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 2021

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.

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 2021 (the "Quarter"), together with the unaudited comparative figures for the corresponding period of 2020.

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

For the three months ended 31 March 2021

		For the three months ended 31 March	
		2021	2020
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**219,289**	194,847
Cost of Sales		**(101,142)**	(102,993)
Gross profit		**118,147**	91,854
Other revenue	*3*	**3,843**	1,852
Other net income	*3*	**687**	416
Selling and distribution expenses		**(77,118)**	(57,604)
Administrative expenses		**(17,175)**	(15,652)
Other operating expenses		**(6,061)**	(7,742)
Profit from operations		**22,323**	13,124
Finance costs	*4*	**(11)**	(242)
Profit before taxation	*4*	**22,312**	12,882
Income tax expense	*5*	**(4,239)**	(3,105)
Profit and total comprehensive income for the period		**18,073**	9,777
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**15,648**	9,318
Non-controlling interests		**2,425**	459
Earnings per share for profit attributable to the owners of the Company during the period			
Basic and diluted	*7*	**RMB0.93 cents**	RMB0.56 cents

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2021

	Attributable to owners of the Company							
	Share capital	**Share premium**	**Capital reserve**	**Statutory reserve fund**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2020 (Audited)	167,800	554,844	(188,494)	48,465	174,531	757,146	102,784	859,930
Change in equity for 2020								
Profit and other comprehensive income for the period	–	–	–	–	9,318	9,318	459	9,777
At 31 March 2020 (Unaudited)	167,800	554,844	(188,494)	48,465	183,849	766,464	103,243	869,707
At 1 January 2021 (Audited)	**167,800**	**554,844**	**(188,494)**	**48,936**	**210,652**	**793,738**	**101,934**	**895,672**
Change in equity for 2021								
Profit and other comprehensive income for the period	**–**	**–**	**–**	**–**	**15,648**	**15,648**	**2,425**	**18,073**
At 31 March 2021 (Unaudited)	**167,800**	**554,844**	**(188,494)**	**48,936**	**226,300**	**809,386**	**104,359**	**913,745**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

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 2103, 21st Floor, Neptunus Yinhe Technology Mansion, 1 Keji Middle 3rd Road, Yuehai Sub-district, Nanshan District, Shenzhen, Guangdong Province, the PRC.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the three months ended 31 March 2021 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 2020 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 2021. 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 2020.

This unaudited condensed consolidated financial information for the 3 months ended 31 March 2021 comprise the Company and its subsidiaries. The measurement basis used in the preparation of these financial statements is on a historical cost basis except for principal protected deposits which is stated at fair values. 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 represents the invoiced value of goods sold and services provided (after deducting value-added tax and allowances for returns and trade discounts). An analysis of revenue and other revenue is as follows:

	For the three months ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue		
Manufacturing and selling of medicines	**121,789**	86,765
Sales and distribution of medicines and healthcare products	**97,500**	108,082
	219,289	194,847

	For the three months ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other revenue		
Interest income from bank deposits	**1,553**	612
Interest income from principal protected deposits	**1,004**	111
Government subsidies		
– released from deferred revenue	**150**	100
– directly recognised in profit or loss	**836**	10
Change in fair value of financial assets through profit or loss	**–**	955
Others	**7**	64
Gain on physical counting	**293**	–
	3,843	1,852
Other net income		
Reversal of write down of inventories	**307**	416
Reversal of impairment loss	**380**	–
	687	416

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the three months ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans	**–**	200
Interest on lease liabilities	**11**	42
	11	242
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**22,203**	21,494
Contributions to defined contribution retirement plan	**4,029**	2,700
	26,232	24,194
(c) Other items		
Depreciation of right-of-use assets	**582**	774
Amortisation of intangible assets*	**985**	1,026
Depreciation of property, plant and equipment	**4,113**	4,044
Impairment of：		
– trade receivables*	**150**	8
– other receivables*	**–**	23
Write down of inventories*	**894**	624
Loss on disposal of property, plant and equipment*	**(14)**	78
Auditor's non-audit services remuneration	**83**	32
Lease charges：		
– Short term leases	**1,643**	1,393
Cost of inventories	**99,132**	100,917
Research and development cost*	**5,320**	5,510
Reversal of provision for estimated loss from legal proceedings*	**(1,282)**	–

* 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	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax		
Provision for PRC Enterprise Income Tax ("EIT")	**4,334**	3,298
Deferred tax		
Reversal of temporary differences	**(95)**	(193)
	4,239	3,105

Hong Kong profits tax has not been provided for as the Group had no income assessable to Hong Kong profits tax during the Quarter (for the three months ended 31 March 2020: Nil).

