



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)

**ANNOUNCEMENT ON THE FIRST QUARTERLY RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
(THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “Directors”) of Shenzhen Neptunus Interlong Bio-technique Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

\* For identification purpose only

## QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “Board”) of the Company is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2023 (the “Reporting Period”), together with the unaudited comparative figures for the corresponding period of 2022.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

*For the three months ended 31 March 2023*

	<i>Note</i>	For the three months ended	
		31 March 2023 (Unaudited) <i>RMB'000</i>	2022 (Unaudited) <i>RMB'000</i>
<b>Revenue</b>	3	<b>299,718</b>	215,698
Cost of Sales		<u>(158,915)</u>	<u>(118,155)</u>
<b>Gross profit</b>		<b>140,803</b>	97,543
Other revenue	3	<b>3,167</b>	2,256
Other net income	3	<b>314</b>	758
Selling and distribution expenses		<b>(87,457)</b>	(53,440)
Administrative expenses		<b>(22,959)</b>	(22,364)
Other operating expenses		<u>(9,955)</u>	<u>(8,261)</u>
<b>Profit from operations</b>		<b>23,913</b>	16,492

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)**

*For the three months ended 31 March 2023*

		<b>For the three months ended</b>	
		<b>31 March</b>	
		<b>2023</b>	2022
		<b>(Unaudited)</b>	(Unaudited)
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
Finance costs	4	<u>(1,604)</u>	<u>(1,650)</u>
<b>Profit before taxation</b>	4	<b>22,309</b>	14,842
Income tax expense	5	<u>(3,111)</u>	<u>(3,334)</u>
<b>Profit and total comprehensive income for the period</b>		<b><u>19,198</u></b>	<b><u>11,508</u></b>
<b>Profit and total comprehensive income for the period attributable to:</b>			
Owners of the Company		16,264	10,541
Non-controlling interests		<u>2,934</u>	<u>967</u>
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>			
Basic and diluted	7	<b><u>RMB0.97 cents</u></b>	<b><u>RMB0.63 cents</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

*For the three months ended 31 March 2023*

	Attributable to owners of the Company							Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve fund	Retained earnings	Sub-total	Non- controlling interests	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
At 1 January 2022 (Audited)	167,800	554,844	(188,494)	49,611	245,935	829,696	114,704	944,400
<b>Change in equity for 2022</b>								
Profit and other comprehensive income for the period	—	—	—	—	10,541	10,541	967	11,508
<b>At 31 March 2022 (Unaudited)</b>	<b><u>167,800</u></b>	<b><u>554,844</u></b>	<b><u>(188,494)</u></b>	<b><u>49,611</u></b>	<b><u>256,476</u></b>	<b><u>840,237</u></b>	<b><u>115,671</u></b>	<b><u>955,908</u></b>
At 1 January 2023 (Audited)	<b>167,800</b>	<b>554,844</b>	<b>(188,494)</b>	<b>51,082</b>	<b>298,810</b>	<b>884,042</b>	<b>121,262</b>	<b>1,005,304</b>
<b>Change in equity for 2023</b>								
Profit and other comprehensive income for the period	—	—	—	—	16,264	16,264	2,934	19,198
<b>At 31 March 2023 (Unaudited)</b>	<b><u>167,800</u></b>	<b><u>554,844</u></b>	<b><u>(188,494)</u></b>	<b><u>51,082</u></b>	<b><u>315,074</u></b>	<b><u>900,306</u></b>	<b><u>124,196</u></b>	<b><u>1,024,502</u></b>

# **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the three months ended 31 March 2023*

## **1. CORPORATE INFORMATION**

The Company is a joint stock limited company registered in the People's Republic of China (the "PRC"). The registered office of the Company is located at Suite 1702, Neptunus Yinhe Technology Mansion, 1 Keji Middle 3rd Road, Maling Community, Yuehai Sub-district, Nanshan District, Shenzhen, the PRC.

