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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)**

### **2021 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 2021 (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 (“**CASs**”), 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.\***  
*Chairman*  
**Hou Yongtai**

Shanghai, the PRC, 23 April 2021

*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*

## I. IMPORTANT NOTICE

- 1.1 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.
- 1.2 All directors of the Company attended the Board meeting and considered the First Quarterly Report.
- 1.3 Dr. Hou Yongtai, the legal representative of the Company, Mr. Tang Minjie, the person in charge of accounting affairs of the Company and Mr. Bian Yiping, the person in charge of the accounting department of the Company (Accounting Supervisor), warrant the truthfulness, accuracy and completeness of the financial statements contained in the First Quarterly Report.
- 1.4 The First Quarterly Report of the Company is not audited.

## II. COMPANY PROFILE

### 2.1 Major financial data

		<i>Unit: Yuan</i>	<i>Currency: RMB</i>
	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	<b>Increase/decrease for the end of the reporting period over the end of last year (%)</b>
Total assets	6,402,802,145.37	6,298,705,388.16	1.65
Net assets attributable to shareholders of the Company	5,607,093,526.55	5,490,748,515.90	2.12
	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of last year to the end of the reporting period of the last year</b>	<b>Increase/decrease as compared to the corresponding period of last year (%)</b>
Net cash flows from operating activities	15,609,445.06	-54,461,823.95	Not applicable

	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of last year to the end of the reporting period of the last year</b>	<b>Increase/decrease as compared to the corresponding period of last year (%)</b>
Revenue	382,585,206.31	153,614,830.20	149.05
Net profit attributable to shareholders of the Company	96,992,749.11	-24,855,428.82	Not applicable
Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company	93,007,952.80	-35,711,082.59	Not applicable
Weighted average return on net assets (%)	1.75	-0.46	Not applicable
Basic earnings per share (RMB/share)	0.55	-0.14	Not applicable
Diluted earnings per share (RMB/share)	0.55	-0.14	Not applicable
R&D expenses as a percentage of revenue (%)	9.55	18.46	Decrease by 8.91 percentage points

#### **Non-recurring profit or loss items and amount**

√ Applicable    □ Not applicable

<b>Items</b>	<i>Unit: Yuan    Currency: RMB</i>	
	<b>Amount for the Reporting Period</b>	<b>Note</b>
Profit and loss on disposal of non-current assets	-7,541.05	
Government grant included in profit or loss for the current period (excluding government grant closely related to the Company's normal operation, and entitled in fixed amounts or quantities on a continuous basis according to national policies)	4,748,194.80	
Profit and loss arising from change in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging business conducted in the course of normal business of the Company	85,566.72	
Other non-operating income and expenses other than above-mentioned items	-95,059.72	
Effect of non-controlling interests (after tax)	-28,609.30	
Effect of income tax	-717,755.14	
<b>Total</b>	<b>3,984,796.31</b>	

## 2.2 Total number of shareholders, shareholdings of the top ten shareholders and the top ten shareholders not subject to selling restrictions as at the end of the Reporting Period

Unit: share

**Total number of shareholders (account)** 7,411

Name of shareholders (full name)	Number of shares held as at the end of the Reporting Period	Percentage (%)	Shareholdings of the top ten shareholders		Status of pledged or frozen shares Status	Number	Nature of shareholders
			Number of Shares subject to selling restrictions	Number of Restricted shares including lending shares for securities financing			
Jiang Wei	44,449,000	25.17	44,449,000	44,449,000	None	0	Domestic natural person
HKSCC NOMINEES LIMITED	38,710,900	21.92	0	0	Unknown	-	Others
You Jie	28,800,000	16.31	28,800,000	28,800,000	None	0	Domestic natural person
Lou Guoliang	9,500,000	5.38	0	0	None	0	Domestic natural person
Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership)	6,471,000	3.66	6,471,000	6,471,000	None	0	Domestic non-state owned legal person
Hou Yongtai	6,000,000	3.40	6,000,000	6,000,000	None	0	Domestic natural person
Wu Jiangying	6,000,000	3.40	6,000,000	6,000,000	None	0	Domestic natural person
Jiaxing Tongxin Asset Management Co., Ltd. – Jiaxing Tonghao Equity Investment Partnership Enterprise (Limited Partnership) (嘉興桐昊股權投資合夥企業(有限合夥))	2,999,000	1.70	1,351,000	1,351,000	None	0	Domestic non-state owned legal person
Peng Jinhua	2,430,000	1.38	0	0	None	0	Domestic natural person
Liu Yuanzhong	2,000,000	1.13	0	0	None	0	Domestic natural person
Huang Ming	2,000,000	1.13	2,000,000	2,000,000	None	0	Domestic natural person