As at 31 March 2021 and 2020, two 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%.

The Company and other PRC subsidiaries are subject to the PRC EIT at a rate of 25% for the three months ended 31 March 2021 and 2020.

6. DIVIDENDS

The Board does not recommend the payment of any dividend for the Quarter (2020: Nil).

7. EARNINGS PER SHARE

Basic earnings per share

During the Quarter, the calculation of basic earnings per share was based on the unaudited profit attributable to owners of the Company of approximately RMB15,648,000 (for the three months ended 31 March 2020: approximately RMB9,318,000) and the weighted average number of 1,678,000,000 ordinary shares in issue for the Quarter (for the three months ended 31 March 2020: 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 2021 and 2020 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 Quarter, the Group was principally engaged 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 medicines being sold by the Group mainly cover four therapeutic areas which are oncology, cardiovascular system, respiratory system and digestive system.

Research and development, manufacturing and selling of medicines

Currently, the Group manufactures its own medicines through its production base ("Fuzhou Production Base") located in Jin'an District, Fuzhou, Fujian Province, the PRC, including Chinese medicines (which includes more than a dozen of dosage forms such as tablets, capsules, granules, oral solutions and tinctures) and chemical medicines (which includes various dosage forms, namely tablets, capsules, granules, small volume injections, large volume injections), with nearly 500 approval documents being registered and approximately 170 variaties being included into the "Catalogue of Drugs for Basic National Medical Insurance" (國家基本醫療保險藥品目錄). The Fuzhou Production Base is the only narcotic production base in Fujian Province designated by the State.

Currently, 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. Two pharmaceutical manufacturing subsidiaries of the Group are recognized as high-tech enterprises in Fujian Province and entitled to enjoy preferential corporate income tax treatment for high-tech enterprises. The said two subsidiaries currently possess 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), 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).

Under the policy in relation to quality consistency evaluation for generic drugs promulgated, appropriate types of medicines were proactively selected by a pharmaceutical manufacturing subsidiary of the Group and the first batch of selected medicines were selected to undergo the quality consistency evaluation for generic drugs in 2016. Currently, two of the selected medicine, Sodium Bicarbonate Tablets and Norfloxacin Capsules has already passed the consistency of quality and efficacy evaluation. For details, please refer to the announcements of the Company dated 9 April 2019 and 11 January 2021. The relevant work of quality consistency evaluation for other selected medicines is under orderly progress.

Affected by the national policies and the fluctuation of the market, the prices of the pharmaceutical products are decreasing, the prices of the active ingredients are increasing, the regulation and inspection of the drug production and quality has become more stringent and the competition of bidding for drugs has intensified, which are imposing continuous pressure on the relevant pharmaceutical manufacturing subsidiaries of the Company. Meanwhile, the centralized procurement of drugs organized by the State has entered the stage of regular operation and the landscape of the medical industry is changing at an accelerating pace. To mitigate the above adverse impact, the Group will continue to pay close attention to the trend of the policies and the market, actively leverage on the opportunities brought by the changing industry, increase investment in the research and development and the product quality assurance system and expand the existing sales networks, so as to ensure the sustainable and healthy development of the Group's pharmaceutical manufacturing and sales business. In addition, with the steady improvement of domestic epidemic situation, the Group's research and development, manufacturing and selling of medicines segment business has basically resumed in the Quarter, and the sales volume increased as compared with the corresponding period of last year.

