



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 OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

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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 of the Company, 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

## INTERIM RESULTS (UNAUDITED)

The board of directors (the "Board") of the Company is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2022 (the "Reporting Period"), together with the unaudited comparative figures for the corresponding period of 2021.

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

for the three months and six months ended 30 June 2022

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>223,171</b>	171,905	<b>438,869</b>	391,194
Cost of sales		<b>(132,856)</b>	(104,749)	<b>(251,011)</b>	(205,891)
<b>Gross profit</b>		<b>90,315</b>	67,156	<b>187,858</b>	185,303
Other revenue	4	<b>8,387</b>	8,178	<b>10,643</b>	12,021
Other net income	4	<b>69</b>	1,631	<b>490</b>	2,318
Selling and distribution expenses		<b>(54,768)</b>	(44,059)	<b>(108,208)</b>	(121,177)
Administrative expenses		<b>(19,236)</b>	(17,290)	<b>(41,600)</b>	(34,465)
Other operating expenses		<b>(12,816)</b>	(11,169)	<b>(20,740)</b>	(17,230)
<b>Profit from operations</b>		<b>11,951</b>	4,447	<b>28,443</b>	26,770
Finance costs	6(a)	<b>(1,512)</b>	(727)	<b>(3,162)</b>	(738)
<b>Profit before taxation</b>	6	<b>10,439</b>	3,720	<b>25,281</b>	26,032
Income tax credit/(expenses)	7	<b>(4,112)</b>	892	<b>(7,446)</b>	(3,347)
<b>Profit and total comprehensive income for the period</b>		<b>6,327</b>	4,612	<b>17,835</b>	22,685
<b>Profit/(Loss) and total comprehensive income/ (expense) for the period attributable to:</b>					
Owners of the Company		<b>9,803</b>	3,999	<b>20,344</b>	19,647
Non-controlling interests		<b>(3,476)</b>	613	<b>(2,509)</b>	3,038
		<b>6,327</b>	4,612	<b>17,835</b>	22,685
<b>Earnings per share</b>					
Basic and diluted	9	<b>RMB0.58 cents</b>	RMB0.24 cents	<b>RMB1.21 cents</b>	RMB1.17 cents

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as at 30 June 2022

	Notes	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	209,830	215,395
Right-of-use assets		88,981	92,421
Intangible assets		113,401	115,754
Goodwill		96,524	96,524
Deposits for acquisition of property, plant and equipment		3,883	950
Deposit for acquisition of land use right		9,817	9,817
Deferred tax assets		5,642	6,730
Time deposits		30,000	30,000
		<u>558,078</u>	<u>567,591</u>
<b>Current assets</b>			
Inventories		175,182	157,954
Trade and other receivables	11	270,010	270,881
Short-term bank deposits		61,636	84,000
Bank balances and cash		267,257	227,144
		<u>774,085</u>	<u>739,979</u>
<b>Current liabilities</b>			
Trade and other payables	12	243,154	206,449
Contract liabilities		17,461	16,938
Interest-bearing bank borrowings	13	66,070	101,137
Deferred revenue		401	451
Lease liabilities	14	3,002	3,937
Current taxation		9,230	6,578
		<u>339,318</u>	<u>335,490</u>
<b>Net current assets</b>		<u>434,767</u>	<u>404,489</u>
<b>Total assets less current liabilities</b>		<u>992,845</u>	<u>972,080</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)

as at 30 June 2022

	Notes	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Deferred revenue		790	940
Deferred tax liabilities		25,625	26,120
Lease liabilities	14	4,195	620
		<u>30,610</u>	<u>27,680</u>
<b>Net assets</b>		<u><b>962,235</b></u>	<u>944,400</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		167,800	167,800
Reserves		682,240	661,896
<b>Total</b>		<b>850,040</b>	829,696
<b>Non-controlling interests</b>		<b>112,195</b>	114,704
<b>Total equity</b>		<u><b>962,235</b></u>	<u>944,400</u>