## **2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements for the three months ended 31 March 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and applicable disclosure requirements of the GEM Listing Rules.

The accounting policies adopted in the preparation of these unaudited condensed consolidated financial statements are consistent with those adopted for the preparation of annual financial statements for the year ended 31 December 2022 except for changes in accounting policies, if required, in adopting new or revised HKFRSs and interpretations that are first effective for accounting periods beginning on or after 1 January 2023. These unaudited condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2022.

This unaudited condensed consolidated financial information for the 3 months ended 31 March 2023 comprise the Company and its subsidiaries. The measurement basis used in the preparation of these financial statements is on a historical cost basis. These financial statements are presented in Renminbi ("RMB"), and it is also the functional currency of the Company. All amounts are rounded to the nearest thousand except where otherwise indicated.

These condensed consolidated financial statements of quarterly financial information are unaudited.

### 3. REVENUE AND OTHER REVENUE

Revenue arises mainly from manufacturing and selling of medicines and healthcare products.

	For the three months ended 31 March	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>Revenue</b>		
Manufacturing and selling of medicines	216,653	150,703
Sales and distribution of medicines and healthcare products	<u>83,065</u>	<u>64,995</u>
	<b><u>299,718</u></b>	<b><u>215,698</u></b>
	For the three months ended 31 March	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>Other revenue</b>		
Interest income from bank deposits	1,734	1,403
Government subsidies		
– released from deferred revenue	100	100
– directly recognised in profit or loss	1,178	646
Others	<u>155</u>	<u>107</u>
	<b><u>3,167</u></b>	<b><u>2,256</u></b>
<b>Other net income</b>		
Reversal of write-down of inventories	176	58
Reversal of impairment loss	57	700
Gain on disposal of property, plant and equipment	<u>81</u>	<u>–</u>
	<b><u>314</u></b>	<b><u>758</u></b>

#### 4. PROFIT BEFORE TAXATION

Profit before taxation is arrived after deducting the following:

	For the three months ended	
	31 March	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<b>(a) Finance costs</b>		
Interest on bank loans	1,551	1,637
Interest on lease liabilities	53	13
	<u>1,604</u>	<u>1,650</u>
<b>(b) Staff costs (including directors' emoluments)</b>		
Salaries, wages and other benefits	32,588	31,858
Contributions to defined contribution retirement plan	5,690	5,543
	<u>38,278</u>	<u>37,401</u>
<b>(c) Other items</b>		
Depreciation of right-of-use assets	1,606	1,272
Amortisation of intangible assets*	1,193	1,187
Depreciation of property, plant and equipment	5,911	5,764
Impairment of :		
– trade receivables*	1,179	47
Write-down of inventories*	(40)	28
Loss on disposal of property, plant and equipment*	51	2
Auditor's non-audit services remuneration	173	140
Lease charges :		
– Short term leases	686	2,088
Cost of inventories	154,810	115,376
Research and development cost*	7,319	6,897

\* These amounts are included in “Other operating expenses” presented in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

## 5. INCOME TAX

Income tax in the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the three months ended	
	31 March	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for PRC Enterprise Income Tax ("EIT")	3,413	3,219
<b>Deferred tax</b>		
Reversal of temporary differences	<u>(302)</u>	<u>(114)</u>
	<b><u>3,111</u></b>	<b><u>3,105</u></b>

Hong Kong profits tax has not been provided for as the Group had no assessable profit to Hong Kong Profits Tax during the Reporting Period (for the three months ended 31 March 2022: Nil).

For the three months ended 31 March 2023, 3 subsidiaries of the Group established in the PRC are qualified as high technology enterprises. In accordance with the applicable Enterprise Income Tax Law of the PRC, these subsidiaries are subject to the PRC EIT at a preferential rate of 15% (For the three months ended 31 March 2022: 3 subsidiaries).

The Company and other PRC subsidiaries are subject to the PRC EIT at a rate of 25% for the three months ended 31 March 2023 and 2022.

