	6,006,260
Peng Jinhua	2,830,000	RMB ordinary shares	2,830,000
Liu Yuanzhong	2,000,000	RMB ordinary shares	2,000,000
Huang Ming	2,000,000	RMB ordinary shares	2,000,000
Wang Wenbin	1,719,534	RMB ordinary shares	1,719,534

Description of the above shareholders' related party relationship or party acting in concert

Among the top ten shareholders as shown above, Jiang Wei and You Jie are in spousal relationship, and they are the controlling shareholders and de facto controllers of the Company. Apart from the above, the Company is not aware of any related party relationship between the other shareholders or whether they are parties acting in concert as defined under the rules.

Description of the top ten shareholders and top ten shareholders not subject to selling restrictions participating in securities margin trading and refinancing business (if any)

Not applicable

Notes: 1. The previously disclosed regarding Mr. Jiang Wei's direct and indirect shareholding of the A shares of the Company has been corrected and revised. The number of A shares of the Company directly held by Mr. Jiang Wei was revised from 45,790,000 shares to 47,520,000 shares, and the number of A shares of the Company indirectly held by he (through his interest in controlling Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership) and its executive partner Shanghai Zhanxi Corporate Management Limited Company) was revised from 3,400,000 shares to 1,670,000 shares. The total number of shares held by Mr. Jiang Wei in the Company remains unchanged. The corresponding breakdown set out in "SUBSTANTIAL SHAREHOLDERS HOLDING A SHARES OF THE COMPANY" of the Company's 2023 annual report shall be deemed revised accordingly.

2. HKSCC NOMINEES LIMITED holds shares on behalf of various customers.

Participation of shareholders with at least 5% shareholding, the top 10 shareholders and the top 10 shareholders holding tradable shares not subject to selling restrictions in the shares lent under the margin refinancing transfer business

Applicable     Not applicable

Changes in the top 10 shareholders and the top 10 shareholders holding tradable shares not subject to selling restrictions from the previous period due to the shares lent/returned under the margin refinancing transfer business

Applicable     Not applicable

### **III. OTHER REMINDERS**

**The investors should be reminded of other important information about the Company's operation during the Reporting Period**

Applicable     Not applicable

### **IV. THE FIRST QUARTERLY FINANCIAL STATEMENTS**

**(I) The category of audit opinion**

Applicable     Not applicable

**(II) Financial statements**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2024

Prepared by: Shanghai Haohai Biological Technology Co., Ltd.\*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	March 31, 2024	December 31, 2023
<b>Current assets:</b>		
Cash and bank balance	2,677,447,776.76	2,740,678,648.51
Financial assets held for trading	49,222,314.02	20,304,865.66
Accounts receivable	328,757,543.44	327,861,290.31
Prepayments	82,917,089.05	52,251,760.66
Other receivables	29,117,537.37	22,329,767.69
Including: Interest receivable	–	–
Dividends receivable	–	–
Inventories	533,642,335.66	526,173,607.73
Assets classified as held for sale	–	13,000,000.00
Non-current assets due within one year	25,237,895.07	25,237,895.07
Other current assets	18,991,457.72	22,305,947.12
Total current assets	<u>3,745,333,949.09</u>	<u>3,750,143,782.75</u>
<b>Non-current assets:</b>		
Long-term equity investments	3,486,637.73	3,471,429.56
Other investments in equity instruments	611,743,520.28	603,629,878.26
Fixed assets	755,341,693.23	766,912,976.11
Construction in progress	722,663,836.51	635,607,864.27
Right-of-use assets	47,687,739.02	52,940,521.29
Intangible assets	710,794,360.06	729,065,266.19
Goodwill	412,906,040.86	413,020,636.61
Long-term prepayments	7,879,385.88	5,395,607.28
Deferred tax assets	53,568,928.60	53,123,974.27
Other non-current assets	121,546,731.68	92,185,014.56
Total non-current assets	<u>3,447,618,873.85</u>	<u>3,355,353,168.40</u>
TOTAL ASSETS	<u><u>7,192,952,822.94</u></u>	<u><u>7,105,496,951.15</u></u>

