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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 IN RELATION TO
THE PLAN ON REPURCHASE OF A SHARES
THROUGH CENTRALIZED BIDDING TRADING**

This announcement is made by Shanghai Haohai Biological Technology Co., Ltd. (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. MAIN CONTENTS OF THE REPURCHASE PLAN

Pursuant to the Company Law of the People's Republic of China (the “**Company Law**”), the Rules on Repurchase of Shares by Listed Companies (《上市公司股份回購規則》), the Self-Regulatory Guidelines No. 7 for Listed Companies on the Shanghai Stock Exchange – Share Repurchases (《上海證券交易所上市公司自律監管指引第7號 – 回購股份》) and other laws and regulations and the Articles of Association of the Company (the “**Articles of Association**”), the Company held the 25th meeting of the 5th Session of the Board on 16 August 2024, considered and approved the Second Plan on the Repurchase of A Shares of the Company (the “**A Shares**”) through Centralized Bidding Trading (the “**Repurchase Plan**”). According to Article 26, Article 28 and Article 109 of the Articles of Association, the Repurchase Plan falls within the scope of authorization of the board (the “**Board**”) of directors (the “**Directors**”) of the Company and therefore it is not subject to the approval of shareholders at general meeting.

A summary of the Repurchase Plan is set out below.

Purpose of the Share Repurchase

Based on the confidence in the Company's development prospects and the recognition of the Company's value, with an aim at enhancing investors' confidence in the Company, promoting the stable and healthy development of the Company, effectively aligning the interests of Shareholders, the Company and employees, the Company intends to repurchase a portion of issued A Shares through centralized bidding trading (the “**Share Repurchase**”) for use in future employee stock ownership plans or equity incentive schemes to be adopted in due course.

Type of the Shares to be Repurchased

The type of shares to be repurchased is the issued RMB-denominated ordinary A Shares, i.e. the ordinary shares in the share capital of the Company with a par value of RMB1.00 each and listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (the “SSE”) and traded in RMB.

Method of the Share Repurchase

The Company intends to repurchase A Shares on the trading system of the SSE through centralized bidding trading.

Period of the Share Repurchase

The Company may conduct the Share Repurchase within 12 months from the date of approval of the Repurchase Plan by the Board. During the implementation period of the Repurchase Plan (the “**Repurchase Period**”), if the trading of the A Shares is suspended for more than 10 consecutive trading days due to the planning of material events, the implementation of the Repurchase Plan shall be postponed and disclosed promptly upon the resumption of trading of A Shares.

The Repurchase Period shall expire in advance where:

- (i) the funds used for the Share Repurchase reach the upper limit (i.e. RMB200 million) during the Repurchase Period; in such case, the implementation of the Repurchase Plan shall be completed and the Repurchase Period shall expire on such date;
- (ii) the funds used for the Share Repurchase reach the lower limit (i.e. RMB100 million) during the Repurchase Period, and the management of the Company decides to terminate the Repurchase Plan; in such case, the Repurchase Period shall expire on the date when the management of the Company resolves to terminate the Repurchase Plan in advance; or
- (iii) the Board decides to terminate the Repurchase Plan; in such case, the Repurchase Period shall expire on the date when the Board resolves to terminate the Repurchase Plan in advance.

The Company shall not repurchase any A Shares during the following periods:

- (i) from the date of occurrence of a significant event that may have a relatively significant impact on the trading price of the securities and their derivatives of the Company (or during the decision-making process of such events) to the ending of the day following the disclosure of the aforesaid events; and
- (ii) other circumstances as stipulated by the China Securities Regulatory Commission (the “CSRC”) and the SSE.

Use and Quantity of the Shares to be Repurchased, Proportion to the Total Share Capital of the Company

The repurchased A Shares will be fully used for future employee stock ownership plans or equity incentive schemes, and transferred within three years upon the publication of the announcement on the results of the Share Repurchase. In the event that the Company fails to fully complete the transfers of such A Shares within three years upon the publication of the announcement on the results of the Share Repurchase, the A Shares that have not yet been transferred will be cancelled through relevant legal procedures, the Company will also reduce its registered capital accordingly. If the relevant rules are adjusted, the Repurchase Plan shall be implemented in accordance with the adjusted rules.

Based on the calculation with reference to the total amount of funds to be used for the Share Repurchase, and the upper limit of repurchase price of RMB89.71 per A Share, the total number of A Shares expected to be repurchased by the Company is 1,114,703 A Shares to 2,229,405 A Shares, representing approximately 0.47% to 0.95% of the total share capital of the Company as of the date of this announcement. The ultimate number of A Shares to be repurchased shall be subject to the actual number of A Shares repurchased upon the completion of the Repurchase Plan or the expiry of the Repurchase Period.