## 6. DIVIDENDS

The Board does not recommend the payment of any dividend for the Reporting Period (2022: Nil).

## 7. EARNINGS PER SHARE

### Basic earnings per share

During the Reporting Period, the calculation of basic earnings per share was based on the unaudited profit attributable to owners of the Company of approximately RMB16,264,000 (for the three months ended 31 March 2022: approximately RMB10,541,000) and the weighted average number of 1,678,000,000 ordinary shares in issue for the Reporting Period (for the three months ended 31 March 2022: the weighted average number of 1,678,000,000 ordinary shares in issue).

### Diluted earnings per share

Diluted earnings per share for the three months ended 31 March 2023 and 2022 equals to basic earnings per share because there were no potential dilutive ordinary shares outstanding during these periods.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the Reporting Period, the Group was principally engaged in the research and development, manufacturing and selling of medicines and medical devices, and the purchase and sales of medicines and healthcare food products in the PRC. The medicines being sold by the Group mainly cover several therapeutic areas which are oncology, cardiovascular system, respiratory system, digestive system and mental disorders.

#### **Research and Development, Manufacturing and Selling of Medicines and Medical Devices**

The Group has two pharmaceutical production bases, which are respectively located in Jin'an District, Fuzhou, Fujian Province, the PRC ("Fuzhou Production Base") and Miyun Economic Development Zone, Beijing City, the PRC ("Beijing Production Base"). The Fuzhou Production Base possesses 366 Guo Yao Zhun Zi approval documents for Chinese medicines (including more than a dozen of dosage forms such as tablets, capsules, granules, oral solutions and tinctures) and chemical medicines (which include various dosage forms namely tablets, capsules, granules, small volume injections and large volume injections) in total, of which 235 varieties are included in the "Catalogue of Drugs for Basic National Medical Insurance" (國家基本醫療保險藥品目錄), and 146 products are included in the "National Essential Drug List" (國家基本藥品目錄). In addition, the Fuzhou Production Base is the only narcotic production base in Fujian Province designated by the State. The Beijing Production Base mainly produces chemical medicines (tablets, hard capsules and powders) and holds 137 Guo Yao Zhun Zi approval documents, of which 89 products are included in the "Catalogue of Drugs for Basic National Medical Insurance" (國家基本醫療保險藥品目錄) and 60 products are included in the "National Essential Drug List" (國家基本藥品目錄).

The Group's research and development work mainly fulfills the internal development demands of the Group through conducting independent research and development and cooperation with external research and development institutions. Three pharmaceutical manufacturing subsidiaries of the Company are recognized as high-tech enterprises and all of them are entitled to enjoy preferential corporate income tax treatment for high-tech enterprises. Over the Reporting Periods, the Group has consistently promoted its research and development innovation strategy and continued to invest in the consistency evaluation of generic medicine and the research and development of new medicines. Currently, the Group owns a total of 35 patents for inventions. In respect of consistency evaluation, four of the Group's products have passed the consistency evaluation, including Sodium Bicarbonate Tablets (碳酸氫鈉片), Norfloxacin Capsules (諾氟沙星膠囊), Metformin Hydrochloride Tablets (鹽酸二甲雙胍片) and Propranolol Hydrochloride Tablets (鹽酸普萘洛爾片). The consistency evaluation of several other products is being carried out in an orderly manner, including Vitamin B6 Tablets (維生素 B6片), which evaluation have been completed and are still pending approval, and Vitamin B1 Tablets (維生素 B1片), which have completed the pilot test for consistency evaluation and methodological transfer of quality standards. In the aspect of research and development of new medicines, Doxofylline Injection (多索茶碱注射液), which was commissioned by the Company's pharmaceutical subsidiary, has been approved