Items	March 31, 2024	December 31, 2023
<b>Current liabilities:</b>		
Short-term borrowings	10,000,000.00	10,000,000.00
Accounts payable	77,828,959.13	55,108,264.62
Contract liabilities	86,791,445.95	80,023,458.51
Employee benefits payable	80,561,474.05	121,286,473.84
Tax payable	50,625,503.03	58,408,398.46
Other payables	176,564,939.25	184,500,140.29
Including: Interest payable	—	—
Dividends payable	—	—
Non-current liabilities due within one year	<u>207,393,112.16</u>	<u>206,624,653.96</u>
Total current liabilities	<u>689,765,433.57</u>	<u>715,951,389.68</u>
<b>Non-current liabilities:</b>		
Long-term borrowings	172,813,963.08	157,440,648.18
Lease liabilities	30,008,120.29	33,882,999.55
Long-term payables	4,500,000.00	4,500,000.00
Provision	1,307,098.04	1,139,276.87
Deferred income	14,976,881.20	13,625,013.54
Deferred tax liabilities	<u>157,349,185.83</u>	<u>161,664,650.15</u>
Total non-current liabilities	<u>380,955,248.44</u>	<u>372,252,588.29</u>
TOTAL LIABILITIES	<u><u>1,070,720,682.01</u></u>	<u><u>1,088,203,977.97</u></u>
<b>Equity attributable to equity holders</b>		
<b>(or shareholders):</b>		
Paid-up capital (or issued capital)	168,707,203.00	171,477,258.00
Capital reserve	2,903,610,489.65	2,980,937,753.79
Less: Treasury shares	140,104,348.09	248,455,249.73
Other comprehensive income	-95,392,761.33	-71,445,115.12
Surplus reserve	88,922,650.00	88,922,650.00
Retained earnings	<u>2,829,326,247.49</u>	<u>2,728,626,906.29</u>
Total equity attributable to equity holders		
(or shareholders) of the parent company	5,755,069,480.72	5,650,064,203.23
Non-controlling interests	<u>367,162,660.21</u>	<u>367,228,769.95</u>
TOTAL EQUITY	<u>6,122,232,140.93</u>	<u>6,017,292,973.18</u>
TOTAL LIABILITIES AND EQUITY	<u><u>7,192,952,822.94</u></u>	<u><u>7,105,496,951.15</u></u>

Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of  
the accounting department:  
Bian Yiping

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to March 2024

Prepared by: Shanghai Haohai Biological Technology Co., Ltd.\*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2024	First quarter of 2023
<b>I. Total revenue</b>	645,995,271.22	611,252,893.65
Including: Operating revenue	645,995,271.22	611,252,893.65
<b>II. Total operating costs</b>	535,026,579.06	508,741,359.43
Including: Cost of sales	198,872,261.56	174,248,065.79
Taxes and surcharges	3,202,825.92	2,292,014.16
Selling expenses	199,347,926.51	200,375,296.15
Administrative expenses	82,468,252.35	93,646,019.89
R&D expenses	64,900,123.30	53,624,174.05
Financial expenses	-13,764,810.58	-15,444,210.61
Including: Interest expenses	2,670,265.60	1,051,097.98
Interest income	17,894,671.58	19,194,643.89
Add: Other income	3,820,341.64	10,060,494.50
Investment income (Loss denoted in“-”)	47,188.06	517,071.28
Including: Gains from investment in associates and joint ventures	30,905.09	35,740.98
Gains from changes in fair value (Loss denoted in“-”)	-461,101.23	555,643.67
Credit impairment losses (Loss denoted in“-”)	-476,413.55	-2,445,931.34
Assets impairment losses (Loss denoted in“-”)	565,453.75	67,486.77
Gains on disposal of assets (Loss denoted in“-”)	-36,321.22	-389.15
<b>III. Operating profit (Loss denoted in“-”)</b>	114,427,839.61	111,265,909.95
Add: Non-operating income	37,369.33	1,188,634.41
Less: Non-operating expenses	300,220.11	358,875.77
<b>IV. Total profit (Total loss denoted in“-”)</b>	114,164,988.83	112,095,668.59
Less: Income tax expenses	21,676,211.71	27,143,984.90

