

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF 2019 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 annual general meeting (the “**AGM**”) of Shanghai Haohai Biological Technology Co., Ltd.* (the “**Company**”) will be held at 24/F, WenGuang Plaza, No. 1386 Hongqiao Road, Changning District, Shanghai, the People's Republic of China (“**PRC**”) on Monday, June 29, 2020 at 1:00 p.m. to consider and, if thought fit, pass the following resolutions. Unless the context requires otherwise, capitalized terms used herein shall have the same meaning as defined in the announcement of the Company dated May 14, 2020.

Ordinary Resolutions

1. To consider and approve the work report of the Board for 2019.
2. To consider and approve the work report of the supervisory committee of the Company for 2019.
3. To consider and approve the financial reports of the Company for 2019.
4. To consider and approve the profit distribution plan of the Company for 2019.
5. To consider and approve the resolution on the appointment of the auditors for the financial report of the Company and the internal control auditor for 2020.
6. To consider and approve the remuneration plan for the Directors and supervisors of the Company for 2020.
7. To consider and approve the proposal on the election of independent non-executive Directors of the Company.
 - 7.1 To elect Mr. Su Zhi as an independent non-executive Director of the Fourth Session of the Board of the Company.
 - 7.2 To elect Mr. Jiang Zhihong as an independent non-executive Director of the Fourth Session of the Board of the Company.

- 7.3 To elect Mr. Zhao Lei as an independent non-executive Director of the Fourth Session of the Board of the Company.
- 7.4 To elect Ms. Li Yingqi as an independent non-executive Director of the Fourth Session of the Board of the Company.
- 7.5 To elect Mr. Yang Yushe as an independent non-executive Director of the Fourth Session of the Board of the Company.
- 8. To consider and approve the change in use of the over subscription proceeds and the utilization of the surplus over subscription proceeds for investing in Jianhua Biological Fengxian-base Project.

Special Resolutions

- 9. To consider and approve the proposal on amending the Articles of Association.
- 10. To consider and approve the proposal on amending the Rules of Procedure of the General Meeting.
- 11. To consider and approve the proposal on granting the following general mandate to the Board to repurchase the H Shares of the Company:

“That:

- (a) the Board be and is hereby granted a general mandate to repurchase H Shares not exceeding 10% of the total number of the H Shares in issue as at the time when this resolution is passed at the AGM and the relevant resolution is passed at the respective class meetings of the shareholders in accordance with all applicable laws, regulations, rules and/or requirements of the PRC, the Hong Kong Stock Exchange or any other governmental or regulatory authorities and by reference to market conditions and in accordance with needs of the Company during the Relevant Period (as defined below); and
- (b) the Board be and is hereby authorised to deal with, in its sole discretion, all matters in relation to the repurchase of H Shares, including but not limited to:
 - (i) formulate and implement detailed repurchase plan, including but not limited to repurchase price, number of shares to be repurchased, timing of repurchase and period of repurchase, etc.;
 - (ii) notify creditors and issue announcement in accordance with the Company Law of the PRC and the Articles of Association;
 - (iii) open overseas share accounts and carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval or filing procedures required by regulatory authorities and the place in which the Company is listed (if necessary);

- (v) carry out cancellation procedures for repurchased shares, reduce registered capital, and make corresponding amendments to the Articles of Association in respect of total share capital and shareholding structure, etc., and carry out the statutory registrations and filing procedures within and outside the PRC; and
- (vi) execute other documents, and deal with other matters, in connection with the share repurchase.

The above general mandate will expire on the earlier of:

- (i) the conclusion of the 2020 annual general meeting of the Company; or
- (ii) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of the shareholders at a general meeting, or a special resolution of holders of the A Shares or holders of the H Shares of the Company at their respective class meeting,

(the “**Relevant Period**”)

except where the Board has resolved to repurchase H Shares during the Relevant Period and such share repurchase plan may have to be continued or implemented after the Relevant Period.”

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

Shanghai, the PRC
May 14, 2020

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

** For identification purpose only*

Notes:

1. Eligibility for attending and voting at the AGM and date of registration of holders for H shares

In order to determine the holders of H shares (the “**H Shareholders**”) who are entitled to attend the AGM, the register of members of H shares of the Company will be closed from Saturday, May 30, 2020 to Monday, June 29, 2020 (both days inclusive), during which time no transfer of H shares will be registered. For qualifying to attend and vote at the AGM, the H Shareholders of the Company whose transfers have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for H Shareholders for registration at or before 4:30 p.m. on Friday, May 29, 2020. H Shareholders of the Company whose names appear on the register of members of H shares of the Company after 4:30 p.m. on Friday, May 29, 2020 will be entitled to attend and vote at the AGM or any adjournment thereof.