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

Name of shareholders	Number of shares not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED	38,710,900	Overseas listed foreign shares (H shares)	38,710,900
Lou Guoliang	9,500,000	ordinary shares (A shares) RMB	9,500,000
Peng Jinhua	2,430,000	ordinary shares (A shares) RMB	2,430,000
Liu Yuanzhong	2,000,000	ordinary shares (A shares) RMB	2,000,000
Tao Weidong	1,940,000	ordinary shares (A shares) RMB	1,940,000
Changjiang Wealth & Asset Management–Bank of Nanjing– Changjiang Wealth (長江財富)– asset management plan for strategic placing portfolio of Haohai Biotec staffs	1,780,000	ordinary shares (A shares) RMB	1,780,000
Jiaying Tongxin Asset Management Co., Ltd.–Jiaying Tonghao Equity Investment Partnership Enterprise (Limited Partnership) (嘉興桐昊股權投資合夥企業(有限合夥))	1,648,000	ordinary shares (A shares) RMB	1,648,000
Ling Ting	880,000	ordinary shares (A shares) RMB	880,000
China Merchants Bank Co., Ltd.– ChinaAMC SSE STAR 50 Exchange Traded Fund	660,871	ordinary shares (A shares) RMB	660,871
Wu Ming	485,000	ordinary shares (A shares) RMB	485,000
Description of the above shareholders' related party relationship or party acting in concert	Among the above top ten shareholders, Jiang Wei and You Jie are in spousal relationship, and they are the controlling shareholders and de facto controllers of the Company. Shanghai Zhanze Corporate Management Partnership Enterprise (Limited Partnership) is a company controlled by Jiang Wei. 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 preference shareholders with voting rights restored and their shareholdings	Not applicable		

*Note:* HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) holds shares on behalf of various customers.

**2.3 Total number of shareholders of preference shares, shareholdings of the top ten shareholders of preference shares, top ten shareholders of preference shares not subject to selling restrictions as at the end of the Reporting Period**

Applicable     Not applicable

### III. SIGNIFICANT EVENTS

#### 3.1 Details of and reasons for material changes in the major financial statement captions and financial indicators of the Company

√ Applicable    □ Not applicable

##### (I) Captions of consolidated statement of financial position

*Unit: Yuan; Currency: RMB*

Item	End of the Reporting Period	End of last year	Change	Increase/decrease for the end of the reporting period over the end of last year (%)	Reasons
Prepayments	63,171,828.85	43,720,585.79	19,451,243.06	44.49	Mainly due to the increase in prepayments for raw material as a result of the stock-up of raw materials by the Group based on production demand.
Debt investments	52,570,400.00	–	52,570,400.00	Not applicable	Mainly due to the subscription of unguaranteed promissory note of US\$8 million (approximately RMB52.5704 million) issued by Eirion Therapeutics, Inc., a US-incorporated company (“Eirion”), by the Group during the Reporting Period.
Other non-current assets	61,277,627.12	36,844,861.52	24,432,765.60	66.31	Mainly due to the increase in prepayments for equity investments during the Reporting Period.
Employee benefits payable	36,684,585.38	56,366,490.75	-19,681,905.37	-34.92	Mainly due to the payment of annual bonus provided at the end of last year during the Reporting Period.
Less: treasury shares	–	28,263,248.47	-28,263,248.47	-100.00	Mainly due to the cancellation of the repurchased H shares by the Company during the Reporting Period.

