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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)**

## UPDATED FINANCIAL INFORMATION

This announcement is made by Shanghai Haohai Biological Technology Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the listing announcement of the Company dated 29 October 2019, in relation to the initial public offering of A shares and, among others, the unaudited consolidated financial statements of the Group (the “**Consolidated Financial Statements**”) for the nine months ended 30 September 2019 (the “**Reporting Period**”). The Consolidated Financial Statements prepared in accordance with the Chinese Accounting Standards were approved by the board of directors of the Company on 25 October 2019.

The key indicators of the Consolidated Financial Statements are as follows:

Unit: RMB0'000, unless otherwise specified

Item	As at September 30, 2019	As at December 31, 2018	Movement as at the end of the Reporting Period as compared to the end of last year (%)
Current assets	256,175.82	229,256.22	11.74
Current liabilities	33,212.31	45,131.91	-26.41
Total assets	453,986.52	443,635.26	2.33
Gearing ratio (the parent) (%)	18.17	13.67	4.50
Gearing ratio (consolidated) (%)	10.67	13.55	-2.87
Equity attributable to ordinary equity holders of the parent	379,424.32	361,150.97	5.05
Net assets per share attributable to ordinary equity holders of the parent (RMB/share)	23.71	22.57	5.05

Unit: RMB0' 000, unless otherwise specified

Item	Nine months ended 30 September 2019	Nine months ended 30 September 2018	Movement during the Reporting Period compared to the corresponding period of last year (%)
Revenue	114,470.51	108,860.38	5.15
Operating profit	32,166.82	36,205.03	-11.15
Total profit	32,120.36	36,125.49	-11.09
Net profit attributable to owners of the parent	25,104.85	27,905.30	-10.04
Net profit attributable to owners of the parent after deduction of non-recurring profit or loss	24,026.09	25,151.09	-4.47
Basic earnings per share (RMB/share)	1.57	1.74	-10.04
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	1.50	1.57	-4.47
Weighted average return on net assets (%)	6.78	8.42	-1.64
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	6.49	7.59	-1.10
Net cash flows from operating activities	20,070.17	25,564.59	-21.49
Net cash flows from operating activities per share (RMB)	1.25	1.60	-21.49

*Notes:*

1. The movement during the Reporting Period compared with the corresponding period of last year of the indicators such as gearing ratio, return on net assets and weighted average return on net assets after deduction of non-recurring profit or loss is the difference between the figures of two periods;
2. Financial indicators such as net assets per share attributable to ordinary equity holders of the parent, basic earnings per share, basic earnings per share after deduction of non-recurring profit or loss and net cash flows from operating activities per share are all calculated using total number of shares before issuance.

The asset scale of the Group basically remained stable. As of 30 September 2019, total asset of the Group amounted to RMB4,539.8652 million, representing an increase of 2.33% as compared to the end of 2018. Total liabilities amounted to RMB484.5222 million, representing a decrease of 19.37% as compared to the end of 2018. The decrease was primarily due to the realisation of agreed commitment to business results by Shenzhen New Industry Ophthalmology New Technology Limited\* (深圳市新產業眼科新技術有限公司) and Contamac Holdings Limited, the subsidiaries the Company acquired from external parties, and the Group made partial payment on equity acquisition to the equity transferor of the aforesaid companies during the Reporting Period in accordance with the acquisition agreements, resulting in the significant decrease in the non-current liabilities due within one year. The Group's equity attributable to ordinary equity holders of the parent amounted to RMB3,794.2432 million, representing an increase of 5.05% as compared to the end of 2018. The increase was mainly attributable to the net profit realised during the nine months ended 30 September 2019.

The principal business of the Group generally maintained a stable growth. During the nine months ended 30 September 2019, revenue amounted to RMB1,144.7051 million, representing an increase of 5.15% on a year-on-year basis. The increase was mainly attributable to the stable increase in the sales of products such as Sodium hyaluronate injection, rhEGF for external use and intraocular lens, which resulted in an overall increase in revenue of the Group as compared to the corresponding period of last year. Net profit attributable to owners of the parent after deduction of non-recurring profit or loss, amounted to RMB240.2609 million, representing a decrease of 4.47% on a year-on-year basis. The decrease was primarily due to (i) the impacts of industry integration in the medical aesthetics terminal market and the increase in competing products in the market, which have caused a decrease in the sales revenue of the Group's products of high gross profit such as HA Dermal Filler Products, resulting in a decrease of 2.34% in the overall gross profit margin during the Reporting Period as compared to the corresponding period of last year; and (ii) the continuous increase in R&D investments of the ophthalmic and medical aesthetic products made by the Group. The R&D expenses during the Reporting Period increased by RMB32.5268 million or 69.36% as compared to the corresponding period of last year.

During the nine months ended 30 September 2019, the Group's net cash flows from operating activities amounted to RMB200.7017 million, representing a decrease of 21.49% on a year-on-year basis. The decrease was primarily due to a year-on-year decrease in the net profit of 10.40% during the Reporting Period. Meanwhile, the continuous increase in R&D investments of the ophthalmic and medical aesthetic products made by the Group have resulted in increases in cash paid to and on behalf of employees, and other cash paid relating to operating activities of 29.72% and 14.54%, respectively.

The above English version of the key financial indicators and analysis of change is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

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

Shanghai, the PRC  
29 October 2019

*As at the date of this announcement, the executive directors of the Company are Dr. Hou Yongtai, Mr. Wu Jianying, Mr. Huang Ming, Ms. Chen Yiyi and Mr. Tang Minjie; the non-executive director of the Company is Ms. You Jie; and the independent non-executive directors of the Company are Mr. Chen Huabin, Mr. Shen Hongbo, Mr. Zhu Qin and Mr. Wong Kwan Kit.*

\* For identification purpose only