and its supplementary application for change of quality standard is currently under review. Concentrated Sodium Potassium Magnesium Calcium Injection (鈉鎂鉀鈣注射用濃溶液) has also obtain approval. The Group also possesses various new drugs and exclusive products with self-owned intellectual property rights, including Tegafur, Gimeracil and Oteracil Potassium Tablets (the “TGOP Tablets” or 替吉奧片, a drug for anti-gastric cancer), Xiaozheng Yigan Tablets (消症益肝片, an anti-liver-cancer drug), Proteoglycan Tablets (多糖蛋白片, for enhancing the immune system), Biyuan Capsules (鼻淵膠囊, an anti-rhinitis medicine), Amaranth Berberine Capsules (莧菜黃連素膠囊, a drug for acute diarrhea), Disodium Glycyrrhizinate (甘草酸二鈉, a drug for anti-inflammatory and liver protection), Spironolactone Tablets (螺內酯片, a drug for auxiliary diuresis), Ligustrazine Phosphate Tablets (磷酸川芎嗪片, a drug for ischemic cerebrovascular disease), Pre-filled Catheter Flusher (預充式導管沖洗器, a Class III medical device) and HTK Myocardial Protection Cardioplegic Solution (HTK 心肌保護停跳液, a Class III medical device).

During the Reporting Period, the pharmaceutical industry continued to undergo accelerated changes and restructuring, with the new healthcare reform policies tending to diversify and normalise, and the survival and development of pharmaceutical companies gradually stabilized under the dual test of challenges and opportunities. Two pharmaceutical subsidiaries of the Group located in Fuzhou kept adapting and improving their production, product quality, sales, inventory and prices under the established strategy, which ensured steady business development while made a big contribution to the profit of the Group. On the other hand, Beijing Neptunus Zhongxin Pharmaceutical Co., Ltd.\* (北京海王中新藥業股份有限公司, “Neptunus Zhongxin”), a pharmaceutical subsidiary of the Group located in Beijing, was still striving to improve its corporate governance after joining the Group. It has been endeavoring to reduce cost, enhance efficiency and refine its risk control system, in order to turn loss into profit as soon as possible. During the Reporting Period, sales of medicines of the pharmaceutical subsidiaries of the Group grew rapidly in a short time because of the subsequent effect of the breakout of Covid-19, resulting in a big year-on-year growth in business performance.

### **Purchase and Sales of Medicines and Healthcare Food Products**

Currently, the main products distributed and sold by the Group are medicines and healthcare food products manufactured by the Group and its parent company group, which include the well-known product series of the Neptunus Ginkgo Leaves Tablets (海王銀杏葉片) and Neptunus Jinzun (海王金樽). Such products are mainly distributed to the end medical institutions through professional sales promotion companies and to the end users through large and medium-sized chain pharmacies.

In order to stabilize its business and safeguard its long-term development, the Group’s medicines and healthcare food products segment focused on integrated planning and timely adjusted its sales strategies, focusing on the sales of key products and vigorously developing the health food products market to actively drive its performance recovery. During the Reporting Period, sales of medicines of the segment increased significantly in a short time due to the subsequent effect of the breakout of Covid-19 and the segment achieved big increase in business performance on year-on-year basis.

## FINANCIAL REVIEW

The Group's revenue for the Reporting Period was approximately RMB299,718,000, representing an increase of approximately 38.95% from approximately RMB215,698,000 for the corresponding period of last year. In relation to the Group's revenue, approximately RMB216,653,000, which amounted to approximately 72.29% of the Group's total revenue, was derived from the manufacturing and selling of medicines segment, while approximately RMB83,065,000, which amounted to approximately 27.71% of the Group's total revenue, was derived from the sales and distribution of medicines and healthcare products segment. During the Reporting Period, the Group's revenue from the manufacturing and selling of medicines segment increased by approximately 43.76% as compared with the corresponding period of last year, while the revenue of the sales and distribution of medicines and healthcare products segment increased by approximately 27.80%. Therefore, there was an overall increase in the total revenue of the Group.