**(II) Captions of consolidated statement of profit or loss**

*Unit: Yuan; Currency: RMB*

<b>Item</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of last year to the end of the reporting period of last year</b>	<b>Change</b>	<b>Increase/decrease as compared to the corresponding period of last year (%)</b>	<b>Reasons</b>
Revenue	382,585,206.31	153,614,830.20	228,970,376.11	149.05	Mainly due to the significant increase of revenue as compared to the corresponding period of last year along with a full recovery of various lines of businesses of the Company during the Reporting Period, despite the fact that the Group business was heavily impacted by the global COVID-19 pandemic (the “ <b>Pandemic</b> ”) in the corresponding period of last year.
Cost of sales	96,511,274.44	37,327,554.49	59,183,719.95	158.55	Mainly due to the year-on-year increase in cost of sales along with the increase in revenue. Gross profit margin during the Reporting Period was basically remained stable as compared to the corresponding period of last year.
Business taxes and levies	1,923,216.45	257,740.12	1,665,476.33	646.18	Mainly due to the significant increase in revenue during the Reporting Period, resulting in corresponding increase in turnover taxes and levies paid.

Item	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the reporting period of last year	Change	Increase/decrease as compared to the corresponding period of last year (%)	Reasons
Financial expenses	-22,020,530.05	-34,166,497.15	12,145,967.10	Not applicable	Mainly due to the fact that the subsidiaries of the Company in the United Kingdom recognized exchange gains of approximately RMB7.1421 million as a result of the significant decrease in exchange rate between GBP and US\$, while the subsidiaries of the Group in the United Kingdom recognized exchange losses of approximately RMB2.0582 million as a result of the slight increase in exchange rate between GBP and US\$ during the Reporting Period.
Other income	4,748,194.80	9,984,830.74	-5,236,635.94	-52.45	Mainly due to the decrease in government grants received by the Group during the Reporting Period as compared to the corresponding period of last year.
Investment income	13,750,368.57	3,351,610.11	10,398,758.46	310.26	Mainly due to the dividends of RMB12.9461 million received by the Group from the Shenwu No.1 Investment Products (深梧一號投資產品) during the Reporting Period, there was no such dividend at the end of the corresponding period of last year.
Credit impairment loss	-1,984,983.83	551,664.60	-2,536,648.43	Not applicable	Mainly due to the corresponding provision for bad debts as a result of the increase of accounts receivable of the Group during the Reporting Period.



Item	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the reporting period of last year	Change	Increase/decrease as compared to the corresponding period of last year (%)	Reasons
Asset impairment loss	440,396.44	-3,887,299.87	4,327,696.31	Not applicable	Mainly due to the provision for inventory of certain products by subsidiaries of the Company in the United Kingdom as result of the effect of the Pandemic in the corresponding period of last year, while no such provision was made during the Reporting Period.
Gains on disposal of assets	-7,541.05	-291,504.43	283,963.38	Not applicable	Mainly due to the concentrated retirement of fixed assets of the Group in the corresponding period of last year.
Non-operating expenses	95,519.90	370,000.00	-274,480.10	-74.18	The non-operating expense of the Group derived from epidemic donation in the corresponding period of last year, and there was no such donation incurred during the Reporting Period.
Income tax expenses	15,401,928.75	-1,667,729.37	17,069,658.12	Not applicable	Mainly due to the Group's losses incurred in the corresponding period of last year.
Net profit attributable to owners of the parent company	96,992,749.11	-24,855,428.82	121,848,177.93	Not applicable	Mainly due to the combined effects of changes in above-mentioned items under income statement.

Item	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the reporting period of last year	Change	Increase/decrease as compared to the corresponding period of last year (%)	Reasons
Non-controlling interests	2,322,336.62	-3,552,685.48	5,875,022.10	Not applicable	Mainly due to the losses incurred by a non-wholly-owned subsidiary of the Company, namely Shenzhen New Industries Material of Ophthalmology Co., Ltd. (深圳市新產業眼科新技術有限公司) ("NIMO"), in the corresponding period of last year, as well as profits achieved as a result of the business recovery of NIMO during the Reporting Period.

As the impact of the Pandemic weakened, during the reporting period, the Group's various lines of business achieved a significant growth with a continuous recovery and stable and favorable momentum, achieving a good start.

During the Reporting Period, the Group realized revenue of RMB382.5852 million, representing an increase of RMB228.9704 million or 149.05% as compared to the corresponding period of last year, and representing an increase of RMB70.2950 million or 22.51% as compared to the corresponding period of 2019.

