
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Shanghai Haohai Biological Technology Co., Ltd.***, you should hand this circular at once to the purchaser(s) or transferee(s) or to the bank, licensed securities dealers or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**(1) UTILISATION OF PART OF THE OVER SUBSCRIPTION PROCEEDS
FROM A SHARE OFFERING FOR PERMANENT REPLENISHMENT OF
WORKING CAPITAL; (2) PURCHASE LIABILITY INSURANCE FOR
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT; AND
(3) PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES**

A letter from the Board is set out from pages 4 to 11 of this circular.

Notices dated December 30, 2019 convening the EGM and the H Shareholders' Class Meeting have been despatched by the Company together with the forms of proxy and the reply slips for the EGM and the H Shareholders' Class Meeting, respectively, and they have also been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.3healthcare.com).

A notice convening each of the EGM and the H Shareholders' Class Meeting to be held at Multi-function Hall, 5/F, Gubei Garden Hotel, No. 1446 Hongqiao Road, Changning District, Shanghai, PRC on Friday, February 14, 2020 is set out on pages 16 to 20 and 21 to 24 of this circular, respectively.

If you intend to appoint a proxy to attend the EGM and/or the H Shareholders' Class Meeting, you are required to complete and return the forms of proxy in accordance with the instructions printed thereon. The forms of proxy should be returned by holder of H Shares 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 holding the EGM and/or the H Shareholders' Class Meeting or any adjourned meeting thereof (as the case may be), i.e. not later than 2:00 p.m. on Thursday, February 13, 2020. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM and/or the H Shareholders' Class Meeting at Multi-function Hall, 5/F, Gubei Garden Hotel, No. 1446 Hongqiao Road, Changning District, Shanghai, PRC on Friday, February 14, 2020 or at any adjourned meeting (as the case may be) should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the EGM and/or the H Shareholders' Class Meeting in person or by proxy, you are required to complete and return the reply slips 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 on or before Friday, January 24, 2020. References to time and dates in this circular are to Hong Kong time and dates.

* For identification purpose only

January 21, 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	ordinary shares issued under the A Share Offering by the Company, with a par value of RMB1.00 each and listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange and traded in RMB
“A Share Offering”	the Company’s initial public offering of 17.8 million A Shares and listing on the Sci-Tech Innovation Board of Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders’ Class Meeting”	the 2020 first A Shareholders’ class meeting of the Company to be held on Friday, February 14, 2020 immediately following the conclusion or adjournment of the EGM
“Articles of Association”	the Articles of Association of the Company, as amended, revised or supplemented from time to time
“Board”	the board of Directors of the Company
“Company”	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 PRC with limited liability and its H Shares and A shares are listed on the Hong Kong Stock Exchange (Stock Code: 6826) and the Sci-Tech Innovation Board of the Shanghai Stock Exchange (Stock Code: 688366), respectively
“CSRC”	China Securities Regulatory Commission
“Directors”	directors of the Company
“EGM”	the 2020 first extraordinary general meeting of the Company to be held on Friday, February 14, 2020 at 2:00 p.m.
“H Share(s)”	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

DEFINITIONS

“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	the 2020 first H Shareholders’ class meeting of the Company to be held on Friday, February 14, 2020 immediately following the conclusion or adjournment of the A Shareholders’ Class Meeting
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	the general mandate to be granted to the Board at the EGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting to exercise the power of the Company to repurchase H Shares not exceeding 10% of the total number of the H Shares in issue at the time when the relevant resolution proposed for granting such mandate for repurchasing H Shares is passed at the EGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	A Shareholder(s) and/or H Shareholder(s)
“Sponsoring Institution”	UBS Securities Co. Limited, the sponsor and lead underwriter of the Company’s A Share Offering, who shall continuously monitor the Company’s utilisation of proceeds from the A Share Offering, so as to ensure that the Company will utilise the proceeds in a rational and compliant manner after the completion of A Share Offering