During the Reporting Period, the Group's gross profit margin was approximately 47%, representing an increase of approximately 2 percentage points from approximately 45% for the corresponding period of last year. The increase in gross profit margin was mainly because the sales of the products with high gross profit margin increased due to the impact of Covid-19 during the Reporting Period.

The Group's gross profit during the Reporting Period was approximately RMB140,803,000, representing an increase of approximately 44.35% from approximately RMB97,543,000 for the corresponding period of last year. The increase in gross profit was mainly because the overall revenue and the gross profit margin of the Group increased.

During the Reporting Period, the Group's selling and distribution expenses were approximately RMB87,457,000, representing an increase of approximately 63.65% from approximately RMB53,440,000 for the corresponding period of last year. The increase in selling and distribution expenses was mainly due to the increase of revenue.

The Group's administrative expenses for the Reporting Period were approximately RMB22,959,000, representing an increase of approximately 2.66% from approximately RMB22,364,000 for the corresponding period of last year. The increase in administrative expenses was mainly due to the slight increase in labor costs.

During the Reporting Period, the Group's other operating expenses amounted to approximately RMB9,955,000, representing an increase of approximately 20.50% from approximately RMB8,261,000 for the corresponding period of last year. The increase in other operating expenses was mainly attributed to the increase in research and development expenses and the impairment of trade receivables.

During the Reporting Period, the Group's finance costs amounted to approximately RMB1,604,000, representing roughly an equal amount to approximately RMB1,650,000 for the corresponding period of last year.

Due to the above reasons, the Group's profit after tax was approximately RMB19,198,000 during the Reporting Period, representing an increase of approximately 66.82% from approximately RMB11,508,000 of the corresponding period of last year. Profit attributable to the owners of the Company was approximately RMB16,264,000 of the Reporting Period, representing an increase of approximately 54.29% from approximately RMB10,541,000 of the corresponding period of last year.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group usually finances its operating and investing activities with its internal financial resources and bank loans. The Group's transactions are mainly denominated in Renminbi and the Group reviews its working capital and finance requirements on a regular basis.

### **Banking facilities**

As at 31 March 2023, the Group had short-term bank borrowings of RMB83,000,000.

### **CONTINGENT LIABILITY**

As at 31 March 2023, the Group had no significant contingent liabilities.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE LISTED SECURITIES

As far as the Directors and supervisors of the Company are aware, as at 31 March 2023, the interests and short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be and were recorded in the register to be kept by the Company, or were required, pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

### Long positions in shares of associated corporations of the Company:

Director/Supervisor	Capacity	Type of interests	Name of associated corporation	Number of shares held in associated corporation	Approximate percentage of the associated corporation’s issued share capital
Mr. Zhang Feng ( <i>Note (a)</i> )	Beneficial owner	Personal	Neptunus Bio-engineering	1,331,093	0.05%
Ms. Yu Lin ( <i>Note (b)</i> )	Beneficial owner	Personal	Neptunus Bio-engineering	900,000	0.03%
Mr. Shen Da Kai ( <i>Note (c)</i> )	Beneficial owner	Personal	Neptunus Bio-engineering	1,500,000	0.05%
Ms. Cao Yang ( <i>Note (d)</i> )	Beneficial owner	Personal	Neptunus Bio-engineering	200,000	0.01%

#### Notes:

- (a) Mr. Zhang Feng, chairman of the Board of the Company and deputy chairman and non-independent director of the 8th session of the board of directors and president of Neptunus Bio-engineering, was beneficially interested in approximately 0.05% of the entire issued share capital of Neptunus Bio-engineering, the Company’s controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Shenzhen Neptunus Oriental Investment Company Limited (“Neptunus Oriental”).
- (b) Ms. Yu Lin, non-executive Director of the Company, was beneficially interested in approximately 0.03% of the entire issued share capital of Neptunus Bio-engineering, the Company’s controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.

