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**深圳市海王英特龍生物技術股份有限公司**  
**SHENZHEN NEPTUNUS INTERLONG BIO-TECHNIQUE COMPANY LIMITED\***  
*(a joint stock limited company incorporated in the People's Republic of China)*  
**(Stock Code: 8329)**

**DISCLOSEABLE TRANSACTION –  
ACQUISITION OF 51% EQUITY INTEREST IN  
THE TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that on 22 April 2021 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Sellers entered into the Equity Transfer Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Sellers conditionally agreed to dispose of 51% equity interest in the Target Company at the consideration of RMB76,500,000 (equivalent to approximately HK\$91,071,428.57). Upon completion of the Acquisition, the Target Company will become a non-wholly owned subsidiary of the Company.

**IMPLICATIONS OF THE GEM LISTING RULES**

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from Shareholder's approval requirement pursuant to Chapter 19 of the GEM Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 22 April 2021 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Sellers entered into the Equity Transfer Agreement pursuant to which the Purchaser conditionally agreed to acquire and the Sellers conditionally agreed to dispose of 51% equity interest in the Target Company at the consideration of RMB76,500,000 (equivalent to approximately HK\$91,071,428.57).

# THE EQUITY TRANSFER AGREEMENT

## Date

22 April 2021 (after trading hours)

## Parties

- (i) Shenzhen Neptunus Changjian Pharmaceutical Company Limited\* (深圳海王長健醫藥有限公司), a wholly-owned subsidiary of the Company, as Purchaser;
- (ii) Shi Xinlong\* (史新龍), as the First Seller;
- (iii) Shi Nannan\* (史楠楠), as the Second Seller; and
- (iv) Shi Qian\* (史倩), as the Third Seller.

## The Acquisition

As at the date of the announcement, the First Seller, Second Seller and the Third Seller respectively owns 90%, 5% and 5% of the equity interest in the Target Company.

Pursuant to the Equity Transfer Agreement, the Purchaser conditionally agreed to acquire, and the Sellers conditionally agreed to dispose of 51% equity interest in the Target Company at the consideration of RMB76,500,000 (equivalent to approximately HK\$91,071,428.57). Among the Sellers, the First Seller agreed to sell his 41%, the Second Seller agreed to sell all her 5% and the Third Seller agreed to sell all her 5% of the equity interest in the Target Company.

## Consideration

The consideration of RMB76,500,000 (equivalent to approximately HK\$91,071,428.57) was determined based on the arm's length negotiation between the Purchaser and Sellers on normal commercial terms with reference to (i) the unaudited net asset value of the Target Company as at 31 December 2020; (ii) the valuation of the Target Company performed by a qualified independent valuer in Hong Kong based on the market approach, which is approximately RMB156,000,000 (approximately HK\$185,714,285.71) as at 31 December 2020; and (iii) the business development opportunity and prospects of the Target Company.

The consideration shall be paid by the Purchaser to the Sellers in cash in three instalments. The first instalment of RMB45,900,000 (equivalent to approximately HK\$54,642,857.14) shall be paid within 10 days after the completion date of the Equity Transfer Agreement, the second instalment of RMB15,300,000 (equivalent to approximately HK\$18,214,285.71) shall be paid within 60 days after the completion date of the Equity Transfer Agreement and the third instalment of RMB15,300,000 (equivalent to approximately HK\$18,214,285.71) shall be paid within the year of 2021. Since the Purchaser has paid an investment intention deposit of RMB15,000,000 (equivalent to approximately HK\$17,857,142.86) to the First Seller and the deposit will form part of the first instalment, accordingly, the remaining amount of the first instalment payable to the Sellers by the Purchaser is RMB30,900,000 (equivalent to approximately HK\$36,785,714.29).

### **Conditions Precedent**

Completion is conditional upon each of the following conditions being satisfied or waived in writing by the Purchaser on or before 31 August 2021:

- (a) the Purchaser having completed its due diligence review on the Target Company (including but not limited to legal and financial due diligence) and being satisfied with the results thereof;
- (b) the directors and shareholders of the Target Company having approved the Equity Transfer Agreement and the transactions contemplated therein;
- (c) the representations and warranties provided by the Sellers under the Equity Transfer Agreement remaining true, accurate and not misleading in all material respects from the date of signing of the Equity Transfer Agreement up to the date of completion;
- (d) from the date of signing of the Equity Transfer Agreement up to the date of completion, (i) there having been no material adverse change in relation to the Target Company and the equity interest in the Target Company; and (ii) no facts or circumstances having arisen which are expected to adversely affect the Purchaser's decision to acquire the 51% equity interest in the Target Company; and
- (e) all necessary consents by third parties (including but not limited to any relevant government or regulatory departments), approvals, licences, registration or certifications under the Equity Transfer Agreement and any other relevant transactions, have been obtained or completed to the satisfaction of the Purchaser.

### **Completion**

Completion is subject to the fulfilment or waiver by the Purchaser and the Sellers (as the case may be and to the extent it is capable of being waived) of all the above conditions precedents and shall take place after completion of the relevant industrial and commercial registration procedures and obtaining of the new business licence of the Target Company.