DEFINITIONS

“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“%”	per cent

* *For identification purpose only*

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Hou Yongtai (*Chairman*)
Mr. Wu Jianying (*General manager*)
Ms. Chen Yiyi
Mr. Tang Minjie

Registered office

No. 5 Dongjing Road
Songjiang Industrial Zone
Shanghai, PRC

Non-executive Directors:

Ms. You Jie
Mr. Huang Ming

*Headquarters and principal place of
business in the PRC:*

23/F, WenGuang Plaza
No. 1386 Hongqiao Road
Changning District
Shanghai, PRC

Independent non-executive Directors:

Mr. Chen Huabin
Mr. Shen Hongbo
Mr. Zhu Qin
Mr. Wong Kwan Kit

Principal place of business in Hong Kong:

Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

January 21, 2020

Dear Shareholders,

**(1) UTILISATION OF PART OF THE OVER SUBSCRIPTION PROCEEDS
FROM A SHARE OFFERING FOR PERMANENT REPLENISHMENT OF
WORKING CAPITAL; (2) PURCHASE LIABILITY INSURANCE FOR
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT; AND
(3) PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES**

INTRODUCTION

Reference is made to the announcement of the Company dated December 30, 2019 in relation to, among other things, the Board's resolutions to (i) utilise part of the over subscription proceeds from the A Share Offering for permanent replenishment of working capital; (ii) purchase liability insurance for the Directors, Supervisors and senior management of the Company; and (iii) seek approval from the Shareholders to authorize the Board and any of its authorised persons to deal with all matters in connection with the Repurchase Mandate.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the abovementioned resolutions and the notices of EGM and the H Shareholders' Class Meeting.

ORDINARY RESOLUTIONS:

1. Utilisation of part of the over subscription proceeds from A Share Offering for permanent replenishment of working capital

Overview of fundraising

As approved by the document "Approval in Relation to Registration of the Initial Public Offering of Shanghai Haohai Biological Technology Co., Ltd" (Zheng Jian Xuke [2019] No. 1793) granted by CSRC, the Company was permitted to issue 17,800,000 ordinary shares (A Share) in RMB to the public at an issue price of RMB89.23 per Share. The total amount raised amounted to RMB1,588,294,000. After deducting the issuing expenses, the proceeds amounted to approximately RMB1,529,268,758. The raised funds have been fully received, and have been verified by Ernst & Young Hua Ming LLP (Special General Partnership), which has issued the Capital Verification report (An Yong Hua Ming (2019) Yan Zi No. 60798948_B04). The proceeds are held in dedicated accounts of the Company.

Use of proceeds from the A Share Offering

Details of the use of proceeds from the A Share Offering have been set out in the Company's overseas regulation announcements published on the website of the Hong Kong Stock Exchange dated November 7, 2019 and November 22, 2019, respectively, and are summarized in the table below.

No.	Project Name	Amount of proceeds to be invested (RMB'000)	Amount of utilised proceeds (RMB'000)
1	International Medical Research and Development and Industrialization Project by Shanghai Haohai Biological Technology Co., Ltd.* in Shanghai (上海昊海生科國際醫藥研發及產業化項目)	1,284,130	146,578.985
2	Replenishment of working capital	200,000	—
	Total	1,484,130	146,578.985

LETTER FROM THE BOARD

Plan to utilise part of the over subscription proceeds from the A Share Offering for permanent replenishment of working capital

In order to satisfy the Company's working capital requirements, for more effective utilisation of the proceeds, to reduce financial cost, to further enhance the Company's profitability and to safeguard the interest of the Company and the Shareholders, pursuant to relevant regulations such as the "Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies" and the "Administrative Measures for Raising Proceeds by Companies Listed on the Shanghai Stock Exchange", after taking into account the Company's actual operational needs and its financial conditions, the Company intends to use RMB13,000,000 of the over subscription proceeds from the A Share Offering for permanent replenishment of working capital, mainly as the operating expenses of the Company's principal business (the "**Utilisation Plan**").