- (c) Mr. Shen Da Kai, non-executive director of the Company, was beneficially interested in approximately 0.05% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.
- (d) Ms. Cao Yang, employee representative supervisor and human resources director of the Company, was beneficially interested in approximately 0.01% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.

Save as disclosed above, as at 31 March 2023, none of the Directors, supervisors or chief executives of the Company nor their respective associates held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of SFO, or were required, pursuant to section 352 of the SFO, to be and were recorded in the register to be kept by the Company, or were required, pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

#### **SHARE OPTION SCHEME, CONVERTIBLE SECURITIES AND WARRANTS**

Up to 31 March 2023, the Company and its subsidiaries have not adopted any share option scheme and have not granted any option, convertible securities, warrants or other similar rights.

#### **DIRECTORS' AND SUPERVISORS' SHARE OPTIONS, WARRANTS OR CONVERTIBLE BONDS**

At any time during the Reporting Period, none of the Directors or supervisors of the Company or their respective spouse or minor children were granted any share options, warrants or convertible bonds of the Company, its subsidiaries or associated corporation.

#### **SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES**

So far as the Directors and supervisors of the Company are aware, as at 31 March 2023, the interests and/or short positions held by shareholders (not being a Director, a supervisor or a chief executive of the Company) in shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company were as follows:

## Long positions in the shares of the Company:

Substantial Shareholder	Capacity	Number of domestic shares held	Approximate percentage of all the domestic shares	Approximate percentage of the Company's issued share capital
Neptunus Bio-engineering ( <i>Note (a)</i> )	Beneficial owner	1,181,000,000	94.33%	70.38%
	Interest in controlled corporation	52,464,500	4.19%	3.13%
Shenzhen Neptunus Group Company Limited ("Neptunus Group") ( <i>Note (b)</i> )	Interest in controlled corporation	1,233,464,500	98.52%	73.51%
Shenzhen Neptunus Holding Group Company Limited ("Neptunus Holding") (Previously known as "Shenzhen Yinhetong Investment Company Limited") ( <i>Note (c)</i> )	Interest in controlled corporation	1,233,464,500	98.52%	73.51%
Mr. Zhang Si Min ( <i>Note (d)</i> )	Interest in controlled corporation	1,233,464,500	98.52%	73.51%

### Notes:

- (a) Neptunus Bio-engineering was deemed to be interested in the 52,464,500 domestic shares of the Company held by Neptunus Oriental as the entire issued share capital of Neptunus Oriental was beneficially owned by Neptunus Bio-engineering. Neptunus Bio-engineering was also directly interested in 1,181,000,000 domestic shares of the Company. Therefore, Neptunus Bio-engineering was directly and indirectly interested in 1,233,464,500 domestic shares of the Company.
- (b) Neptunus Group was deemed to be interested in the 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Neptunus Group was beneficially interested in approximately 44.22% of the entire issued share capital of Neptunus Bio-engineering.
- (c) Neptunus Holding was deemed to be interested in 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Neptunus Holding was beneficially interested in approximately 59.68% of the entire issued share capital of Neptunus Group, which in turn was beneficially interested in approximately 44.22% of the entire issued share capital of Neptunus Bio-engineering.
- (d) Mr. Zhang Si Min ("Mr. Zhang") was deemed to be interested in 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Mr. Zhang was beneficially interested in 70% of the entire issued share capital of Neptunus Holding and the entire issued share capital of Shenzhen Haihe Investment and Development Company Limited ("Haihe"), and Neptunus Holding and Haihe were in turn beneficially interested in approximately 59.68% and 20% of the entire issued share capital of Neptunus Group respectively. Neptunus Group was beneficially interested in approximately 44.22% of the entire issued share capital of Neptunus Bio-engineering.

Save as disclosed above, the Directors and supervisors of the Company are not aware of any other persons (except the Directors, supervisors or chief executives of the Company) who held any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 March 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

The Company and its subsidiaries did not purchase, redeem or sell any of the Company's listed securities during the Reporting Period. The Company and its subsidiaries also did not redeem, purchase or cancel any of their redeemable securities.