During the Reporting Period, the Group achieved net profits of RMB96.9927 million attributable to shareholders of the Company, and net profit of RMB93.0080 million after deducting non-recurring profit or loss attributable to shareholders of the Company, during which we achieved a turnaround from loss to profit as compared to the corresponding period of 2020, representing an increase of 45.65% and 37.32% as compared to the corresponding period of 2019, respectively.

The Group continued to increase investment in research and development. The R&D expenses incurred during the Reporting Period amounted to RMB36.5271 million, representing an increase of 28.82% as compared to the corresponding period of 2020, and representing an increase of 49.79% as compared to the corresponding period of 2019.

**(III) Captions of consolidated statement of cash flows**

*Unit: Yuan; Currency: RMB*

<b>Item</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>From the beginning of last year to the end of the reporting period of last year</b>	<b>Change</b>	<b>Increase/decrease as compared to the corresponding period of last year (%)</b>	<b>Reasons</b>
Net cash flows from operating activities	15,609,445.06	-54,461,823.95	70,071,269.01	Not applicable	Mainly due to the normalization of cash flows from operating activities with a turnaround from loss to profit as a result of a full recovery of the business of the Group.
Net cash flows from investing activities	-717,296,418.52	-83,969,352.13	-633,327,066.39	Not applicable	Mainly due to the investment in time deposit of approximately RMB600 million as a result of effective cash management by the Group and the subscription of unguaranteed promissory note of US\$8 million (approximately RMB52.5704 million) issued by Eirion by the Group during the Reporting Period.
Net cash flows from financing activities	-1,377,033.95	-6,522,843.88	5,145,809.93	Not applicable	Mainly due to the dividends paid by the Group to non-controlling interests of subsidiaries during the corresponding period of last year.

### 3.2 Progress of significant events and analysis on their effects and solutions

Applicable     Not applicable

### 3.3 Matters relating to undertakings which have passed the performance deadline and not yet performed or completed during the Reporting Period

Applicable     Not applicable

### 3.4 Warnings and explanations on estimated loss or significant change (as compared to the corresponding period of last year) in net accumulated profit from the beginning of the year to the end of the next reporting period

Applicable     Not applicable

Despite the fact that the businesses of the Group were heavily impacted by the Pandemic in the first half of 2020, the Group's businesses continued to resume and achieved strong growth as result of the gradually weakened impact of the Pandemic in 2021. Therefore, the Group expects a positive net profit from the beginning of the year to the end of the next reporting period, with possibly significant changes compared with the corresponding period of last year.

Company name	Shanghai Haohai Biological Technology Co., Ltd.*
Legal representative	Hou Yongtai
Date	23 April 2021

## IV. APPENDIX

### 4.1 Financial statements

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2021

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

*Unit: Yuan Currency: RMB Type of audit: Unaudited*

Items	31 March 2021	31 December 2020
<b>Current assets:</b>		
Cash and bank balance	3,046,526,815.71	3,143,566,040.32
Financial assets held for trading	22,323,985.97	22,364,302.54
Accounts receivable	365,695,416.59	333,527,490.76
Prepayments	63,171,828.85	43,720,585.79
Other receivables	14,690,589.57	11,653,207.22
Inventories	258,395,227.48	255,126,944.53
Total current assets	<u>3,770,803,864.17</u>	<u>3,809,958,571.16</u>
<b>Non-current assets:</b>		
Debt investments	52,570,400.00	–
Long-term equity investments	49,470,339.17	50,219,331.97
Other investments in equity instruments	450,953,134.35	405,279,267.43
Fixed assets	531,574,222.02	532,304,249.03
Construction in progress	466,032,863.07	441,012,381.29
Right-of-use assets	30,380,755.08	27,823,346.09
Intangible assets	570,609,029.66	578,887,032.44
Goodwill	385,950,869.18	385,490,081.16
Long-term prepayments	4,896,658.45	4,699,989.48
Deferred tax assets	28,282,383.10	26,186,276.59
Other non-current assets	61,277,627.12	36,844,861.52
Total non-current assets	<u>2,631,998,281.20</u>	<u>2,488,746,817.00</u>
TOTAL ASSETS	<u><u>6,402,802,145.37</u></u>	<u><u>6,298,705,388.16</u></u>

