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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)

**2024 THIRD QUARTERLY REPORT;
AMENDMENTS TO THE WORKING RULES OF THE STRATEGY
COMMITTEE AND THE AUDIT COMMITTEE; AND
CHANGE OF NAME OF THE STRATEGY COMMITTEE**

2024 THIRD QUARTERLY REPORT

This part of 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.

Set out herein are the unaudited results (the “**Third Quarterly Report**”) of the Group for the three months and nine months ended 30 September 2024, which were simultaneously published on the website of the Shanghai Stock Exchange by the Company. The financial information contained in the Third Quarterly Report has been prepared in accordance with the Chinese Accounting Standards for Business Enterprises, and contains accounting data which has not been audited. The Third Quarterly Report set out below is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Third Quarterly Report shall prevail.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company draws the attention of potential investors and shareholders of the Company to pay attention to the underlying investment risks.

AMENDMENTS TO WORKING RULES OF THE STRATEGY COMMITTEE AND THE AUDIT COMMITTEE AND CHANGE OF NAME OF THE STRATEGY COMMITTEE

In order to improve the corporate governance structure, enhance the level of the Company's sustainability governance and fully utilize the role of the Board in promoting the Company's sustainable development as well as internal control and supervision, the Board approved the amendments to the Working Rules of the Strategy Committee of the Board and Working Rules of the Audit Committee of the Board on 25 October 2024, which include, among other things, the duties related to Environmental, Social and Governance (“**ESG**”) originally delegated to the Audit Committee now adjusted and delegated to the Strategy Committee, and the duties related to sustainability and ESG further revised on the basis of the original ESG related duties. At the same time, the Board approved the renaming of the Strategy Committee to Strategy and Sustainable Development Committee, and accordingly, the Working Rules of the Strategy Committee of the Board was renamed as the Working Rules of the Strategy and Sustainable Development Committee of the Board.

The adjustments do not involve any change in the composition of each of the committees under the Board. The adjustments shall be effective from the date of approval by the Board, the revised Working Rules of the Strategy and Sustainable Development Committee of the Board and the Working Rules of the Audit Committee of the Board will be published on the websites of the Company (www.3healthare.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), respectively.

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

Shanghai, the PRC, 25 October 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*

IMPORTANT NOTICE:

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 quarterly report, guarantee that there are no false representations, misleading statements or material omissions contained in the quarterly report, and are jointly and severally responsible for the liabilities of the Company.

The legal representative of the Company, the person in charge of accounting affairs of the Company and the person in charge of the accounting department of the Company, warrant the truthfulness, accuracy and completeness of the financial information contained in the quarterly report.

The Third Quarterly Report is audited

Yes No

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The Reporting Period	Increase/decrease for the Reporting Period over the corresponding period of last year (%)	From the beginning of the year to the end of the Reporting Period	Increase/decrease for the period from the beginning of the year to the end of the Reporting Period as compared to the corresponding period of last year (%)
Revenue	670,367,536.60	0.22	2,074,811,249.42	4.69
Net profit attributable to shareholders of the Company	105,605,379.86	-13.13	340,889,084.77	4.31
Net profit after deducting nonrecurring profit or loss attributable to shareholders of the Company	91,074,160.24	-22.02	321,415,988.63	5.53
Net cash flows from operating activities	N/A	N/A	430,639,272.85	9.98
Basic earnings per share (RMB/share)	0.45	-11.76	1.46	6.57
Diluted earnings per share (RMB/share)	0.45	-11.76	1.46	6.57
Weighted average return on net assets (%)	1.85	Decreased by 0.25 percentage points	5.93	Increased by 0.10 percentage points
Total research and development (“R&D”) expenses	62,736,101.10	18.90	188,136,393.76	22.04
R&D expenses as a percentage of revenue (%)	9.36	Increased by 1.47 percentage points	9.07	Increased by 1.29 percentage points
		As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period over the end of last year (%)
Total assets	7,245,126,695.06		7,105,496,951.15	1.97
Equity attributable to shareholders of the Company	5,669,077,729.64		5,650,064,203.23	0.34

Note: “Reporting Period” refers to the three-month period from the beginning of this quarter to the end of this quarter and the same meaning applies to the contents below.