Upon completion of the Acquisition, the Purchaser will own 51% equity interest in the Target Company, whereas the First Seller will own the remaining 49% of the equity interest in the Target Company, and each of the Second Seller and the Third Seller will no longer have any equity interest in the Target Company. As such, the Target Company will become a non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

### **Commitment to Compensate Net Assets**

In the event that the net assets of the Target Company fall below the unaudited amount on the date of completion of the Acquisition, the Sellers shall compensate the Purchaser with the shortfall payable in cash at an 8% interest rate per annum.

### **Termination**

If the completion of the Acquisition fails to take place due to the default of the Sellers (including but not limited to the satisfaction of the Conditions), the Purchaser shall have the right to terminate the Equity Transfer Agreement.

### **INFORMATION ON THE GROUP AND THE PURCHASER**

The Group is principally engaged in the research and development, production and sales of medicines, and the purchase and sales of medicines and healthcare food products.

The Purchaser is a limited liability company established under the laws of the PRC and is a wholly-owned subsidiary of the Company. The Purchaser is principally engaged in the business of sales and distribution of drugs, health supplements and food products.

### **INFORMATION ON THE TARGET COMPANY AND THE SELLERS**

As at the date of the announcement, the First Seller, Second Seller and the Third Seller respectively owns 90%, 5% and 5% of the equity interest in the Target Company. To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, each of the Sellers is a PRC resident and Independent Third Party.

The Target Company is a company incorporated in the PRC with limited liability, is principally engaged in the manufacturing of oral solid preparation (口服固體製劑).

Set out below are the unaudited financial information of the Target Company for the years ended 31 December 2019 and 2020.

	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2020</b>
	<i>RMB</i>	<i>RMB</i>
	(Unaudited)	(Unaudited)
Profit/(loss) before tax	(17,532,295.46)	(2,375,602.02)
Profit/(loss) after tax	(17,532,295.46)	(2,375,602.02)

As at 31 December 2020, the unaudited total asset and net assets of the Target Company amounted to approximately RMB177,002,306.46 and RMB(63,337,102.69), respectively.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company principally engages in the research and development, manufacturing and selling of medicines, and the purchase and sales of medicines and healthcare food products in the PRC.

The Target Company has decades of experience in developing and manufacturing medicine and is currently a manufacturer of medicine in the PRC. The Board views that by acquiring the Target Company, the Group will be able to strengthen, expand and diversify its business in developing and manufacturing medicines in the PRC.

The Board is of the view that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder, which have been agreed after arm's length negotiations, are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from Shareholder's approval requirement pursuant to Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of a 51% equity interest in the Target Company by the Purchaser in accordance with the terms and conditions of the Equity Transfer Agreement;
“Board”	the board of Directors;
“Company”	Shenzhen Neptunus Interlong Bio-Technique Company Limited* (深圳市海王英特龍生物技術股份有限公司), a joint stock limited company incorporated in the PRC whose H shares are listed on GEM (Stock Code: 8329);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“Domestic Share(s)”	ordinary share(s) of nominal value of RMB0.10 each in the issued share capital of the Company which are subscribed for or credited as paid up in RMB;
“Equity Transfer Agreement”	the equity transfer agreement dated 22 April 2021 entered between the Purchaser and the Sellers in respect of the acquisition of 51% equity interest in the Target Company;
“First Seller”	Shi Xinlong* (史新龍), an Independent Third Party;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“H Share(s)”	ordinary share(s) of nominal value of RMB0.10 each in the issued share capital of the Company which are listed and traded on GEM;
“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the GEM Listing Rules);
“PRC”	The People’s Republic of China;

“Purchaser”	Shenzhen Neptunus Changjian Pharmaceutical Company Limited (深圳海王長健醫藥有限公司), a limited liability company established under the laws of the PRC which is wholly-owned by the Company;
“RMB”	Renminbi;
“Second Seller”	Shi Nannan* (史楠楠), an Independent Third Party;
“Sellers”	the First Seller, Second Seller and the Third Seller;
“Share(s)”	the Domestic Shares and the H Shares;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Beijing Zhongxin Pharmaceutical Co., Ltd.* (北京中新藥業股份有限公司), a limited liability company incorporated in the PRC and is owned as to 90%, 5% and 5% by the First Seller, Second Seller and Third Seller, respectively, as at the date of this announcement;
“Third Seller”	Shi Qian* (史倩), an Independent Third Party
“%”	percentage

*Translation of RMB into HK\$ in this announcement is based on the exchange rate of HK\$1 = RMB0.84. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.*

By order of the Board  
**Shenzhen Neptunus Interlong Bio-technique Company Limited\***  
**Zhang Feng**  
*Chairman*

Shenzhen, the PRC, 22 April 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Feng and Mr. Huang Jian Bo; the non-executive Directors are Mr. Zhang Yi Fei, Ms. Yu Lin, Mr. Shen Da Kai and Mr. Xu Yan He; and the independent non-executive Directors are Mr. Yick Wing Fat, Simon, Mr. Poon Ka Yeung and Mr. Zhang Jian Zhou.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from its date of publication and on the Company’s website at [www.interlong.com](http://www.interlong.com).*

*\* For identification purpose only*