Items	31 March 2021	31 December 2020
<b>Current liabilities:</b>		
Short-term borrowings	80,536,796.78	78,691,413.10
Accounts payable	28,429,672.36	28,032,404.05
Contract liabilities	19,073,997.90	16,162,197.79
Employee benefits payable	36,684,585.38	56,366,490.75
Tax payable	27,111,884.93	32,922,546.12
Other payables	213,063,180.46	212,573,698.05
Non-current liabilities due within one year	<u>10,624,482.61</u>	<u>9,016,553.20</u>
 Total current liabilities	 <u>415,524,600.42</u>	 <u>433,765,303.06</u>
<b>Non-current liabilities:</b>		
Long-term borrowings	476,757.72	581,763.10
Lease liabilities	21,890,697.02	19,790,546.31
Long-term payable	4,500,000.00	4,500,000.00
Deferred income	3,768,632.26	3,543,816.62
Deferred tax liabilities	<u>101,025,623.01</u>	<u>102,281,513.65</u>
 Total non-current liabilities	 <u>131,661,710.01</u>	 <u>130,697,639.68</u>
 TOTAL LIABILITIES	 <u><u>547,186,310.43</u></u>	 <u><u>564,462,942.74</u></u>
<b>Equity attributable to equity holders (or shareholders):</b>		
Paid-up capital (or issued capital)	176,622,100.00	177,206,600.00
Capital reserve	3,231,860,564.44	3,259,539,312.91
Less: Treasury shares	–	28,263,248.47
Other comprehensive income	44,935,642.41	36,195,728.65
Surplus reserve	88,922,650.00	88,922,650.00
Retained earnings	<u>2,064,752,569.70</u>	<u>1,957,147,472.81</u>
 Total equity attributable to equity holders (or shareholders) of the parent company	 <u>5,607,093,526.55</u>	 <u>5,490,748,515.90</u>
Non-controlling interests	<u>248,522,308.39</u>	<u>243,493,929.52</u>
 TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	 <u><u>5,855,615,834.94</u></u>	 <u><u>5,734,242,445.42</u></u>
 TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	 <u><u>6,402,802,145.37</u></u>	 <u><u>6,298,705,388.16</u></u>

Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of the  
accounting department:  
Bian Yiping

**STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY***31 March 2021*

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

*Unit: Yuan Currency: RMB Type of audit: Unaudited*

<b>Items</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Current assets:</b>		
Cash and bank balance	1,289,589,952.49	1,513,982,249.78
Financial assets held for trading	5,519,453.12	3,720,233.34
Accounts receivable	82,098,277.53	66,957,122.59
Prepayments	24,054,579.76	14,938,809.04
Other receivables	1,875,820,624.29	1,694,841,665.94
Including: Interest receivable	—	—
Dividends receivable	—	50,000,000.00
Inventories	41,825,061.33	34,928,815.45
	<hr/>	<hr/>
Total current assets	3,318,907,948.52	3,329,368,896.14
	<hr/>	<hr/>
<b>Non-current assets:</b>		
Long-term equity investments	1,201,206,344.57	1,187,306,344.57
Other investments in equity instruments	112,198,015.54	110,924,105.24
Fixed assets	152,702,361.18	150,625,276.47
Construction in progress	236,476,298.29	215,476,428.45
Right-of-use assets	7,926,539.73	5,409,639.74
Intangible assets	130,935,844.60	132,760,893.52
Long-term prepayments	655,022.79	873,363.78
Deferred tax assets	6,011,834.13	4,691,834.13
Other non-current assets	11,033,467.47	4,319,516.19
	<hr/>	<hr/>
Total non-current assets	1,859,145,728.30	1,812,387,402.09
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>5,178,053,676.82</b>	<b>5,141,756,298.23</b>
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Items	31 March 2021	31 December 2020
<b>Current liabilities:</b>		
Short-term borrowings	50,000,000.00	50,000,000.00
Accounts payable	11,072,225.26	6,183,384.19
Contract liabilities	3,308,456.16	4,523,061.79
Employee benefits payable	11,703,604.84	20,272,293.42
Tax payable	10,008,780.55	17,739,399.33
Other payables	829,633,381.54	807,249,428.68
Non-current liabilities due within one year	<u>1,563,929.99</u>	<u>1,184,546.90</u>
 Total current liabilities	 <u>917,290,378.34</u>	 <u>907,152,114.31</u>
<b>Non-current liabilities:</b>		
Lease liabilities	6,349,066.32	4,248,890.76
Deferred income	912,727.99	1,094,332.00
Deferred tax liabilities	<u>191,086.55</u>	<u>–</u>
 Total non-current liabilities	 <u>7,452,880.86</u>	 <u>5,343,222.76</u>
 TOTAL LIABILITIES	 <u><u>924,743,259.20</u></u>	 <u><u>912,495,337.07</u></u>
<b>Equity attributable to equity holders (or shareholders):</b>		
Paid-up capital (or issued capital)	176,622,100.00	177,206,600.00
Capital reserve	3,221,187,613.65	3,248,866,362.12
Less: Treasury shares	–	28,263,248.47
Other comprehensive income	-4,118,708.33	-5,201,532.08
Surplus reserve	88,922,650.00	88,922,650.00
Retained earnings	<u>770,696,762.30</u>	<u>747,730,129.59</u>
 TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	 <u>4,253,310,417.62</u>	 <u>4,229,260,961.16</u>
 TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	 <u><u>5,178,053,676.82</u></u>	 <u><u>5,141,756,298.23</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 2021*

