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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)

**ANNOUNCEMENT OF PRELIMINARY ANNUAL RESULTS
FOR THE YEAR 2021**

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

The key financial data for the year ended 31 December 2021 (the “**Reporting Period**”), as set out in this announcement, is prepared by the Group in accordance with the China Accounting Standards for Business Enterprises and constitutes preliminary accounting data which has not been audited. The specific financial data and operating results of the Group for the Reporting Period shall be subject to the data to be disclosed in the audited annual results announcement of the Company for the year ended 31 December 2021 and the 2021 annual report of the Company. Potential investors and shareholders of the Company are advised to pay attention to the underlying investment risks.

I. KEY FINANCIAL DATA AND INDICATORS FOR THE YEAR ENDED 31 DECEMBER 2021

Unit: RMB0'000, unless otherwise specified

Item	For the year ended 31 December 2021	For the year ended 31 December 2020	Change (%)
Revenue	176,633.27	133,242.70	32.57
Operating profit	38,319.57	25,901.03	47.95
Profit before tax	38,248.47	25,702.48	48.81
Net profit attributable to owners of the parent	35,245.08	23,007.01	53.19
Net profit attributable to owners of the parent after deduction of non-recurring profit or loss	32,694.21	20,642.64	58.38
Basic earnings per share (RMB/share)	2.00	1.30	53.85
Weighted average return on net assets (%)	6.26%	4.20%	Increase by 2.06 percentage points

Item	As at 31 December 2021	As at 31 December 2020	Change (%)
Total assets	698,602.40	629,870.54	10.91
Equity attributable to ordinary equity holders of the parent	562,465.05	549,074.85	2.44
Share capital	17,582.21	17,720.66	-0.78
Net assets per share attributable to ordinary equity holders of the parent (RMB/share)	31.99	30.99	3.23

Notes:

1. The above comparative figures are the audited financial figures for the year ended 31 December 2020 prepared in accordance with the China Accounting Standards for Business Enterprises.
2. The above financial figures and indicators are based on the figures in the consolidated financial statements of the Company.

II. INFORMATION ON THE OPERATION RESULTS AND FINANCIAL CONDITION

Operation and Financial Condition and Key Factors Affecting Operation Results during the Reporting Period

During the Reporting Period, the Group recorded revenue of approximately RMB1,766,332,700, representing a year-on-year increase of approximately 32.57%; recorded profit before tax of approximately RMB382,484,700, representing a year-on-year increase of approximately 48.81%; recorded net profit attributable to owners of the parent of approximately RMB352,450,800, representing a year-on-year increase of approximately 53.19%; recorded net profit attributable to owners of the parent after deduction of non-recurring profit or loss of approximately RMB326,942,100, representing a year-on-year increases of approximately 58.38%. As at the end of the Reporting Period, the total assets of the Group were approximately RMB6,986,024,000, and the equity attributable to ordinary equity holders of the parent was approximately RMB5,624,650,500, representing an increase of approximately 10.91% and 2.44% respectively as compared to those at the beginning of the Reporting Period.

During the Reporting Period, with the effective control of the COVID-19 pandemic (the “**Pandemic**”) in China, the impact of the Pandemic on the Group’s business activities has gradually weakened. The Group’s revenue from all product lines achieved significant growth. During the Reporting Period, the gross profit margin of the Group was steady with a slight decrease compared with 2020, mainly due to the selling prices decrease of certain types of intraocular lenses in volume-based procurement regions. In addition, Ouhua Meike (Tianjin) Medical Technology Co. Ltd. acquired by the Company has been included in the Group’s scope of consolidation since September 2021, and the overall gross profit margin of its radio frequency and laser medical aesthetics devices and household aesthetics instruments is lower than that of the Group’s original business, having a certain impact on the overall gross profit margin of the Group. During the Reporting Period, the Group continued to increase investments in R&D, with several projects of ophthalmology and medical aesthetics under development continuing or were introduced into the clinical trial stage, leading to a significant increase in R&D expenses as compared to the corresponding period in 2020.

Explanation of the Main Reasons for Relevant Items with over 30% Fluctuation in the Table above

During the Reporting Period, the Group’s revenue increased by approximately 32.57% as compared to 2020, mainly due to the adverse impact of the global Pandemic on the Group’s business during the corresponding period in 2020. With the impact of the Pandemic gradually weakening during the Reporting Period, all business segments of the Group have fully recovered and achieved significant growth.

During the Reporting Period, the Group's operating profit and profit before tax increased by approximately 47.95% and 48.81% respectively as compared to the corresponding period in 2020, mainly due to the increase in the Group's revenue and that in the gross profit brought by the relatively stable overall gross profit margin. In the meantime, with the weakening of the impact of the global Pandemic, and the recovery of various marketing activities, administrative management activities, and distribution of bonuses, the selling and distribution expenses and G&A expenses of the Group increased as compared to the corresponding period in 2020. In addition, the Group continued to increase investment in R&D, resulting in a significant increase in R&D expenses as compared to the corresponding period in 2020. The contribution to the increase of the Group's operating profit and profit before tax by the increase of the Group's gross profit during the Reporting Period was partially offset by the increase of above mentioned various expenses.

During the Reporting Period, the net profit attributable to owners of the parent and the net profit attributable to owners of the parent after deduction of non-recurring profit or loss increased by approximately 53.19% and 58.38% respectively as compared to the corresponding period in 2020, mainly due to the above-mentioned increase of the Group's revenue and gross profit. In the meantime, during the Reporting Period, the non-recurring profit and loss of the Group was basically the same as compared to the corresponding period in 2020.

During the Reporting Period, the basic earnings per share of the Company increased by approximately 53.85% as compared to the corresponding period in 2020, mainly due to the increase in the net profit attributable to owners of the parent.

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

Shanghai, the PRC, 27 February 2022

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 Ms. Li Yingqi, Mr. Jiang Zhihong, Mr. Su Zhi, Mr. Yang Yushe and Mr. Zhao Lei.

* For identification purpose only