The Company will announce separately on the Shanghai Stock Exchange for details of A shareholders’ eligibility for attending the AGM.

2. Proxy

- 1) Each shareholder entitled to attend and vote at the AGM may appoint one or more proxies in writing to attend and vote at the AGM on his behalf. A proxy need not be a shareholder of the Company. **The Company recommends you to monitor the development of the situation with the novel coronavirus pneumonia (COVID-19) and to assess, based on the social distancing policies, the necessity for attending the AGM in person, and the Board respectfully requests that, for the same reason, the shareholders to appoint the chairman of the AGM as their proxy rather than a third party to attend and vote on their behalf at the AGM (or any adjournment thereof).**
- 2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.
- 3) To be valid, for H Shareholders, the form of proxy and notarised power of attorney or other document of authorisation (if any) must be delivered to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the AGM or any adjournment thereof (as the case may be), i.e. not later than 1:00 p.m. on Sunday, June 28, 2020. Completion and return of the form of proxy will not preclude shareholders from attending and vote at the AGM should they wish to do so.

3. Registration procedures for attending the AGM

- 1) A shareholder or his proxy should present proof of identity when attending the AGM. If a shareholder is a legal person, its legal representative or other person authorised by the Board or other governing body of such shareholder may attend the AGM by providing a copy of the resolution of the Board or other governing body of such shareholder appointing such person to attend the meeting.
- 2) Shareholders of the Company intending to attend the AGM in person or by their proxies should complete and return the reply slip for attending the AGM to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders) on or before Monday, June 8, 2020.
- 3) A shareholder may return the above reply slip in person, by post or by facsimile to the office of Computershare Hong Kong Investor Services Limited (for H Shareholders).

4. Voting method at the AGM

All voting at the AGM will be conducted by poll.

5. Miscellaneous

- 1) The AGM is expected to take no more than half a day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.
- 2) The address and contact details of the Company’s H share registrar, Computershare Hong Kong Investor Services Limited are:
17M Floor, Hopewell Centre
183 Queen’s Road East
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990/(852) 2529 6087
- 3) The address and contact details of the head office of the Company are:
23/F, WenGuang Plaza,
No. 1386 Hongqiao Road, Changning District,
Shanghai, PRC
Telephone: (86) 021-52293555
Facsimile: (86) 021-52293558
- 4) A circular setting out further details of the resolutions will be published and dispatched by the Company in due course.
- 5) **Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the AGM against the epidemic to protect the shareholders of the Company from the risk of infection:**
 - (i) **body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Only those with normal body temperature will be permitted to access to the meeting venue;**
 - (ii) **every shareholder or proxy is required to wear surgical face mask throughout the AGM; and**
 - (iii) **no refreshments will be served at the AGM.**

In accordance with the Hong Kong Listing Rules, this appendix serves as an explanatory statement to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting for the grant of the Repurchase Mandate to the Directors.

REPURCHASE MANDATE

Reasons for Repurchasing H Shares

The Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to and in the best interest of the Company and its Shareholders. Such repurchases of the H Shares may, depending on market conditions and funding arrangements at such time, lead to an enhancement of the net asset value per Share and/or earnings per Share of the Company. Such repurchases of the H Shares will only be made when the Directors believe that it will benefit the Company and its Shareholders as a whole.

Share Capital

As at May 8, 2020 (the “**Latest Practicable Date**”), the total issued capital of the Company was RMB177,845,300 comprising 40,045,300 H Shares of RMB1.00 each and 137,800,000 A Shares of RMB1.00 each.

Exercise of the Repurchase Mandate

Subject to the passing of the relevant special resolution set out in the notices of the AGM and the Class Meetings, respectively, the Board will be granted the Repurchase Mandate until the earlier of (a) the conclusion of the 2020 annual general meeting of the Company; or (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of the shareholders at a general meeting, or a special resolution of holders of the A Shares or holders of the H Shares of the Company at their respective class meeting (the “**Relevant Period**”). The exercise of the Repurchase Mandate is subject to relevant approval(s) of and/or filings with relevant regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and/or carried out.

The exercise in full of the Repurchase Mandate (on the basis of 40,045,300 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings) would result in a maximum of 4,004,530 H Shares being repurchased by the Company during the Relevant Period, being the maximum of 10% of the total number of the H Shares in issue as at the date of passing the relevant special resolution at the AGM and the Class Meetings.