(II) Non-recurring profit or loss items and amount

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount for the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period	Note
Gains or losses on disposal of non-current assets (including the written-off portion of provision for asset impairment)	-187,713.91	217,985.29	
Government grant included in profit or loss for the current period (other than those that are closely related to the Company's normal operation, in line with national of policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss)	18,173,344.70	25,135,964.94	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities and gain or loss on disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	371,371.28	-345,330.26	
Other non-operating income and expenses other than above-mentioned items	-791,708.00	-1,090,631.25	
Less: Effect of income tax	2,409,469.61	3,339,245.29	
Effect of non-controlling interests (after tax)	624,604.84	1,105,647.29	
Total	<u>14,531,219.62</u>	<u>19,473,096.14</u>	

For items not listed in the “Notice on Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items (《公開發行證券的公司信息披露解釋性公告第1號 – 非經常性損益》)” and defined as non-recurring profit or loss items with a significant amount, and non-recurring profit or loss items listed in “Notice on Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items” and defined as recurring profit or loss items, reasons shall be provided.

Applicable Not applicable

(III) Changes in major accounting data and financial indicators and reasons for changes

Applicable Not applicable

II. INFORMATION OF SHAREHOLDERS

(I) Statement of the total number of ordinary shareholders and preferred shareholders with voting rights resumed, and the particulars of shareholding of the top ten shareholders

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	6,685	Total number of preferred shareholders with voting rights resumed at the end of the Reporting Period (if any)	Not applicable
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Shareholding of the top ten shareholders (excluding shares lent under the margin refinancing transfer business)

Name of shareholders	Nature of shareholders	Number of shares held	Proportion of shareholding (%)	Number of shares subject to selling restrictions	Number of restricted shares including lending shares for securities financing	Status of shares (pledged, marked or frozen)	
						Status	Number
Jiang Wei	Domestic natural person	66,528,000	28.31	0	0	None	0
HKSCC NOMINEES LIMITED	Overseas legal person	40,840,985	17.38	0	0	Unknown	-
You Jie	Domestic natural person	40,320,000	17.16	0	0	None	0
Lou Guoliang	Domestic natural person	8,611,661	3.66	0	0	None	0
Wu Jianying	Domestic natural person	8,495,717	3.62	0	0	None	0
Hou Yongtai	Domestic natural person	8,408,764	3.58	0	0	None	0
Peng Jinhua	Domestic natural person	3,962,000	1.69	0	0	None	0
Liu Yuanzhong	Domestic natural person	2,800,000	1.19	0	0	None	0
Huang Ming	Domestic natural person	2,800,000	1.19	0	0	None	0
Bank of China Limited – Huabao CSI Medical Trading Open-ended Index Securities Investment Fund	Other	2,513,588	1.07	0	0	None	0

**Shareholdings of the top ten shareholders not subject to selling restrictions
(excluding shares lent under the margin refinancing transfer business)**

Name of shareholders	Number of shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Jiang Wei	66,528,000	RMB ordinary shares	66,528,000
HKSCC NOMINEES LIMITED	40,840,985	Overseas listed foreign shares	40,840,985
You Jie	40,320,000	RMB ordinary shares	40,320,000
Lou Guoliang	8,611,661	RMB ordinary shares	8,611,661
Wu Jianying	8,495,717	RMB ordinary shares	8,495,717
Hou Yongtai	8,408,764	RMB ordinary shares	8,408,764
Peng Jinhua	3,962,000	RMB ordinary shares	3,962,000
Liu Yuanzhong	2,800,000	RMB ordinary shares	2,800,000
Huang Ming	2,800,000	RMB ordinary shares	2,800,000
Bank of China Limited – Huabao CSI Medical Trading Open-ended Index Securities Investment Fund	2,513,588	RMB ordinary shares	2,513,588

Description of the above shareholders' related party relationship or party acting in concert Among the top ten shareholders as shown above, Jiang Wei and You Jie are in spousal relationship, and they are the controlling shareholders and de facto controllers of the Company. 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 the top ten shareholders and top ten shareholders not subject to selling restrictions participating in securities margin trading and refinancing business (if any) As at the end of the Reporting Period, all the shares lent by relevant shareholders under the margin refinancing transfer business had been fully returned. See the table below for details.