An ordinary resolution will be proposed at the EGM to pass the proposal on utilizing part of the over subscription proceeds from the A Share Offering for permanent replenishment of working capital.

Undertakings by the Company

The Company undertakes that the amount under the Utilisation Plan will be utilised for the Company's operating activities relating to the principal business. It will not be used in placing of new shares, share offering or transactions of stocks, derivatives and convertible bonds. The Utilisation Plan does not affect the intended use of proceeds of the A Share Offering and shall not affect the progress of the projects in which the raised funds are intended to be used (the "**Projects**").

The Company undertakes that: (i) the amount under the Utilisation Plan will be utilised for the Company's operating activities relating to the principal business; (ii) the cumulative amount used in every 12 months shall not exceed 30% of the over subscription proceeds; (iii) the Utilisation Plan does not jeopardize the capital requirement of the Projects; and (iv) it will not carry out any high-risk investment or provide financial assistance for third-party entities, within twelve months following the approval of the Utilisation Plan.

Relevant opinions on the Utilisation Plan

Opinions of the independent non-executive Directors

The Company's use of part of the over subscription proceeds from the A Share Offering of RMB13,000,000 for permanent replenishment of working capital is for the Company's actual operational needs. It is conducive to improving effective utilisation of the proceeds and the Company's operating ability, satisfies the Company's strategic development needs and is

LETTER FROM THE BOARD

in the interests of all Shareholders. The utilisation of the over subscription proceeds will not affect the normal progress of the projects in which the raised funds are intended to be used. There will be no disguised change in the application of the proceeds or harm to the interests of the Shareholders.

The subject matter has fulfilled necessary legal procedures, and complies with the requirements of laws, regulations and regulatory documents such as the “Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies” and the “Administrative Measures for Raising Proceeds by Companies Listed on the Shanghai Stock Exchange”.

In view of the above, the independent non-executive Directors of the Company agree with the Company’s use of part of the over subscription proceeds from the A Share Offering of RMB13,000,000 for permanent replenishment of working capital.

Opinions of the Supervisory Committee

The Company’s use of part of the over subscription proceeds from A Share Offering of RMB13,000,000 for permanent replenishment of working capital is for the Company’s actual operational needs. It is conducive to improving effective utilisation of the proceeds and the Company’s operating ability, satisfies the Company’s strategic development needs and is in the interests of all Shareholders. The utilisation of the over subscription proceeds will not affect the normal progress of the projects in which the raised funds are intended to be used. There will be no disguised change in the application of the proceeds or harm to the interests of the Shareholders.

The subject matter has fulfilled necessary legal procedures, and complies with the requirements of laws, regulations and regulatory documents such as the “Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies” and the “Administrative Measures for Raising Proceeds by Companies Listed on the Shanghai Stock Exchange”.

In view of the above, the Supervisory Committee agrees with the Proposal on Utilising Part of the Over Subscription Proceeds for Permanent Replenishment of Working Capital.

Opinions of the Sponsoring Institution

The Company’s use of part of the over subscription proceeds from the A Share Offering for permanent replenishment of working capital was considered and approved by the Board and the Supervisory Committee. Independent non-executive Directors expressed their clear consents to the matter, which has performed necessary legal procedures and shall be submitted to the general meeting of the Company for consideration. The matter complied with the provisions of relevant laws and regulations and the rules of the Shanghai Stock Exchange.

LETTER FROM THE BOARD

The Company's use of part of the over subscription proceeds from A Share Offering for permanent replenishment of working capital complies with relevant provisions, such as the "Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies", the "Administrative Measures for Raising Proceeds by Companies Listed on the Shanghai Stock Exchange (2013 revision)" and the management system of the Company for raising proceeds. There will be no disguised change in the purposes of the proceeds to be applied and the normal implementation of investment plans of the Company using the raised funds will not be affected.