Funding of Repurchases

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which may include capital common reserve funds and distributable profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Directors consider that there may not be a material adverse impact on the working capital or on the gearing position of the Company (as compared with the position disclosed in the latest published audited accounts contained in the financial report of the Company for the year ended December 31, 2019) in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period.

Prices of H Share

The highest and lowest prices at which the H Shares have been traded on the Hong Kong Stock Exchange during the 12 calendar months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2019		
May	50.900	42.300
June	48.250	42.000
July	49.300	42.150
August	46.000	33.950
September	38.550	33.750
October	52.000	37.450
November	47.050	43.700
December	50.200	43.150
2020		
January	47.950	38.100
February	44.050	37.600
March	44.550	28.100
April	39.300	25.650
May (up to the Latest Practicable Date)	40.200	34.750

Shares Repurchased by the Company

During the six months prior to the Latest Practicable Date, the Company has repurchased 648,700 H shares on the Hong Kong Stock Exchange, and such H shares has not been cancelled at the Latest Practicable Date. The details of the foregoing repurchase is as follows:

Trading date	Number of securities repurchased	Highest price per share HKD	Lowest price per share HKD	Total paid HKD
March 27, 2020	16,900	31.70	31.70	535,730
May 4, 2020	100,000	38.20	35.35	3,694,705
May 5, 2020	86,800	38.15	36.70	3,279,970
May 6, 2020	45,200	38.60	37.85	1,730,585
May 7, 2020	49,200	39.00	38.35	1,907,045
May 8, 2020	350,600	40.20	38.95	13,952,795
Total:	648,700			25,100,830

Save as disclosed above, no repurchased of shares have been made by the Company during the six months prior to the Latest Practicable Date (whether on the Hong Kong Stock Exchange or otherwise).

Directors' Undertakings and General Information

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the proposed special resolution to approve the Repurchase Mandate in accordance with the Listing Rules and the applicable laws, rules and regulations of the PRC.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Hong Kong Listing Rules) presently intends to sell H Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the AGM and the Class Meetings, and the conditions (if any) to which the Repurchase Mandate is subject are fulfilled.

The Company has not been notified by any core connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the AGM and the Class Meetings and the conditions (if any) to which the Repurchase Mandate is subject are fulfilled.

Takeovers Code and the Public Float Requirement

If as a result of a share repurchase by the Company, a substantial Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Codes on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**"). Accordingly, a Shareholder, or a group of Shareholders acting in concert could obtain or consolidate control of the Company or become obligated to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Jiang Wei ("**Mr. Jiang**") and Ms. You Jie ("**Ms. You**") were deemed to be interested in 79,720,000 A Shares (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), representing approximately 44.83% of the Company's total issued capital. 79,720,000 A Shares were held directly by Mr. Jiang as to 44,449,000 A Shares and through 上海湛澤企業管理合夥企業(有限合夥) (Shanghai Zhanze Corporate Management Partnership Enterprise*) a limited partnership controlled by him through his wholly-owned company, 上海湛溪企業管理有限公司 (Shanghai Zhanxi Corporate Management Limited Company*) as to 6,471,000 A Shares and directly by Ms. You as to 28,800,000 A Shares, respectively. Mr. Jiang, as the spouse of Ms. You, was deemed to be interested in the 28,800,000 A Shares held by Ms. You in the Company under the SFO. Ms. You, as the spouse of Mr. Jiang, was deemed to be interested in the 50,920,000 A Shares held by Mr. Jiang in the Company under the SFO. In the event that the Directors fully exercise their Repurchase Mandate, the total interests held by Mr. Jiang and Ms. You in the Company's total issued capital will increase to approximately 45.86%, assuming that the A Shares held by Mr. Jiang and Ms. You as at the Latest Practicable Date remain unchanged and there is no other change to the issued share capital of the Company, and such increase would not give rise to an obligation to make a mandatory general offer under the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

The Hong Kong Listing Rules prohibit a company from making repurchase on the Hong Kong Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Hong Kong Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

Status of Repurchased Shares

Pursuant to the Hong Kong Listing Rules, the listing of all repurchased H Shares of the Company is automatically cancelled and the relevant certificates must be cancelled and destroyed.

Under the PRC law, the repurchased H Shares may be treated as cancelled and, if so cancelled, the amount of the Company's registered capital shall be reduced by the aggregate nominal value of the repurchased H Shares accordingly.