Participation of shareholders with at least 5% shareholding, the top 10 shareholders and the top 10 shareholders holding tradable shares not subject to selling restrictions in the shares lent under the margin refinancing transfer business

Applicable Not applicable

Unit: share

Participation of shareholders with at least 5% shareholding, the top 10 shareholders and the top 10 shareholders holding tradable shares not subject to selling restrictions in the shares lent under the margin refinancing transfer business

Full name of shareholder	Shares held under the general account and credit account at the beginning of Reporting Period		Shares lent under the margin refinancing transfer business but not returned at the beginning of Reporting Period		Shares held under the general account and credit account at the end of Reporting Period		Shares lent under the margin refinancing transfer business but not returned at the end of Reporting Period	
	Total	Proportion	Total	Proportion	Total	Proportion	Total	Proportion
	number	(%)	number	(%)	number	(%)	number	(%)
Bank of China Limited – Huabao CSI Medical Trading Open-ended Index Securities Investment Fund	1,615,115	0.94	18,600	0.01	2,513,588	1.07	0	0

Changes in the top 10 shareholders and the top 10 shareholders holding tradable shares not subject to selling restrictions from the previous period due to the shares lent/returned under the margin refinancing transfer business

Applicable Not applicable

III. OTHER REMINDERS

The investors should be reminded of other important information about the Company's operation during the Reporting Period

Applicable Not applicable

IV. THE QUARTERLY FINANCIAL STATEMENTS

(I) The category of audit opinion

Applicable Not applicable

(II) Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2024

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	30 September 2024	31 December 2023
Current assets:		
Cash and bank balances	2,625,259,691.85	2,740,678,648.51
Financial assets held for trading	66,921,791.01	20,304,865.66
Accounts receivable	346,395,251.14	327,861,290.31
Prepayments	73,883,845.07	52,251,760.66
Other receivables	40,662,152.36	22,329,767.69
Including: Interest receivable	—	—
Dividends receivable	—	—
Inventories	503,272,210.18	526,173,607.73
Assets classified as held for sale	—	13,000,000.00
Non-current assets due within one year	25,237,895.07	25,237,895.07
Other current assets	21,830,985.54	22,305,947.12
Total current assets	<u>3,703,463,822.22</u>	<u>3,750,143,782.75</u>
Non-current assets:		
Long-term equity investments	3,682,116.04	3,471,429.56
Other investments in equity instruments	618,715,841.40	603,629,878.26
Fixed assets	744,127,890.25	766,912,976.11
Construction in progress	804,934,316.27	635,607,864.27
Right-of-use assets	43,831,097.16	52,940,521.29
Intangible assets	728,414,588.24	729,065,266.19
Goodwill	423,771,230.99	413,020,636.61
Long-term prepayments	12,532,233.78	5,395,607.28
Deferred tax assets	49,533,600.45	53,123,974.27
Other non-current assets	112,119,958.26	92,185,014.56
Total non-current assets	<u>3,541,662,872.84</u>	<u>3,355,353,168.40</u>
TOTAL ASSETS	<u><u>7,245,126,695.06</u></u>	<u><u>7,105,496,951.15</u></u>