The Company's use of part of the over subscription proceeds for permanent replenishment of working capital is conducive to improving effective utilisation of the proceeds, satisfies the Company's actual operational needs and is in the interests of all Shareholders.

Based on the above opinions, the Sponsoring Institution agrees with the Company's use of part of the over subscription proceeds from the A Share Offering for permanent replenishment of working capital.

2. Purchase liability insurance for Directors, Supervisors and senior management

As provided for in the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules, listed companies should arrange appropriate insurance coverage for potential legal action against its directors. In order to effectively manage the legal and regulatory risks arising from the performance of the duties by the Directors, Supervisors and senior management of the Company, the Company intends to renew liability insurance for its Directors, Supervisors and senior management for a period of one year and with an insurance premium of not more than RMB150,000.

It is also proposed to the general meeting that the Board shall be authorized to appoint an insurer, determine the insurance clauses and execute the relevant agreements and other specific insurance matters within the aforesaid insurance premium limit and the core insurance coverage. It is further proposed to the general meeting that the Board shall be authorized to determine issues relating to the renewal of liability insurance, including but not limited to appointment of an insurer, determination of the insurance clauses and execution of the relevant agreements and other specific insurance matters, for Directors, Supervisors and senior management of the Company with annual insurance premium not more than RMB150,000 upon or before expiry of such agreements.

An ordinary resolution will be proposed at the EGM to pass and authorize the proposed purchase liability insurance for Directors, Supervisors and senior management.

LETTER FROM THE BOARD

SPECIAL RESOLUTION:

3 Proposed General Mandate to repurchase H Shares

The Board proposed to seek approval from the Shareholders for the grant of the Repurchase Mandate to the Board to exercise all the powers of the Company to repurchase H Shares with an aggregate amount not exceeding 10% of the total number of H Shares in issue at the time when the relevant resolution is passed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, in accordance with all applicable laws, regulations, rules and/or requirements of the Hong Kong Stock Exchange or any other relevant governmental or regulatory authorities in the PRC.

The proposed Repurchase Mandate is subject to Shareholders' approval, and a special resolution to consider and approve the proposed Repurchase Mandate will be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

An explanatory statement setting out certain information on the mandate to repurchase H Shares is contained in the Appendix I to this circular.

THE EGM AND THE H SHAREHOLDERS' CLASS MEETING

Notices of the EGM and the H Shareholders' Class Meeting

The EGM will be held at Multi-function Hall, 5/F, Gubei Garden Hotel, No. 1446 Hongqiao Road, Changning District, Shanghai, PRC Friday, February 14, 2020 at 2:00 p.m. while the H Shareholders' Class Meeting will be held at Multi-function Hall, 5/F, Gubei Garden Hotel, No. 1446 Hongqiao Road, Changning District, Shanghai, PRC immediately after the conclusion or adjournment of the A Shareholders' Class Meeting (which will be held immediately after the conclusion or adjournment of the EGM). The notices of the EGM and the H Shareholders' Class Meeting are set out on pages 16 to 24 of this circular.

Closure of register of members

The register of members of H Shares will be closed from Wednesday, January 15, 2020 to Friday, February 14, 2020 (both days inclusive), during which time no transfer of H Shares will be registered. For qualifying to attend and vote at the EGM and the H Shareholders' Class Meeting, the H Shareholders 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 registration at or before 4:30 p.m. on Tuesday, January 14, 2020. H Shareholders whose names appear on the register of members of H Shares on Wednesday, January 15, 2020 will be entitled to attend and vote at the EGM and the H Shareholders' Class Meeting or any adjournment thereof.

LETTER FROM THE BOARD

Reply slip and form of proxy

If you are eligible and intend to attend the EGM and the H Shareholders' Class Meeting, please complete and return the reply slips in accordance with the instructions printed thereon 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 on or before Friday, January 24, 2020.