Repurchase Price

The repurchase price of the A Shares shall not exceed RMB89.71 per A Share, and the maximum repurchase price shall not exceed 150% of the average trading price of the A Shares for the 30 trading days immediately preceding the date of approval of the Repurchase Plan by the Board. The actual repurchase price shall be determined by the Company's management authorized by the Board during the Repurchase Period with reference to the price of the A Shares, and the financial position and operating conditions of the Company.

If the Company carried out any conversion of capital reserve into share capital, distribution of shares or cash dividends, rights issue, share sub-division or consolidation or other events such as ex-right and ex-dividend related matters during the Repurchase Period, the Company will make corresponding adjustments to the upper limit of the repurchase price pursuant to relevant regulations of the CSRC and the SSE.

Proposed Amount of Funds to be Used for Share Repurchase

The total amount of funds for the Share Repurchase shall be not less than RMB100 million (inclusive) and not more than RMB200 million (inclusive), which will come from the Company's own funds.

Expected Changes in the Capital Structure of the Company after the Share Repurchase

Based on the total amount of funds to be used for the Share Repurchase, and assuming that all A Shares will be repurchased at the upper limit of the repurchase price of RMB89.71 per A Share, and that all the A Shares repurchased will be used for future employee stock ownership plans or equity incentive schemes and be subject to lock-up, it is expected that the capital structure of the Company will be changed as follows:

Type of shares	Before the Share Repurchase			After the Share Repurchase at the maximum repurchase amount ⁽³⁾			After the Share Repurchase at the minimum repurchase amount ⁽³⁾		
	Number of issued shares	% of issued shares of		Number of issued shares	% of issued shares of		Number of issued shares	% of issued shares of	
		relevant class	% of total Issued shares		relevant class	% of total Issued shares		relevant class	% of total Issued shares
A Shares									
A Shares subject to trading restrictions	-	-	-	1,114,703	0.57	0.47	2,229,405	1.15	0.95
A Shares not subject to trading restrictions ⁽²⁾	194,051,855	100.00	82.40	192,937,152	99.43	81.93	191,822,450	98.85	81.46
H Shares ⁽¹⁾	41,438,040	100.00	17.60	41,438,040	100.00	17.60	41,438,040	100.00	17.60
Total issued shares	235,489,895		100.00	235,489,895		100.00	235,489,895		100.00

Notes:

1. The overseas-listed foreign share(s) in the share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars.
2. A Shares not subject to trading restrictions includes 2,015,674 A Shares that have been repurchased and held as treasury shares.
3. The above changes have not taken into account of other factors. The actual number of A Shares to be repurchased and the actual capital structure of the Company will be based on the actual implementation of the Repurchase Plan.

Effect on the Daily Operations, Finances, Research and Development, Profitability, Debt Repayment Ability, Future Development and Maintenance of Listing Status of the Company

As of 30 June 2024, the total assets of the Company amounted to RMB7,242,186,700, the net assets attributable to the owners of the Company amounted to RMB5,688,169,600, and the monetary fund of the Company amounted to RMB2,667,002,800 (the above figures were unaudited and prepared in accordance with the Chinese Accounting Standards for Business Enterprises).

Assuming that the maximum amount of repurchase funds of RMB200 million is fully utilized, the repurchase funds will account for 2.76%, 3.52% and 7.50% of the total assets of the Company, the net assets attributable to owners of the Company and the monetary fund of the Company as of 30 June 2024, respectively.

The Repurchase Plan is not expected to have a significant impact on the daily operation, finance, research and development, profitability, debt repayment ability and future development of the Company. The shareholding structure of the Company after the Share Repurchase shall meet the listing requirements of the SSE as well as the Hong Kong Stock Exchange, and is not expected to affect the listing status of the Company or result in a change in control of the Company.

The repurchased A Shares will be used for future employee stock ownership plans or equity incentive schemes, which is conducive to improving the Company's long-term incentive mechanism for employees, fully mobilizing the enthusiasm of employees, enhancing the Company's core competitiveness and overall value, and promoting the Company's long-term, healthy and sustainable development.

Explanation on Whether the Directors, Supervisors, Senior Management, Controlling Shareholders, Actual Controllers and Parties Acting in Concert with them are Involved in Trading of Shares of the Company within Six Months Prior to the Board Approving the Resolution on the Share Repurchase and Whether They Act Separately or in Collusion with Others in Conducting Insider Trading and Manipulate the Market, and Plans to Increase or Reduce Their Shareholdings During the Repurchase Period

On 26 March 2024, the Company completed the vesting registration of the first tranche of new A Shares pursuant to the second attribution tranche of the First Grant under the 2021 Restricted A Share Incentive Scheme. Some of the Directors and senior management of the Company exercised rights in this tranche, and the numbers of A Shares vested to them are as follows:

Name	Position	Number of vested A Shares
Wu Jianying	Executive Director	34,405
Tang Minjie	Executive Director	24,575
Ren Caixia	Vice general manager	9,830
Wang Wenbin	Vice general manager	9,830

Save as disclosed above, there was no trading of A Shares by the Directors, supervisors, senior management, controlling shareholders, actual controllers and parties acting in concert with them within six months prior to the Board approving the resolution on the Share Repurchase. There were no acts in separately or in collusion with others conducting insider trading and manipulating the markets by the Directors, supervisors, senior management, controlling shareholders, actual controllers and parties acting in concert with them.