Items	30 September 2024	31 December 2023
Current liabilities:		
Short-term borrowings	56,000,000.00	10,000,000.00
Accounts payable	69,320,207.09	55,108,264.62
Contract liabilities	83,057,300.19	80,023,458.51
Employee benefits payable	95,058,976.65	121,286,473.84
Tax payable	50,855,889.66	58,408,398.46
Other payables	277,648,895.72	184,500,140.29
Including: Interest payable	—	—
Dividends payable	61,638,129.56	—
Non-current liabilities due within one year	<u>229,534,409.88</u>	<u>206,624,653.96</u>
 Total current liabilities	 <u>861,475,679.19</u>	 <u>715,951,389.68</u>
Non-current liabilities:		
Long-term borrowings	138,168,873.62	157,440,648.18
Lease liabilities	28,607,147.01	33,882,999.55
Long-term payables	4,500,000.00	4,500,000.00
Provision	1,016,634.62	1,139,276.87
Deferred income	14,418,693.68	13,625,013.54
Deferred tax liabilities	<u>163,922,516.73</u>	<u>161,664,650.15</u>
 Total non-current liabilities	 <u>350,633,865.66</u>	 <u>372,252,588.29</u>
 TOTAL LIABILITIES	 <u><u>1,212,109,544.85</u></u>	 <u><u>1,088,203,977.97</u></u>
Equity attributable to equity holders (or shareholders):		
Paid-up capital (or share capital)	234,995,995.00	171,477,258.00
Capital reserve	2,823,411,824.14	2,980,937,753.79
Less: Treasury shares	215,192,704.90	248,455,249.73
Other comprehensive income	-75,874,856.48	-71,445,115.12
Surplus reserve	88,922,650.00	88,922,650.00
Retained earnings	<u>2,812,814,821.88</u>	<u>2,728,626,906.29</u>
 Total equity attributable to equity holders (or shareholders) of the parent company	 5,669,077,729.64	 5,650,064,203.23
Non-controlling interests	<u>363,939,420.57</u>	<u>367,228,769.95</u>
 Total equity attributable to equity holders (or shareholders)	 <u>6,033,017,150.21</u>	 <u>6,017,292,973.18</u>
 TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	 <u><u>7,245,126,695.06</u></u>	 <u><u>7,105,496,951.15</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 September 2024

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First three quarters of 2024 (January to September)	First three quarters of 2023 (January to September)
I. Total revenue	2,074,811,249.42	1,981,789,458.11
Including: Operating revenue	2,074,811,249.42	1,981,789,458.11
II. Total operating costs	1,699,560,309.60	1,616,376,970.69
Including: Operating costs	613,788,582.06	561,894,893.98
Taxes and surcharges	11,992,211.91	9,137,846.36
Selling expenses	594,490,949.81	625,680,738.33
Administrative expenses	325,236,112.34	313,459,534.56
R&D expenses	188,136,393.76	154,154,668.27
Financial expenses	-34,083,940.28	-47,950,710.81
Including: Interest expenses	8,977,793.90	4,561,329.20
Interest income	54,883,656.75	57,628,382.13
Add: Other income	25,135,964.94	26,879,505.45
Investment income (Loss denoted in “-”)	96,833.95	1,208,895.19
Including: Gains from investment in associates and joint ventures	80,593.58	520,444.16
Gains from changes in fair value (Loss denoted in “-”)	-345,330.26	2,151,444.34
Credit impairment losses (Loss denoted in “-”)	306,860.88	-2,707,738.09
Assets impairment losses (Loss denoted in “-”)	-13,132,183.94	-4,859,981.21
Gains on disposal of assets (Loss denoted in “-”)	217,985.29	518,614.32
III. Operating profit (Loss denoted in “-”)	387,531,070.68	388,603,227.42
Add: Non-operating income	252,513.63	1,316,600.76
Less: Non-operating expenses	1,343,144.88	570,475.79
IV. Total profit (Total loss denoted in “-”)	386,440,439.43	389,349,352.39
Less: Income tax expenses	70,457,746.73	62,381,911.37

Items	First three quarters of 2024 (January to September)	First three quarters of 2023 (January to September)
V. Net profit (Net loss denoted in “-”)	<u>315,982,692.70</u>	<u>326,967,441.02</u>
(I) According to operating continuity		
1. Net profit from continuing operations (Net loss denoted in “-”)	315,982,692.70	326,967,441.02
2. Net profit from discontinued operations (Net loss denoted in “-”)	<u>—</u>	<u>—</u>
(II) According to ownership		
1. Net profit attributable to shareholders of parent company (Net loss denoted in “-”)	340,889,084.77	326,802,993.69
2. Non-controlling shareholders profit or loss (Net loss denoted in “-”)	<u>-24,906,392.07</u>	<u>164,447.33</u>
VI. Other comprehensive income, net of tax	2,257,044.78	-2,992,987.87
(I) Other comprehensive income attributable to equity holders of the parent company, net of tax	-1,271,933.14	-6,525,383.70
1. Other comprehensive income that cannot be reclassified to profit or loss	-13,725,410.11	-27,978,245.34
(3) Changes in fair value of other equity instrument investments	-13,725,410.11	-27,978,245.34
2. Other comprehensive income to be reclassified to profit or loss	12,453,476.97	21,452,861.64
(6) Exchange differences on foreign currency translations	12,453,476.97	21,452,861.64
(II) Other comprehensive income attributable to non-controlling shareholders, net of tax	3,528,977.92	3,532,395.83
VII. Total comprehensive income	318,239,737.48	323,974,453.15
(I) Total comprehensive income attributable to equity holders of the parent company	339,617,151.63	320,277,609.99
(II) Total comprehensive income attributable to non-controlling shareholders	-21,377,414.15	3,696,843.16
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	1.46	1.37
(II) Diluted earnings per share (RMB/share)	1.46	1.37