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

for the six months ended 30 June 2022

	Attributable to owners of the Company					Sub-total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve fund RMB'000	Retained earnings RMB'000			
At 1 January 2021 (audited)	167,800	554,844	(188,494)	48,936	210,652	793,738	101,934	895,672
Profit and total comprehensive income for the period	—	—	—	—	19,647	19,647	3,038	22,685
Acquisition of a subsidiary	—	—	—	—	19,647	19,647	3,038	22,685
	—	—	—	—	—	—	(13,126)	(13,126)
<b>At 30 June 2021 (unaudited)</b>	<u>167,800</u>	<u>554,844</u>	<u>(188,494)</u>	<u>48,936</u>	<u>230,299</u>	<u>813,385</u>	<u>91,846</u>	<u>905,231</u>
At 1 January 2022 (audited)	167,800	554,844	(188,494)	49,611	245,935	829,696	114,704	944,400
Profit/(Loss) and total comprehensive income/ (expenses) for the period	—	—	—	—	20,344	20,344	(2,509)	17,835
<b>At 30 June 2022 (unaudited)</b>	<u>167,800</u>	<u>554,844</u>	<u>(188,494)</u>	<u>49,611</u>	<u>266,279</u>	<u>850,040</u>	<u>112,195</u>	<u>962,235</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Operating cash flows before changes in working capital</b>	<b>50,567</b>	37,856
<b>Changes in working capital</b>		
Increase in inventories	(19,275)	(5,116)
Decrease in trade and other receivables	143	39,429
Decrease in pledged bank deposits	–	2,405
Increase/(decrease) in trade and other payables and contract liabilities	37,228	(141,704)
Increase in deferred revenue	–	4,467
	<hr/>	<hr/>
<b>Cash generated from/(used in) operations</b>	<b>68,663</b>	(62,663)
Income tax paid	(4,201)	(2,373)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) operating activities</b>	<b>64,462</b>	(65,036)
	<hr/>	<hr/>
<b>Investing activities</b>		
Acquisition of a subsidiary, net of cash acquired	–	(63,683)
Deposits for acquisition of property, plant and equipment	(3,434)	(6,873)
Additions to intangible assets	(20)	(2,211)
Purchase of property, plant and equipment	(4,673)	(598)
Proceeds from disposal of property, plant and equipment	50	20
Placement of principal protected deposits	–	(90,000)
Receipts from principal protected deposits	–	90,000
Decrease in short-term bank deposits	22,364	4,000
Interest received	2,953	4,933
	<hr/>	<hr/>
<b>Net cash generated from/(used in) investing activities</b>	<b>17,240</b>	(64,412)
	<hr/>	<hr/>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

for the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Financing activities</b>		
Repayment of interest-bearing bank borrowings	(40,067)	(10,000)
Proceeds from interest-bearing bank borrowings	5,000	–
Repayment of entrusted loans	–	(9,000)
Interest paid	(3,138)	(712)
Payment of lease liabilities	(3,384)	(769)
<b>Net cash used in financing activities</b>	<b>(41,589)</b>	<b>(20,481)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>40,113</b>	<b>(149,929)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>227,144</b>	<b>411,885</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>267,257</b>	<b>261,956</b>
<b>Analysis of cash and cash equivalents at 30 June</b>		
Bank balances and cash	267,257	261,956

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*for the six months ended 30 June 2022*

### **1. CORPORATE INFORMATION**

Shenzhen Neptunus Interlong Bio-technique Company Limited (the “Company”) is a limited liability company incorporated and domiciled in the People’s Republic of China (the “PRC”). The address of its registered office is Suite 2103, 21st Floor, Neptunus Yinhe Technology Mansion, 1 Keji Middle 3rd Road, Yuehai Sub-district, Nanshan District, Shenzhen, Guangdong Province, the PRC and its principal place of business is PRC. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited.