In year 2020, an 80%-owned subsidiary of the Company (the "Subsidiary"), was served with a writ of summons ((2020) Hu 0120 Min Chu 1752 Hao ((2020)滬0120民初1752號), the "Writ") issued by the People's Court of Fengxian District, Shanghai (上海市奉賢區人民法院), PRC. The plaintiff in the Writ made a claim against the Subsidiary in respect of the "Tegafur Exclusive Agency Agreement" (替加氟獨家代理協議) (the "Agreement"). In response, the Subsidiary filed a counterclaim and the People's Court of Fengxian District, Shanghai (上海市奉賢區人民法院), the PRC issued a civil judgement ((2020) Hu 0120 Min Chu 1752 Hao) ((2020)滬 0120民初1752號), (the "Judgement") in relation to the legal proceedings. The Subsidiary lodged an appeal within the appeal period specified in the Judgment and received a civil mediation order ((2020) Hu 01 Min Zhong 12849 Hao ((2020)滬01民終12849號), the "Civil Mediation Order") issued by the Shanghai No.1 Intermediate People's Court, (上海市第一中級人民法院) of the PRC in relation to the legal proceedings, pursuant to which the plaintiff (the defendant of the counterclaim case and the appellee) has the right to confiscate the security deposit (保證金) of RMB3,000,000 paid by the Subsidiary under the terms of the Agreement, and the Subsidiary shall pay RMB3,250,000 (after deducting relevant amounts) to the plaintiff (the defendant of the counterclaim case and the appellee) within the prescribed time limit as stated in the Civil Mediation Order. The Subsidiary has agreed to comply with the Civil Mediation Order. It is expected that execution of the Civil Mediation Order will not affect the business and normal operations of the Group. For details, please refer to the announcements of the Company dated 17 March 2020, 8 September 2020 and 7 April 2021.

Purchase and Sales of Medicines and Healthcare Food Products

Currently, the main products distributed by the Group are medicines and healthcare food products, 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.

To adapt to the new policy environment, the purchase and sales segment of medicines and healthcare food products segment of the Group transferred part of such business to the Company to coordinate the sales network and customer resources of the Group to better develop such business. During the Quarter, the purchase and sales of medicines and healthcare food products segment of the Group reduced the distribution of several prescription products, and therefore, the revenue of this segment declined.

Event after the Quarter

On 22 April 2021, a wholly-owned subsidiary of the Company and the sellers entered into an equity transfer agreement in respect of the acquisition of 51% equity interest in Beijing Zhongxin Pharmaceutical Co., Ltd. (北京中新藥業股份有限公司, the "Target Company"), pursuant to which the wholly-owned subsidiary of the Company 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. Upon completion of the acquisition, 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. Meanwhile, 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. For details, please refer to the announcement of the Company dated 22 April 2021 and 30 April 2021.

FINANCIAL REVIEW

The Group's revenue for the Quarter was approximately RMB219,289,000, representing an increase of approximately 12.54% from approximately RMB194,847,000 for the corresponding period of last year. In relation to the Group's revenue, approximately RMB121,789,000, which amounted to approximately 55.54% of the Group's total revenue, was derived from the manufacturing and selling of medicines segment, while approximately RMB97,500,000, which amounted to approximately 44.46% of the Group's total revenue, was derived from the sales and distribution of medicines and healthcare products segment. During the Quarter, the Group's revenue from the manufacturing and selling of medicines segment increased by approximately 40.37% as compared with the corresponding period of last year, while the revenue of the sales and distribution of medicines and healthcare products segment decreased by approximately 9.79%. Thereby the total revenue of the Group resulted in an overall increase.

During the Quarter, the Group's gross profit margin was approximately 54%, representing an increase of approximately 7 percentage points from approximately 47% for the corresponding period of last year. The increase of gross profit margin was mainly attributable to the sales of the varieties with high gross profit increased as compared with the corresponding period of last year.

The Group's gross profit during the Quarter was approximately RMB118,147,000, representing an increase of approximately 28.62% from approximately RMB91,854,000 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 Quarter, the Group's selling and distribution expenses were approximately RMB77,118,000, representing an increase of approximately 33.88% from approximately RMB57,604,000 for the corresponding period of last year. The increase in selling and distribution expenses was mainly due to the increase in the revenue.

The Group's administrative expenses for the Quarter were approximately RMB17,175,000, representing an increase of approximately 9.73% from approximately RMB15,652,000 for the corresponding period of last year. The increase in administrative expenses was mainly due to the increase in the costs such as staff costs, consulting fees and appraisal fees as compared with the corresponding period of last year.

During the Quarter, the Group's other operating expenses amounted to approximately RMB6,061,000, representing a decrease of approximately 21.71% from approximately RMB7,742,000 for the corresponding period of last year. The decrease in other operating expenses was mainly because the provisions for estimated loss of approximately RMB1,281,000 from the legal proceedings in 2020 was reversed.

