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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 2023**

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 2023 (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 2023 and the 2023 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 2023

Unit: RMB0'000, unless otherwise specified

Item	For the year ended 31 December 2023	For the year ended 31 December 2022	Change (%)
Revenue	265,403.91	213,027.60	24.59
Operating profit	50,741.33	23,458.63	116.30
Profit before tax	50,826.07	23,572.65	115.61
Net profit attributable to shareholders of the parent	41,612.13	18,046.97	130.58
Net profit attributable to shareholders of the parent after deduction of non-recurring profit or loss	38,340.64	15,874.96	141.52
Basic earnings per share (RMB/share)	2.44	1.04	134.62
Weighted average return on net assets	7.39%	3.21%	increased by 4.18 percentage point
	As at 31 December 2023	As at 31 December 2022	Change (%)
Total assets	710,549.70	689,239.83	3.09
Equity attributable to ordinary equity holders of the parent	564,598.68	551,461.03	2.38
Share capital	17,147.73	17,413.00	-1.52
Net assets per share attributable to ordinary equity holders of the parent (RMB/share)	32.93	31.67	3.98

Notes:

1. The above comparative figures are the audited financial figures for the year ended 31 December 2022 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.
3. Any discrepancy arising in the decimal figures of the above rate of increase/decrease is due to the effect of rounded figures.

II. INFORMATION ON THE OPERATION RESULTS AND FINANCIAL CONDITION

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

During the Reporting Period, the Group recorded revenue of RMB2,654,039,100, representing a year-on-year increase of 24.59%; recorded profit before tax of RMB507,413,300, representing a year-on-year increase of 116.30%; recorded net profit attributable to shareholders of the parent of RMB416,121,300, representing a year-on-year increase of 130.58%; recorded net profit attributable to shareholders of the parent after deduction of non-recurring profit or loss of RMB383,406,400, representing a year-on-year increase of 141.52%. As at the end of the Reporting Period, the total assets of the Group were RMB7,105,497,000, and the equity attributable to shareholders of the parent was RMB5,645,986,800, representing increases of 3.09% and 2.38% respectively as compared to those at the beginning of the Reporting Period.

From March to May 2022, the production and operation of the Company and its manufacturing subsidiaries in Shanghai were suspended, as well as the impairment loss on goodwill and intangible assets of the business of Aaren Scientific Inc. (a subsidiary in the United States) in 2022, had a material adverse impact on the Group's operating revenue and profit in 2022. During the Reporting Period, with the stabilization of the external business environment, the Group's production, operation and sales have recovered steadily and continued to improve, and the sales volume and revenue of all product lines, especially hyaluronic acid, have increased significantly as compared to the same period of the previous year.

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

During the Reporting Period, the Group's operating profit increased by 116.30% as compared to the previous year, profit before tax increased by 115.61% as compared to the previous year, net profit attributable to shareholders of the parent increased by 130.58% as compared to the previous year, and net profit attributable to shareholders of the parent after deduction of non-recurring profit or loss increased by 141.52% as compared to the previous year, which were mainly attributable to the substantial increase in revenue from high-margin hyaluronic acid products during the Reporting Period, as well as the dual effect of above-mentioned events of production and operation stoppage and asset impairment loss in 2022 not occurring during the Reporting Period.

During the Reporting Period, the basic earnings per share of the Company increased by 134.62% as compared to the previous year, mainly due to the increase in the net profit attributable to shareholders of the parent as compared to the previous year.

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

Shanghai, the PRC, 23 February 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*