H Shareholders who intend to attend the EGM and the H Shareholders' Class Meeting by proxy are requested to complete and return the forms of proxy in accordance with the instructions printed thereon as soon as possible and in any event 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 EGM and/or the H Shareholders' Class Meeting or any adjournment thereof (as the case may be) i.e. no later than 2:00 p.m. on Thursday, February 13, 2020. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM and the H Shareholders' Class Meeting or any adjournment thereof should you so wish.

Voting by poll

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, resolutions to be proposed at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM and the H Shareholders' Class Meeting will therefore demand a poll for every resolution put to the vote at the EGM and the H Shareholders' Class Meeting. Save as disclosed in this circular, no Shareholder has a material interest in the matters to be approved and therefore no Shareholder is required to abstain from voting in respect of such resolutions. On a poll, every H Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each H Share registered in his or her name in the register of members of the Company. A H Shareholder who is entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) considers that all resolutions set out in the notices of the EGM and the H Shareholders' Class Meeting for the Shareholders' consideration and approval are in the best interests of the Company and the Shareholders as a whole. As such, the Directors recommends the Shareholders to vote in favor of all the resolutions set out in the notices of the EGM and the H Shareholders' Class Meeting which are to be proposed at the EGM and the H Shareholders' Class Meeting.

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

* *For identification purpose only*

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 EGM, 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 December 27, 2019 (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 EGM and the Class Meetings, respectively, the Board will be granted the Repurchase Mandate until the earlier of (a) the conclusion of the 2019 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 EGM 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 H Shares in issue as at the date of passing the relevant special resolution at the EGM 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, 2018) 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
December	42.950	34.050
2019		
January	41.950	35.600
February	49.000	38.000
March	53.700	47.050
April	61.800	49.800
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 (up to the Latest Practicable Date)	46.800	43.150

Shares Repurchased by the Company

No purchase of Shares has been made by the Company during the six months prior to the Latest Practicable Date (whether on the Hong Kong Stock Exchange or other stock exchanges). If the public float is less than 25% of the issued Shares, the Company will not repurchase its own Shares.

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 Hong Kong 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 EGM 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 EGM 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 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 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 上海湛溪企業管理合夥企業(有限合夥) (Shanghai Zhanxe 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.

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

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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)

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 first extraordinary general meeting (the “EGM”) of Shanghai Haohai Biological Technology Co., Ltd.* (the “**Company**”) will be held at Multi-function Hall, 5/F, Gubei Garden Hotel, No. 1446 Hongqiao Road, Changning District, Shanghai, PRC on Friday, February 14, 2020 at 2:00 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 December 30, 2019.

Ordinary Resolutions

1. To consider and approve the proposal on utilization of part of the over subscription proceeds for permanent replenishment of working capital.
2. To consider and approve the proposed liability insurance for Directors, Supervisors and senior management of the Company.

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

Special Resolution

3. 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 number of the H Shares in issue at the time when this resolution is passed at the EGM 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 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 PRC Company Law 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 2019 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,

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL 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, PRC
December 30, 2019

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*

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

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

In order to determine the H shareholders who are entitled to attend the EGM, the register of members of H shares of the Company will be closed from Wednesday, January 15, 2020 to Friday, February 14, 2020 (both days inclusive), during which time no transfer of H shares will be registered. For qualifying to attend and vote at the EGM, 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 Tuesday, January 14, 2020. H Shareholders of the Company whose names appear on the register of members of the Company on Wednesday, January 15, 2020 will be entitled to attend and vote at the EGM or any adjournment thereof.

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

2. Proxy

- (1) Each shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote at the EGM on his behalf. A proxy need not be a shareholder of the Company.
- (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 EGM or any adjournment thereof (as the case may be), i.e. not later than 2:00 p.m. on Thursday, February 13, 2020. Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so.