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

*Unit: Yuan Currency: RMB Type of audit: Unaudited*

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
<b>I. Total revenue</b>	382,585,206.31	153,614,830.20
Including: Operating revenue	382,585,206.31	153,614,830.20
<b>II. Total operating costs</b>	284,719,567.04	193,029,975.02
Including: Cost of sales	96,511,274.44	37,327,554.49
Business taxes and levies	1,923,216.45	257,740.12
Selling expenses	122,111,278.28	114,868,235.77
Administrative expenses	49,667,248.47	46,388,277.48
R&D expenses	36,527,079.45	28,354,664.31
Financial expenses	-22,020,530.05	-34,166,497.15
Including: Interest expenses	1,322,701.79	467,754.40
Interest income	25,394,930.59	27,012,900.81
Add: Other income	4,748,194.80	9,984,830.74
Investment income (Loss denoted in “-”)	13,750,368.57	3,351,610.11
Including: Gains from investment in associates and joint ventures	138,062.36	-285,706.08
Credit impairment losses (Loss denoted in “-”)	-1,984,983.83	551,664.60
Assets impairment losses (Loss denoted in “-”)	440,396.44	-3,887,299.87
Gain on disposal of assets (Loss denoted in “-”)	-7,541.05	-291,504.43
<b>III. Operating profit (Loss denoted in “-”)</b>	114,812,074.20	-29,705,843.67
Add: Non-operating income	460.18	—
Less: Non-operating expenses	95,519.90	370,000.00
<b>IV. Total profit (Total loss denoted in “-”)</b>	114,717,014.48	-30,075,843.67
Less: Income tax expenses	15,401,928.75	-1,667,729.37
<b>V. Net profit (Net loss denoted in “-”)</b>	<u>99,315,085.73</u>	<u>-28,408,114.30</u>

Items	First quarter of 2021	First quarter of 2020
(I) According to operating continuity		
1. Net profit from continuing operations (Net loss denoted in “-”)	99,315,085.73	-28,408,114.30
(II) According to ownership		
1. Net profit attributable to shareholders of parent company (Net loss denoted in “-”)	96,992,749.11	-24,855,428.82
2. Non-controlling interests (Net loss denoted in “-”)	2,322,336.62	-3,552,685.48
<b>VI. Other comprehensive income, net of tax</b>	21,058,303.79	-51,958,763.59
(I) Other comprehensive income attributable to equity holders of the parent company, net of tax	19,352,261.54	-47,321,549.14
1. Other comprehensive income that cannot be reclassified to profit or loss	16,047,804.59	-40,929,509.63
(3) Changes in fair value of other equity instrument investments	16,047,804.59	-40,929,509.63
2. Other comprehensive income to be reclassified to profit or loss	3,304,456.95	-6,392,039.51
(6) Exchange differences on foreign currency translations	3,304,456.95	-6,392,039.51
(II) Net other comprehensive income after tax attributable to non-controlling interests	1,706,042.25	-4,637,214.45
<b>VII. Total comprehensive income</b>	120,373,389.52	-80,366,877.89
(I) Total comprehensive income attributable to equity holders of the parent company	116,345,010.65	-72,176,977.96
(II) Total comprehensive income attributable to non-controlling interests	4,028,378.87	-8,189,899.93
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share ( <i>RMB/share</i> )	0.55	-0.14
(II) Diluted earnings per share ( <i>RMB/share</i> )	0.55	-0.14

