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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 2022**

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 2022 (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 2022 and the 2022 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 2022**

*Unit: RMB0'000, unless otherwise specified*

<b>Item</b>	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2021</b>	<b>Change (%)</b>
Revenue	213,193.86	176,699.43	20.65
Operating profit	23,412.09	38,341.03	-38.94
Profit before tax	23,526.11	38,265.03	-38.52
Net profit attributable to shareholders of the parent	18,047.08	35,223.52	-48.76
Net profit attributable to shareholders of the parent after deduction of non-recurring profit or loss	15,857.88	32,796.45	-51.65
Basic earnings per share (RMB/share)	1.04	2.00	-48.00
Weighted average return on net assets (%)	3.20%	6.25%	decrease by 3.05 percentage point
	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>	<b>Change (%)</b>
Total assets	689,940.30	695,035.54	-0.73
Equity attributable to ordinary equity holders of the parent	552,713.19	571,345.96	-3.26
Share capital	17,413.00	17,582.21	-0.96
Net assets per share attributable to ordinary equity holders of the parent (RMB/share)	31.74	32.50	-2.34

*Notes:*

1. The above comparative figures are the audited financial figures for the year ended 31 December 2021 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 RMB2,131,938,600, representing a year-on-year increase of 20.65%; recorded profit before tax of RMB235,261,100, representing a year-on-year decrease of 38.52%; recorded net profit attributable to shareholders of the parent of RMB180,470,800, representing a year-on-year decrease of 48.76%; recorded net profit attributable to shareholders of the parent after deduction of non-recurring profit or loss of RMB158,578,800, representing a year-on-year decrease of 51.65%. As at the end of the Reporting Period, the total assets of the Group were RMB6,899,403,000, and the equity attributable to shareholders of the parent was RMB5,527,131,900, representing decreases of 0.73% and 3.26% respectively as compared to those at the beginning of the Reporting Period.

During the Reporting Period, the Group's ophthalmic product line was actively deployed in the fields of myopia prevention and control and refractive correction. In particular, as Xiamen Nanpeng Optics Company Limited. ("**Nanpeng Optics**") was included in the Company's scope of consolidation in January 2022, revenue of orthokeratology lenses and their supporting products during the Reporting Period increased significantly as compared to the same period of the previous year; in addition, Ouhua Meike (Tianjin) Medical Technology Co. Ltd. ("**Juva Medical**") was included in the Company's scope of consolidation in September 2021, so the annual revenue of Juva Medical was consolidated during the Reporting Period, while only its revenue for four months was consolidated in 2021. Due to the combined impact of the above factors, the Group's total revenue during the Reporting Period increased by 20.65% as compared to the same period of the previous year.

During the Reporting Period, the profit before tax of the Group and the net profit attributable to the shareholders of the parent decreased as compared to the same period of the previous year, mainly due to the combination of several factors: Firstly, due to the severe COVID-19 pandemic (the "**Pandemic**") in Shanghai from March to May 2022, the production and sales of the Company and its three major production subsidiaries in Shanghai were significantly affected; After the relief of the Pandemic in Shanghai since June 2022, the Group has actively carried out marketing activities to make up for the impact of the Pandemic with all efforts, contributing to the steady recovery of its revenue. However, with the nationwide outbreak of the Pandemic in the fourth quarter of 2022, the production and operation of the Group's domestic subsidiaries have been impacted to a certain extent, resulting in lower sales revenue than expected. Secondly, share-based payment expenses were recognized by the Group due to implementation of the equity incentive plans, and asset impairment losses were also recognized due to integration of some businesses. For details, please refer to the analysis in Section II (2) of this announcement.

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

The Group's operating profit and profit before tax decreased by 38.94% and 38.52% respectively as compared to the corresponding period of the previous year, mainly because: (i) due to the severe Pandemic in Shanghai from March to May 2022, the production and sales of the Company and its three major production subsidiaries in Shanghai were significantly affected, resulting in a shutdown loss of approximately RMB37.35 million; (ii) during the Reporting Period, due to the termination of the distribution agreement between Aaren Scientific Inc. ("Aaren"), an American subsidiary of the Company, and Zhuhai Sunny Medical Device Co., Ltd., a former domestic exclusive distributor of Aaren, the domestic sales channels of the Aaren-branded intraocular lenses produced by Aaren were subject to re-integration. Before the completion of integration, Aaren launched a phased shutdown and expenditure reduction plan, resulting in an operating loss of approximately RMB19.12 million during the Reporting Period. In the meantime, the Company's management believed that Aaren business showed signs of impairment and conducted an impairment test. According to the results of the impairment test, the total impairment loss of assets of Aaren business, including goodwill, intangible assets and other long-term assets, was approximately RMB46.07 million; (iii) due to the implementation of the equity incentive plans, the Company and its subsidiary Juva Medical recognized the total share-based payment expenses of approximately RMB30.23 million, while there was no such expense in the corresponding period of the previous year; and (iv) in 2021, the Group received a total of approximately RMB56.22 million in dividends from Shenwu No. 1 Investment Product, but no dividend income was received and recognized during the Reporting Period.

The net profit attributable to shareholders of the parent and the net profit attributable to shareholders of the parent after deduction of non-recurring profit and loss decreased by 48.76% and 51.65%, respectively, as compared to the previous year. In addition to the above-mentioned decrease in the Group's operating profit and profit before tax, the main reason is that some non-wholly-owned subsidiaries of the Company, especially Nanpeng Optics, made a certain contribution to the profit of the Company during the Reporting Period, resulting in an increase in the profit and loss attributable to minority equity as compared to the previous year. In the meantime, the non-recurring profit and loss recognized by the Group during the Reporting Period was basically the same as that of the previous year, resulting in a larger decline in the Group's net profit after deduction of non-recurring profit and loss as compared to that of the previous year.

The basic earnings per share of the Company decreased by 48.00% as compared to the previous year, mainly due to the decrease 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.\***  
**Hou Yongtai**  
*Chairman*

Shanghai, the PRC, 27 February 2023

*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. Guo Yongqing, Mr. Jiang Zhihong, Mr. Su Zhi, Mr. Yang Yushe and Mr. Zhao Lei.*

*\* For identification purpose only*