Items	First quarter of 2024	First quarter of 2023
<b>V. Net profit (Net loss denoted in “-”)</b>	<u>92,488,777.12</u>	<u>84,951,683.69</u>
(I) According to operating continuity		
1. Net profit from continuing operations (Net loss denoted in “-”)	92,488,777.12	84,951,683.69
2. Net profit from discontinued operations (Net loss denoted in “-”)	<u>–</u>	<u>–</u>
(II) According to ownership		
1. Net profit attributable to shareholders of parent company (Net loss denoted in “-”)	97,541,532.98	81,177,581.15
2. Non-controlling interests (Net loss denoted in “-”)	<u>-5,052,755.86</u>	<u>3,774,102.54</u>
<b>VI. Other comprehensive income, net of tax</b>	-21,216,593.79	3,063,929.44
(I) Other comprehensive income attributable to equity holders of the parent company, net of tax	-20,789,837.99	2,140,972.33
1. Other comprehensive income that cannot be reclassified to profit or loss	-18,643,399.47	-540,761.31
(3) Changes in fair value of other equity instrument investments	-18,643,399.47	-540,761.31
2. Other comprehensive income to be reclassified to profit or loss	-2,146,438.52	2,681,733.64
(6) Exchange differences on foreign currency translations	-2,146,438.52	2,681,733.64
(II) Other comprehensive income attributable to non-controlling interests, net of tax	-426,755.80	922,957.11
<b>VII. Total comprehensive income</b>	71,272,183.33	88,015,613.13
(I) Total comprehensive income attributable to equity holders of the parent company	76,751,694.99	83,318,553.48
(II) Total comprehensive income attributable to non-controlling interests	-5,479,511.66	4,697,059.65
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB/share)	0.58	0.47
(II) Diluted earnings per share (RMB/share)	0.58	0.47

For business combination under common control conducted during the period, the acquiree achieved a net profit of RMB0 before the combination; the acquiree achieved a net profit of RMB0 during the previous period.

Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of  
the accounting department:  
Bian Yiping

## CONSOLIDATED STATEMENT OF CASH FLOWS

January to March 2024

Prepared by: Shanghai Haohai Biological Technology Co., Ltd.\*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2024	First quarter of 2023
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	696,348,959.16	633,139,253.73
Refund of taxes and surcharges	3,133,225.97	3,587,771.18
Cash received relating to other operating activities	5,750,568.76	15,017,315.32
Sub-total of cash inflows from operating activities	705,232,753.89	651,744,340.23
Cash paid for goods and services	172,853,194.75	149,911,147.83
Cash paid to and on behalf of employees	207,276,612.84	172,835,784.38
Payments of taxes and surcharges	53,915,808.93	44,597,236.29
Cash paid relating to other operating activities	195,217,434.73	204,469,209.24
Sub-total of cash outflows from operating activities	629,263,051.25	571,813,377.74
Net cash flows from operating activities	75,969,702.64	79,930,962.49
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	1,105,523,160.04	306,605,281.17
Cash received from returns on investments	34,561,712.37	28,705,498.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	165,369.97	—
Sub-total of cash inflows from investing activities	1,140,250,242.38	335,310,779.40
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	153,701,113.77	29,535,501.01
Cash paid for investments	827,258,680.84	149,591,268.43
Sub-total of cash outflows from investing activities	980,959,794.61	179,126,769.44
Net cash flows from investing activities	159,290,447.77	156,184,009.96

Items	First quarter of 2024	First quarter of 2023
<b>III. Cash flows from financing activities:</b>		
Cash received from absorbing investment	54,864,109.94	47,000,000.00
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	5,413,401.92	47,000,000.00
Cash received from borrowings	30,000,000.00	92,254,797.59
Sub-total of cash inflows from financing activities	<u>84,864,109.94</u>	<u>139,254,797.59</u>
Cash paid for repayment of borrowings	12,150,604.06	5,305,770.62
Cash paid for dividends or profits distribution or repayment of interests	2,967,284.08	3,255,219.86
Including: Dividends or profits paid to non-controlling shareholders of subsidiaries	–	2,039,484.39
Cash paid relating to other financing activities	27,608,546.61	151,629,511.09
Sub-total of cash outflows from financing activities	<u>42,726,434.75</u>	<u>160,190,501.57</u>
Net cash flows from financing activities	<u>42,137,675.19</u>	<u>-20,935,703.98</u>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<u>-524,411.42</u>	<u>-2,155,537.75</u>
<b>V. Net increase in cash and cash equivalents</b>	276,873,414.18	213,023,730.72
Add: Opening balance of cash and cash equivalents	569,318,904.66	559,197,476.03
<b>VI. Closing balance of cash and cash equivalents</b>	<u><u>846,192,318.84</u></u>	<u><u>772,221,206.75</u></u>

Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of  
the accounting department:  
Bian Yiping

**Adjustments to the financial statements at the beginning of the year due to initial adoption of new accounting standards or interpretations of standards since 2024**

Applicable     Not applicable