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

Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of the  
accounting department:  
Bian Yiping

**STATEMENT OF PROFIT OR LOSS OF THE PARENT COMPANY***January to March 2021*

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

*Unit: Yuan Currency: RMB Type of audit: Unaudited*

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
<b>I. Operating revenue</b>	96,445,317.83	47,494,577.35
Less: Cost of sales	17,925,428.45	24,143,018.93
Business taxes and levies	1,013,450.13	–
Selling expenses	45,694,337.25	36,618,198.83
Administrative expenses	15,210,381.96	8,000,500.64
R&D expenses	10,050,136.84	8,216,082.66
Financial expenses	-11,633,078.07	-12,223,971.66
Including: Interest expenses	487,890.62	13,731.37
Interest income	12,073,549.04	12,186,890.95
Add: Other income	3,971,173.11	3,036,435.60
Investment income (Loss denoted in “-”)	4,873,725.00	–
Including: Gains from investment in associates and joint ventures	–	–
Credit impairment losses (Loss denoted in “-”)	–	4,717,220.55
Gain on disposal of assets (Loss denoted in “-”)	-6,833.36	–
<b>II. Operating profit (Loss denoted in “-”)</b>	<b>27,022,726.02</b>	<b>-9,505,595.90</b>
Add: Non-operating income	–	–
Less: Non-operating expenses	5,548.14	250,000.00
<b>III. Total profit (Total loss denoted in “-”)</b>	<b>27,017,177.88</b>	<b>-9,755,595.90</b>
Less: Income tax expenses	4,050,545.17	-755,756.31

Items	First quarter of 2021	First quarter of 2020
<b>IV. Net profit (Net loss denoted in “-”)</b>	<u>22,966,632.71</u>	<u>-8,999,839.59</u>
(I) Net profit from continuing operations (Net loss denoted in “-”)	<u>22,966,632.71</u>	<u>-8,999,839.59</u>
<b>V. Other comprehensive income, net of tax</b>	<u>1,082,823.75</u>	<u>1,448,012.09</u>
(I) Other comprehensive income that cannot be reclassified to profit or loss	1,082,823.75	1,448,012.09
3. Changes in fair value of other equity instrument investments	<u>1,082,823.75</u>	<u>1,448,012.09</u>
<b>VI. Total comprehensive income</b>	24,049,456.46	-7,551,827.50
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share ( <i>RMB/share</i> )	0.13	-0.05
(II) Diluted earnings per share ( <i>RMB/share</i> )	0.13	-0.05

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 2021

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2021	First quarter of 2020
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	370,791,579.30	255,936,633.58
Cash received relating to other operating activities	4,973,470.62	14,350,530.47
Sub-total of cash inflows from operating activities	375,765,049.92	270,287,164.05
Cash paid for goods and services	85,297,960.97	73,328,912.37
Cash paid to and on behalf of employees	102,876,638.73	101,044,866.72
Payments of taxes and surcharges	44,232,692.85	46,455,806.42
Cash paid relating to other operating activities	127,748,312.31	103,919,402.49
Sub-total of cash outflows from operating activities	360,155,604.86	324,748,988.00
Net cash flows from operating activities	15,609,445.06	-54,461,823.95
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	33,922,269.98	—
Cash received from returns on investments	34,948,332.69	20,252,618.03
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,100.00	244,869.37
Sub-total of cash inflows from investing activities	68,880,702.67	20,497,487.40
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	40,006,721.19	36,866,839.53
Cash paid for investments	714,570,400.00	57,600,000.00
Cash paid relating to other investing activities	31,600,000.00	10,000,000.00
Sub-total of cash outflows from investing activities	786,177,121.19	104,466,839.53
Net cash flows from investing activities	-717,296,418.52	-83,969,352.13