The principal activities of the Company and its subsidiaries (the “Group”) include the development, production and sales of medicines, the research and development of modern biological technology business and the purchase and sales of medicines and healthcare food products. The Group’s operations are based in the PRC.

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

The condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with the applicable disclosure provision of the GEM Listing Rules on the Stock Exchange, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2021, except for the adoption of the new and amended Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2022 as disclosed in note 3(a) to this condensed consolidated interim financial statements. The condensed consolidated interim financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2021.

The measurement basis used in the preparation of these financial statements is the historical cost basis. These financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and all amounts are rounded to the nearest thousand except where otherwise indicated.

The condensed consolidated interim financial statements are unaudited.



### 3. ADOPTION OF NEW AND AMENDED HKFRSs

#### (a) Adoption of new and amended HKFRSs effective on 1 January 2022

During the Reporting Period, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2022:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 37	Onerous Contracts-Cost of Fulfilling a Contract

The adoption of the amended HKFRSs had no impact on how the results and material financial position for the current and prior periods have been prepared and presented.

#### (b) Issued but not yet effective HKFRSs

At the date of authorisation of the Group's condensed consolidated interim financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
HKFRS 17	Insurance Contracts and related amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

1 Effective for annual periods beginning on or after 1 January 2023

2 Effective date not yet determined

The directors are currently assessing the possible impact of these new and amended HKFRSs on the Group's results and financial position in the first year of application. The directors consider that these amendments are unlikely to have a material impact on the Group's consolidated financial statements.

#### 4. REVENUE AND OTHER REVENUE

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

	For the three months ended 30 June		For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue</b>				
Manufacturing and selling of medicines	159,479	111,977	310,182	233,766
Sales and distribution of medicines and healthcare products	63,692	59,928	128,687	157,428
	<u>223,171</u>	<u>171,905</u>	<u>438,869</u>	<u>391,194</u>
	For the three months ended 30 June	2021 RMB'000 (Unaudited)	For the six months ended 30 June	2021 RMB'000 (Unaudited)
<b>Other revenue</b>				
Interest income from bank deposits	1,550	977	2,953	2,530
Interest income from principal protected deposits	–	1,399	–	2,403
Licence fee income	4,721	4,717	4,721	4,717
Government subsidies				
–released from deferred revenue	100	99	200	249
–directly recognised in profit or loss	1,649	671	2,295	1,507
Others	367	315	474	615
	<u>8,387</u>	<u>8,178</u>	<u>10,643</u>	<u>12,021</u>
<b>Other net income</b>				
Reversal of impairment loss on trade and other receivables	–	399	421	779
(Write down)/reversal of write down of inventories	–	(77)	–	230
Reversal of provision for estimated loss from legal proceedings	–	1,282	–	1,282
Net foreign exchange gains	20	27	20	27
Gain on disposal of property, plant and equipment	49	–	49	–
	<u>69</u>	<u>1,631</u>	<u>490</u>	<u>2,318</u>

## 5. SEGMENT REPORTING

The Group manages its business by divisions, which are organised by a mixture of both business lines (products and services) and geographical location. In a manner consistent with the way in which information is reported internally to the Group's executive directors, being the chief operating decision maker, for the purpose of resources allocation and performance assessment, the Group has presented the following two reportable segments

- (i) Manufacturing and selling of medicines; and
- (ii) Sales and distribution of medicines and healthcare products.

Currently all the Group's activities above are carried out in the PRC. No reportable operating segment has been aggregated.

The first segment derives its revenue from the manufacture, sales of medicines and medical devices.

The second segment derives its revenue from sales and distribution of medicines and healthcare products and providing sales management services of pharmaceutical products.

### (a) Segment results, assets and liabilities

Segment assets include all current and non-current assets with the exception of deferred tax assets. Segment liabilities include all current and non-current liabilities with the exception of current taxation and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by and expenses incurred by those segments except for corporate income and expenses which are not directly attributable to the business activities of any reportable segment. Inter-segment revenue are priced with reference to prices charges to external parties for similar orders.



