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Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 6826)

ANNOUNCEMENT IN RELATION TO ADJUSTMENT TO THE GRANT PRICE UNDER THE 2021 RESTRICTED A SHARE INCENTIVE SCHEME

References are made to the announcements dated 29 December 2021 and 11 March 2022 of Shanghai Haohai Biological Technology Co., Ltd.* (the “**Company**”) as well as the circular of the Company dated 15 February 2022 (the “**Circular**”) in relation to, among others, the adoption of 2021 Restricted A Share Incentive Scheme of the Company, which became effective on 7 March 2022. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meaning as those defined in the Circular.

On 29 December 2021, the Board approved the resolutions in relation to the adoption of the Incentive Scheme and the proposed issue and grant of new A Shares under the Incentive Scheme pursuant to the Specific Mandate. The proposed Incentive Scheme was approved by the Shareholders by way of special resolutions at the EGM and the Class Meetings held on 7 March 2022.

On 11 March 2022, 1,440,000 Restricted Shares were granted to 204 Participants (including the Connected Participants) at the Grant Price of RMB95.00 per A Share under the First Grant.

On 16 November 2022, the Company convened the fifth meeting of the fifth session of the Board, considered and approved the resolution on adjustment of the Grant Price of the Restricted Shares under the Incentive Scheme. Given that the dividend distribution of A Shares of the Company for the year ended 31 December 2021 had been completed, the Company adjusted the Grant Price of the Restricted Shares under the Incentive Scheme, pursuant to the relevant provisions of Incentive Scheme. The Grant Price upon adjustment is RMB94.30 per A Share.

I. THE ADJUSTMENT TO THE GRANT PRICE

According to the Company's dividend distribution plan for the year ended 31 December 2021, a cash dividend of RMB0.70 (tax inclusive) per share has been distributed to all shareholders based on the total share capital on the record date for the dividend distribution. According to the relevant provisions of the Incentive Scheme, the Company proposes to adjust the Grant Price of the First Grant and the Reserved Grant, details of which are as follows:

According to the relevant provisions of the Incentive Scheme, in the event of dividend distribution of the Company during the period from the date of announcing the Incentive Scheme to the completion of attribution registration of the Restricted Shares by the Participants, the Grant Price shall be adjusted accordingly. The method of adjustment for dividend distribution is as follows:

$$P = P_0 - V = 95.00 - 0.70 = 94.30$$

Where:

P_0 represents the Grant Price before adjustment;

V represents the dividend per share;

P represents the adjusted Grant Price. P shall be greater than 1 after the dividend distribution.

Accordingly, the Grant Price under the First Grant and the Reserved Grant is currently adjusted from RMB95.00 per share to RMB94.30 per share.

II. IMPACT OF ADJUSTMENT OF THE GRANT PRICE ON THE COMPANY

The adjustment to the Grant Price of the Restricted Shares will not have any material impact on the Company’s financial position and operating results.

III. OPINION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors consider that the adjustment to the Grant Price is in compliance with the relevant requirements under the laws, regulations and regulatory documents including the Management Measures and the Incentive Scheme, and the decision-making procedures were legitimate and effective without any prejudice to the interests of the Company and its Shareholders. Therefore, the adjustment to the Grant Price of the Restricted Shares from RMB95.00 per share to RMB94.30 per share has been agreed.

IV. OPINION OF THE BOARD OF SUPERVISORS

The Board of Supervisors is of the view that the Board adjusted the Grant Price of the Restricted Shares under the authorisation of the EGM and the Class Meetings through legitimate and valid approval procedures, which are in compliance with the relevant requirements under the laws, regulations and regulatory documents including the Management Measures and the Incentive Scheme without any prejudice to the interests of the Company and its Shareholders. Therefore, the adjustment to the Grant Price of the Restricted Shares from RMB95.00 per share to RMB94.30 per share has been agreed.

V. CONCLUSIVE VIEW OF THE LEGAL OPINION

Allbright Law Offices, the Company's legal advisor as to the PRC laws, considers that as of the issuing date of the PRC legal opinion, the Company has obtained the necessary approval and authorization in respect of the adjustment to the Grant Price under the Incentive Scheme at the current stage. The adjustment to the Grant Price is in accordance with the relevant requirements under the laws, regulations and regulatory documents including the PRC Company Law, the PRC Securities Law, the Management Measures, the STAR Market Listing Rules and the Incentive Scheme. The Company has fulfilled the necessary information disclosure obligation at the current stage in accordance with the Management Measures, the STAR Market Listing Rules, the Self-regulatory Guide of Companies Listed on the STAR Market No. 4 – Information Disclosure on Equity Incentives (《科創板上市公司自律監管指南第 4 號 – 股權激勵信息披露》) and the Incentive Scheme, and is still required to meet the subsequent information disclosure obligation in accordance with laws, regulations and regulatory documents with the implementation of the Incentive Scheme.

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

Shanghai, the PRC, 16 November 2022

As at the date of this announcement, 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. Guo Yongqing, Mr. Jiang Zhihong, Mr. Su Zhi, Mr. Yang Yushe and Mr. Zhao Lei.

* *For identification purpose only*