Items	First quarter of 2021	First quarter of 2020
<b>III. Cash flows from financing activities:</b>		
Cash received from absorbing investment	1,000,000.00	–
Including: Cash received by subsidiaries from investment absorption of non-controlling shareholders	1,000,000.00	–
Cash received from borrowings	15,224,673.51	14,372,996.64
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	16,224,673.51	14,372,996.64
	<hr/>	<hr/>
Cash paid for repayment of borrowings	13,364,968.40	14,226,132.85
Cash paid for dividends or profits distribution or repayment of interests	823,115.93	3,950,360.02
Including: Dividends and profits paid to non-controlling shareholders by subsidiaries	–	3,342,669.00
Cash paid relating to other financing activities	3,413,623.13	2,719,347.65
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	17,601,707.46	20,895,840.52
	<hr/>	<hr/>
Net cash flows from financing activities	-1,377,033.95	-6,522,843.88
	<hr/>	<hr/>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	1,826,678.69	-830,670.75
	<hr/>	<hr/>
<b>V. Net increase in cash and cash equivalents</b>	-701,237,328.72	-145,784,690.71
Add: Opening balance of cash and cash equivalents	1,327,887,460.94	944,505,974.70
	<hr/>	<hr/>
<b>VI. Closing balance of cash and cash equivalents</b>	626,650,132.22	798,721,283.99
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Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of the  
accounting department:  
Bian Yiping

## CASH FLOW STATEMENT OF THE PARENT COMPANY

January to March 2021

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First quarter of 2021	First quarter of 2020
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	86,604,861.58	52,240,374.60
Cash received relating to other operating activities	3,789,569.10	7,433,015.60
Sub-total of cash inflows from operating activities	90,394,430.68	59,673,390.20
Cash paid for goods and services	21,724,660.90	8,471,374.38
Cash paid to and on behalf of employees	29,059,037.37	28,136,586.17
Payments of taxes and surcharges	18,117,451.23	7,809,797.83
Cash paid relating to other operating activities	51,777,999.45	44,092,530.84
Sub-total of cash outflows from operating activities	120,679,148.95	88,510,289.22
Net cash flows from operating activities	-30,284,718.27	-28,836,899.02
<b>II. Cash flows from investing activities:</b>		
Cash received from returns on investments	68,747,274.04	13,836,890.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,000.00	—
Cash received relating to other investing activities	—	19,142,631.47
Sub-total of cash inflows from investing activities	68,757,274.04	32,979,522.42
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	29,053,050.49	19,118,159.60
Cash paid for investments	22,900,000.00	57,600,000.00
Net cash paid for acquisition of subsidiaries and other business units	—	—
Cash paid relating to other investing activities	207,116,686.62	—
Sub-total of cash outflows from investing activities	259,069,737.11	76,718,159.60
Net cash flows from investing activities	-190,312,463.07	-43,738,637.18

Items	First quarter of 2021	First quarter of 2020
<b>III. Cash flows from financing activities:</b>		
Cash payments for dividends or profits distribution or interest repayment	381,250.00	–
Cash paid relating to other financing activities	1,672,351.23	330,771.43
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	2,053,601.23	330,771.43
	<hr/>	<hr/>
Net cash flows from financing activities	-2,053,601.23	-330,771.43
	<hr/>	<hr/>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	58,485.28	192,125.18
	<hr/>	<hr/>
<b>V. Net increase in cash and cash equivalents</b>	-222,592,297.29	-72,714,182.45
Add: Opening balance of cash and cash equivalents	479,565,961.29	500,211,737.02
	<hr/>	<hr/>
<b>VI. Closing balance of cash and cash equivalents</b>	256,973,664.00	427,497,554.57
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Legal representative:  
Hou Yongtai

Person in charge of  
accounting affairs:  
Tang Minjie

Person in charge of the  
accounting department:  
Bian Yiping

**4.2 Adjustments to the financial statements at the beginning of the year due to initial adoption of new lease standards since 2021**

Applicable     Not applicable

**4.3 Explanation on retrospective adjustments of previously comparative figures due to initial adoption of new lease standards since 2021**

Applicable     Not applicable

**4.4 Audit report**

Applicable     Not applicable