## 5. SEGMENT REPORTING (CONTINUED)

### (a) Segment results, assets and liabilities (Continued)

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2022 and 2021.

### (b) Reconciliations of reportable segment revenue, profit before taxation, assets and liabilities

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue</b>		
Reportable segment revenue	461,618	412,103
Elimination of inter-segment revenue	(22,749)	(20,909)
Consolidated revenue	<u>438,869</u>	<u>391,194</u>
<b>Profit before taxation</b>		
Reportable segment profit	27,016	26,391
Elimination of inter-segment profit	(728)	(170)
Reportable segment profit derived from the Group's external customers	26,288	26,221
Unallocated corporate expenses	(1,007)	(189)
Consolidated profit before taxation	<u>25,281</u>	<u>26,032</u>

## 5. SEGMENT REPORTING (CONTINUED)

### (b) Reconciliations of reportable segment revenue, profit before taxation, assets and liabilities (Continued)

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Assets</b>		
Reportable segment assets	1,587,193	1,428,001
Elimination of inter-segment receivables	<u>(260,672)</u>	<u>(127,161)</u>
	1,326,521	1,300,840
Deferred tax assets	<u>5,642</u>	<u>6,730</u>
Consolidated total assets	<u><u>1,332,163</u></u>	<u><u>1,307,570</u></u>
<b>Liabilities</b>		
Reportable segment liabilities	597,096	457,633
Elimination of inter-segment payables	<u>(262,023)</u>	<u>(127,161)</u>
	335,073	330,472
Current taxation	9,230	6,578
Deferred tax liabilities	<u>25,625</u>	<u>26,120</u>
Consolidated total liabilities	<u><u>369,928</u></u>	<u><u>363,170</u></u>

## 5. SEGMENT REPORTING (CONTINUED)

### (c) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	For the six months ended 30 June	
	At 30 June 2022 RMB'000 (Unaudited)	At 30 June 2021 RMB'000 (Unaudited)
Sales of medicines and healthcare products	391,066	364,720
Sales of medical devices	47,803	26,474
	<u>438,869</u>	<u>391,194</u>

### (d) Geographical information

The Group's revenue was derived from business activities in the PRC and the non-current assets of the Group were located in the PRC. Accordingly, no analysis by geographical segment is provided.

### (e) Disaggregation of revenue from contracts with customers

The Group derives revenue from sales of medicines, healthcare products and medical devices and sales management services of pharmaceutical products at a point in time from the following types of customer:

	Hospital RMB'000 (Unaudited)	Pharmacy RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>For the six months ended 30 June 2022</b>				
Manufacturing and selling of medicines	37,620	269,757	2,805	310,182
Sales and distribution of medicines and healthcare products	–	128,328	359	128,687
	<u>37,620</u>	<u>398,085</u>	<u>3,164</u>	<u>438,869</u>
	Hospital RMB'000 (Unaudited)	Pharmacy RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>For the six months ended 30 June 2021</b>				
Manufacturing and selling of medicines	34,880	196,443	2,443	233,766
Sales and distribution of medicines and healthcare products	23,855	133,573	–	157,428
	<u>58,735</u>	<u>330,016</u>	<u>2,443</u>	<u>391,194</u>