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

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 September 2024

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	First three quarters of 2024 (January to September)	First three quarters of 2023 (January to September)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	2,192,446,113.59	2,153,855,868.18
Refund of taxes and surcharges	9,767,342.87	10,992,059.81
Other cash received relating to operating activities	65,500,566.48	37,364,334.85
Sub-total of cash inflows from operating activities	2,267,714,022.94	2,202,212,262.84
Cash paid for goods and services	519,299,513.09	565,808,850.30
Cash paid to and on behalf of employees	510,620,269.97	453,096,753.74
Payments of taxes and surcharges	180,826,754.20	129,875,252.07
Other cash paid relating to operating activities	626,328,212.83	661,867,063.25
Sub-total of cash outflows from operating activities	1,837,074,750.09	1,810,647,919.36
Net cash flows from operating activities	430,639,272.85	391,564,343.48
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,424,732,124.44	1,058,215,993.92
Cash received from returns on investments	70,480,580.35	30,474,165.68
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,070,888.50	733,467.53
Sub-total of cash inflows from investing activities	1,496,283,593.29	1,089,423,627.13
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	280,024,309.02	198,270,762.51
Cash paid for investments	1,043,618,382.86	1,288,975,929.16
Net cash paid for acquisition of subsidiaries and other business units	17,537,451.57	—
Sub-total of cash outflows from investing activities	1,341,180,143.45	1,487,246,691.67
Net cash flows from investing activities	155,103,449.84	-397,823,064.54

Items	First three quarters of 2024 (January to September)	First three quarters of 2023 (January to September)
III. Cash flows from financing activities:		
Cash received from absorbing investment	56,455,239.17	106,963,507.19
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	7,004,453.34	47,000,000.00
Cash received from borrowings	<u>86,000,000.00</u>	<u>222,722,778.12</u>
 Sub-total of cash inflows from financing activities	 142,455,239.17	 329,686,285.31
Cash paid for repayment of debts	31,712,342.78	10,617,887.15
Cash paid for dividends or profits distribution or repayment of interests	214,812,005.80	84,423,769.33
Including: Dividends or profits paid to non-controlling shareholders of subsidiaries	14,359,149.00	13,887,136.16
Other Cash paid relating to financing activities	<u>130,970,972.76</u>	<u>392,533,370.81</u>
 Sub-total of cash outflows from financing activities	 <u>377,495,321.34</u>	 <u>487,575,027.29</u>
 Net cash flows from financing activities	 <u>-235,040,082.17</u>	 <u>-157,888,741.98</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
	<u>-2,549,930.25</u>	<u>11,313,076.02</u>
V. Net increase in cash and cash equivalents		
Add: Opening balance of cash and cash equivalents	<u>348,152,710.27</u>	<u>-152,834,387.02</u>
	<u>569,318,904.66</u>	<u>559,197,476.03</u>
VI. Closing balance of cash and cash equivalents		
	<u><u>917,471,614.93</u></u>	<u><u>406,363,089.01</u></u>

legal representative:
Hou Yongtai

Person in charge of
accounting affairs:
Tang Minjie

Person in charge of the
accounting department:
Bian Yiping

Adjustments to the financial statements at the beginning of the year of new accounting standards or interpretations of standards due to initial adoption since 2024

Applicable Not applicable