## **COMPETING INTERESTS**

On 21 August 2005, Neptunus Bio-engineering, the controlling shareholder of the Company, entered into an agreement with the Company containing undertakings relating to non-competition and preferential rights of investments (the "Non-Competition Undertakings"), pursuant to which Neptunus Bio-engineering had undertaken to the Company and its associates that, inter alia, as long as the securities of the Company are listed on GEM (previously known as Growth Enterprise Market):

1. it will not, and will procure its associates not to, whether within or outside the PRC, directly or indirectly (other than those indirectly held as a result of the equity interest in any listed company or its subsidiaries), participate in or operate any business in whatever form, or produce any products, (the usage of which is the same as or similar to that of the products of the Company) which may constitute direct or indirect competition to the business operated by the Company from time to time; and
2. it will not, and will procure its associates not to hold any interest, whether within or outside the PRC, in any company or organization (directly or indirectly, other than indirectly held as a result of its equity interest in any listed company or its subsidiaries) when the business of such company or entity will (or may) compete directly or indirectly with the business of the Company.

Pursuant to the Non-Competition Undertakings, at a time when the Non-Competition Undertakings are subsisting, whenever Neptunus Bio-engineering or any its associates enter into any negotiations, within or outside the PRC, in relation to any new investment projects which may compete with the existing and future business of the Company, the Company shall have a preferential rights of investments in such new investment projects.

Neptunus Bio-engineering has confirmed with the Company that it has complied with the Non-Competition Undertakings during the Reporting Period.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

During the Reporting Period, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the “required standard of dealings” as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, all the Directors confirmed that they have not conducted any transaction in respect of the Company’s securities during the Reporting Period. The Company is not aware of any violation by the Directors on the “required standard of dealings” and the Company’s code of conduct regarding securities transactions by the Directors.

## **AUDIT COMMITTEE**

The Company established an audit committee (the “Audit Committee”) on 21 August 2005. The primary duties of the Audit Committee are to review the Company’s annual report and financial statements, half-yearly reports and quarterly reports, and to provide suggestions and opinions thereon to the Board. In addition, the Audit Committee members will also meet with the management to review the accounting principles and practices adopted by the Company and to discuss matters relating to the auditing, internal control system and financial reporting process of the Company. The Audit Committee comprises one non-executive Director of the Company, namely Ms. Yu Lin and two independent non-executive Directors, namely Mr. Yick Wing Fat, Simon and Mr. Poon Ka Yeung. Mr. Yick Wing Fat, Simon is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the Reporting Period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The roles of the Chairman and General Manager are separate and should not be performed by the same individual as required under paragraph C.2.1 of Corporate Governance Code. As the leader of the Board, the Chairman is responsible for the approval and supervision of the overall strategies and policies of the Company, approval of annual budgets and business plans, evaluation of the Company’s performance and oversight of the management. Mr. Zhang Feng is the current Chairman of the Board. The General Manager (same role as the chief executive pursuant to the Corporate Governance Code) is responsible for the day-to-day operations of the Company.

Subsequent to the resignation of Mr. Zhou Hang as an executive Director and the General Manager on 8 February 2021, the Company is identifying a suitable candidate to fulfill the vacancy of the General Manager. The articles of the association of the Company has set out the role and powers of the Chairman and General Manager.

Save as disclosed, as the Directors are aware, during the Reporting Period, the Company has complied with the requirements under the “Corporate Governance Code” set out in Appendix 15 of the GEM Listing Rules. The Board will continue to enhance the standard of corporate governance of the Company to ensure that the Company will operate its business in an honourable and responsible manner.

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

Shenzhen, the PRC, 8 May 2023

*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. Jin Rui; and the independent non-executive Directors are Mr. Yick Wing Fat, Simon, Mr. Poon Ka Yeung and Mr. Zhang Jian Zhou.*

\* For identification purpose only