During the Quarter, the Group's finance costs amounted to approximately RMB11,000, representing a decrease of approximately 95.45% from approximately RMB242,000 for the corresponding period of last year. The decrease in finance costs was mainly because the Group had no borrowings during the Quarter and the finance costs decreased accordingly.

Due to the above reasons, the Group's profit after tax was approximately RMB18,073,000 during the Quarter, representing an increase of approximately 84.85% from approximately RMB9,777,000 of the corresponding period of last year. Profit attributable to the owners of the Company was approximately RMB15,648,000 of the Quarter, representing an increase of approximately 67.93% from approximately RMB9,318,000 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 demand for working capital and financing on a regular basis.

Banking facilities

As at 31 March 2021, the Group's total banking facility amounted to RMB100,000,000, which is secured by pledge of buildings and prepaid lease payments of a subsidiary. As at 31 March 2021, the Group did not have any bank borrowings.

Shareholder's entrusted loan

The Company obtained a shareholder's entrusted loan of RMB9,000,000 from Shenzhen Neptunus Bio-engineering Co., Ltd. ("Neptunus Bio-engineering") through an entrusted arrangement with a bank. Neptunus Bio-engineering had undertaken to the Company that it would not demand repayment of the above-mentioned shareholder's entrusted loan unless and until: (1) the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or its business objectives as set out in the prospectus published by the Company on 29 August 2005 (the "Prospectus"); (2) each of the independent non-executive Directors was of the opinion that the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or the implementation of its business objectives as set out in the Prospectus, and the Company would make an announcement in respect of the decision of the independent non-executive Directors made under (2); and (3) the Company had a positive cash flow and had retained profits in the relevant financial year.

As the above-mentioned repayment conditions were fully satisfied, after the negotiation between the Company and Neptunus Bio-engineering, the Company has repaid the above-mentioned shareholder's entrusted loan to Neptunus Bio-engineering on 18 February 2021.

CONTINGENT LIABILITY

As at 31 March 2021, 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 2021, 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 *(Note (a))*	Beneficial owner	Personal	Neptunus Bio-engineering	1,331,093	0.05%
Ms. Yu Lin *(Note (b))*	Beneficial owner	Personal	Neptunus Bio-engineering	900,000	0.03%
Mr. Shen Da Kai *(Note (c))*	Beneficial owner	Personal	Neptunus Bio-engineering	2,000,000	0.07%
Ms. Cao Yang *(Note (d))*	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 0.07% 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 2021, 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 2021, 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 Quarter, 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 2021, 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:

Name of 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 *(Note (a))*	Beneficial owner	1,181,000,000	94.33%	70.38%
	Interest in controlled corporation	52,464,500	4.19%	3.13%
Bank of Changsha Co,. Ltd. – Guangzhou Branch *(Note (a))*	Person having a security interest in shares	1,181,000,000	94.33%	70.38%
Shenzhen Neptunus Group Company Limited ("Neptunus Group") *(Note (b))*	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") *(Note (c))*	Interest in controlled corporation	1,233,464,500	98.52%	73.51%
Mr. Zhang Si Min *(Note (d))*	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.

On 25 March 2021, Neptunus Bio-engineering has pledged 1,181,000,000 domestic shares in the Company to Bank of Changsha Co., Ltd – Guangzhou Branch as a security of a loan provided by Bank of Changsha Co., Ltd – Guangzhou Branch. Therefore, Bank of Changsha Co,. Ltd. – Guangzhou Branch was deemed to be interested in 1,181,000,000 domestic shares of the Company. The said share pledge does not fall within the scope of Rule 17.19 of the GEM Listing Rules as it is not for the purpose to secure the Company's debt or to secure guarantees or other support of the Company's obligations.

(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 44.03% 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 44.03% 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"), which in turn was 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 44.03% 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 2021.

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 Quarter. 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 Quarter.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the Quarter, 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 Quarter. 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 Quarter.

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 A.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) 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 Quarter, the Company has complied with the requirements under the "Corporate Governance Code and Corporate Governance Report" 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, 12 May 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 will remain on the "Latest Listed Company Information" page on the GEM website of www.hkgem.com for at least 7 days from the date of the publication and will be published on the website of the Company at www.interlong.com

* *For identification purpose only*