3. Registration procedures for attending the EGM

- (1) A shareholder or his proxy should present proof of identity when attending the EGM. 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 EGM 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 EGM in person or by their proxies should complete and return the reply slip for attending the EGM 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 Friday, January 24, 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 EGM

All voting at the EGM will be conducted by poll.

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

5. Miscellaneous

- (1) The EGM is expected to take no more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.
- (2) The address and contact details of the Company's H Share registrar 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.

NOTICE OF 2020 FIRST H SHAREHOLDERS' CLASS MEETING

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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)

NOTICE OF 2020 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2020 first H shareholders' class meeting (the "**H Shareholders' Class Meeting**") of Shanghai Haohai Biological Technology Co., Ltd.* (the "**Company**") will be held on Friday, February 14, 2020 immediately after the conclusion or adjournment of 2020 first extraordinary general meeting and 2020 first A shareholders' class meeting of the Company to be held on the same date at Multi-function Hall, 5/F, Gubei Garden Hotel, No. 1446 Hongqiao Road, Changning District, Shanghai, PRC 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 December 30, 2019.

SPECIAL RESOLUTION

1. 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 number of the H Shares in issue at the time when this resolution is passed at the EGM 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 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

NOTICE OF 2020 FIRST H SHAREHOLDERS' CLASS MEETING

- (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 PRC Company Law 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 relevant statutory registrations and filling 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 2019 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
Shanghai Haohai Biological Technology Co., Ltd.*
Hou Yongtai
Chairman

Shanghai, PRC
December 30, 2019

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

NOTICE OF 2020 FIRST H SHAREHOLDERS' CLASS MEETING

Notes:

1. Eligibility for attending and voting at the H Shareholders' Class Meeting and date of registration of members for H shares

In order to determine the holders of H shares (the "H Shareholders") who are entitled to attend the H Shareholders' Class Meeting, the register of members of H shares of the Company will be closed from Wednesday, January 15, 2020 to Friday, February 14, 2020 (both days inclusive), during which time no transfer of H shares will be registered.

For qualifying to attend and vote at the H Shareholders' Class Meeting, the H Shareholders whose transfers have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration at or before 4:30 p.m. on Tuesday, January 14, 2020.

H Shareholders whose names appear on the register of members of H shares of the Company on Wednesday, January 15, 2020 will be entitled to attend and vote at the H Shareholders' Class Meeting or any adjournment thereof.

2. Proxy

- (1) Each H Shareholder entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. A proxy need not be a shareholder of the Company.
- (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 H Shareholders' Class Meeting or any adjournment thereof (as the case may be) i.e. no later than 2:00 p.m. on Thursday, February 13, 2020. Completion and return of the proxy will not preclude shareholders from attending and vote at the meeting should they wish to do so.

3. Registration procedures for attending the H Shareholders' Class Meeting

- (1) A H Shareholder or his proxy should present proof of identity when attending the H Shareholders' Class Meeting. If a H 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 H Shareholders' Class Meeting 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) H Shareholders of the Company intending to attend the H Shareholders' Class Meeting in person or by their proxies should complete and return the reply slip for attending the H Shareholders' Class Meeting 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 on or before Friday, January 24, 2020.
- (3) A H Shareholder may return the above reply slip in person, by post or by facsimile to the office of Computershare Hong Kong Investor Services Limited.

4. Voting method at the H Shareholders' Class Meeting

All voting at the H Shareholders' Class Meeting will be conducted by poll.

NOTICE OF 2020 FIRST H SHAREHOLDERS' CLASS MEETING

5. Miscellaneous

- (1) The H Shareholders' Class Meeting is expected to take no more than half a day. Shareholders who attend the H Shareholders' Class Meeting shall bear their own travelling and accommodation expenses.
- (2) The address and contact details of the Company's H share registrar is:

17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990/(852) 2529 6087
- (3) A circular setting out further details of the resolutions will be dispatched and published by the Company in due course.