As at the date of the Repurchase Plan approved by the Board, the Company has not been informed of any plan to increase or decrease its holding of the A Shares by the Directors, supervisors, senior management, the controlling shareholders, the actual controller and parties acting in concert with them during the Repurchase Period. If there is any such subsequent plan for increase or decrease in shareholdings by the above persons, disclosure procedures will be followed according to relevant requirements.

The Company has issued enquiry to the Directors, supervisors, senior management, controlling shareholders, actual controllers and parties acting in concert with them, shareholders holding more than 5% of A Shares to check whether they have plans to reduce their holding of A Shares in next three or six months. The Company received the following replies: the Company's Directors, supervisors, senior management, controlling shareholders, actual controllers and parties acting in concert with them, shareholders holding more than 5% of A Shares had no plans to reduce their holdings of A Shares in next three or six months. If they have relevant plans, disclosure procedures will be followed according to relevant requirements.

Relevant Arrangements for Cancellation or Transfer of A Shares after the Share Repurchase

The repurchased A Shares will be fully used for future employee stock ownership plans or equity incentive schemes to be adopted in due course, and will be transferred by the Company pursuant to the applicable laws and regulations. In the event that the Company fails to complete the transfers of such A Shares within three years after the publication of the announcement on the results of the Share Repurchase, the A Shares repurchased under the Repurchase Plan remained unused will be cancelled pursuant to the applicable laws.

Relevant Arrangements to Prevent Jeopardising Creditors' Interests

The Share Repurchase will not affect the normal continuing operations of the Company and will not lead to the Company being insolvent. If the repurchased A Shares are to be cancelled in the future, the Company will then timely perform the relevant decision-making procedures and notify all creditors to fully protect the legitimate rights and interests of the creditors in accordance with the relevant provisions of the Company Law and other laws and regulations.

Specific Authorization to Conduct the Share Repurchase

In order to ensure the smooth and efficient implementation of the Repurchase Plan, the Board authorized the management of the Company to implement the relevant matters of the Repurchase Plan. The scope of authorization includes but is not limited to:

- (i) to set up securities accounts exclusively for the Share Repurchase and to conduct other related business;
- (ii) to terminate the Repurchase Plan at its discretion in accordance with the Company's actual circumstance, stock price performance or regulatory requirements, etc., provided that the amount of repurchase funds used during the Repurchase Period does not fall below the minimum limit;
- (iii) to repurchase A Shares at their discretion during the Repurchase Period, including the making of the decisions as to the the timing, price and quantity of the Share Repurchase, etc.;
- (iv) to handle the relevant reporting and approval matters, including but not limited to authorizing, signing, executing, amending and completing all necessary documents, contracts and agreements in connection with the Share Repurchase;
- (v) to adjust the implementation of specific plans according to the relevant laws, regulations, regulatory rules; and

(vi) to handle other matters not specified above but necessary for the Share Repurchase.

This authorization shall be effective for the period commencing on the date of approval of the Repurchase Plan by the Board and ending on the date of completion of the abovementioned matters.

II. SITUATIONS AND RELATED ARRANGEMENTS FOR OPENING A SPECIAL ACCOUNT FOR REPURCHASE

According to the relevant regulations, the Company has opened a special securities account for repurchase with Shanghai Branch of China Securities Depository and Clearing Co., Ltd. The special securities account for repurchase will be used only for the purpose of repurchasing A Shares.

III. RISK OF UNCERTAINTY FOR THE REPURCHASE PLAN

1. There is a risk that the price of the A Shares will exceed the upper limit of the repurchase price during the Repurchase Period continuously, resulting in the Repurchase Plan not being able to be implemented successfully;
2. There is the risk that the Repurchase Plan may not be implemented successfully or be adjusted or terminated in accordance with the relevant rules owing to the occurrence of events which may materially affect the price of the Company's shares, or any material changes to the Company's production, operation, financial situation, external objective circumstances, or other events which may cause the Board to terminate the Repurchase Plan;
3. In the event that the Company fails to implement the employee stock ownership plans or equity incentive schemes or fully use the repurchased A Shares within the time limit prescribed by the relevant laws and regulations, it is subject to the risk of cancellation of the A Shares that have not yet been transferred; and
4. If new regulatory documents relating to the Share Repurchase are promulgated, there is a risk that the Repurchase Plan might be adjusted accordingly pursuant to the new regulatory rules during the Repurchase Period.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Shanghai, the PRC, 16 August 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