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	For the three months ended 30 June		For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>(a) Finance costs</b>				
Interest on bank loans	1,501	712	3,138	712
Finance charges on lease liabilities	11	15	24	26
	<u>1,512</u>	<u>727</u>	<u>3,162</u>	<u>738</u>
<b>(b) Staff costs (including directors' emoluments)</b>				
Salaries, wages and other benefits	30,210	28,492	62,068	50,695
Contributions to defined contribution retirement plans	5,275	4,353	10,818	8,382
	<u>35,485</u>	<u>32,845</u>	<u>72,886</u>	<u>59,077</u>
<b>(c) Other items</b>				
Depreciation of right-of-use assets	2,168	1,019	3,440	1,601
Amortisation of intangible assets*	1,186	1,763	2,373	2,748
Depreciation of property, plant and equipment	4,707	6,109	10,471	10,132
Cost of inventories	115,569	88,247	230,945	187,356
Research & development costs*	6,592	6,082	13,489	11,402
Impairment of:				
– trade receivables*	957	317	1,004	467
– other receivables*	126	1,060	126	1,060
Loss on disposal of property, plant and equipment*	–	15	–	1
Write off of property, plant and equipment*	267	–	267	–
Write down of inventories*	2,019	277	2,047	1,171
Auditor's remuneration				
– audit service	–	–	–	–
– non-audit services remuneration	377	106	517	189
Lease charges				
– short-term leases	843	980	2,931	2,623
Reversal of provision for estimated loss from legal proceedings	–	–	–	(1,282)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,282)</u>

\* These amounts have been included in "Other operating expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.



## 7. INCOME TAX EXPENSE/CREDIT

	For the three months ended 30 June		For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Current tax</b>				
PRC Enterprise Income Tax ("EIT") Current	3,405	(869)	6,853	3,465
<b>Deferred tax</b>				
Current year	707	(23)	593	(118)
	<u>4,112</u>	<u>(892)</u>	<u>7,446</u>	<u>3,347</u>

Hong Kong Profits Tax has not been provided as the Group had no assessable profits subject to Hong Kong Profits Tax during the Reporting Period (30 June 2021: Nil).

During the Reporting Period, three subsidiaries (30 June 2021: three subsidiaries) of the Group established in the PRC are qualified as "High and New Technology Enterprise". 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%.

According to a policy promulgated by the State Tax Bureau of the PRC, effective from 2019 onwards, enterprises engage in research and development activities are entitled to claim 175% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable profits for that year ("Super Deduction"). Three (30 June 2021: Three) subsidiaries of the Group are eligible to such Super Deduction in ascertaining its assessable profits for the Reporting Period.

The Company and other PRC subsidiaries are subject to the PRC EIT at a rate of 25% for the Reporting Period (30 June 2021: 25%).

## 8. DIVIDENDS

The directors do not propose the payment of any dividend for the Reporting Period (2021: Nil).

## 9. EARNINGS PER SHARE

### Basic earnings per share

For the three months and six months ended 30 June 2022, the calculation of basic earnings per share has been based on the profit attributable to owners of the Company of approximately RMB9,803,000 and RMB20,344,000, respectively (three months and six months ended 30 June 2021: profit of approximately RMB3,999,000 and RMB19,647,000, respectively) and the weighted average number of 1,678,000,000 ordinary shares in issue for the three months and six months ended 30 June 2022 (three months and six months ended 30 June 2021: 1,678,000,000 ordinary shares).

### Diluted earnings per share

Diluted earnings per share for the three-month and six-month periods ended 30 June 2022 and 2021 equals to basic earnings per share as there were no potential dilutive ordinary shares outstanding during these periods.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, property, plant and equipment purchased and disposed/write off by the Group were approximately RMB4,673,000 (30 June 2021: RMB7,641,000) and RMB5,560,000 (30 June 2021: RMB1,595,000), respectively.

In addition, during the Reporting period, the Group has entered into lease agreements for PRC office and had recognised right-of-use assets amounted to approximately RMB185,000 (six months ended 30 June 2021: RMB443,000).

## 11. TRADE AND OTHER RECEIVABLES

	Note	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Trade receivables		166,386	144,351
Less: expected credit loss ("ECL") allowance		(26,103)	(25,520)
		<u>140,283</u>	<u>118,831</u>
Bills receivables	(i)	43,095	67,966
		<u>183,378</u>	<u>186,797</u>
Amounts due from fellow subsidiaries		24,083	32,210
Amounts due from related companies		4,612	5,589
Amount due from an intermediate parent company		269	214
Other receivables	(ii)	17,545	8,396
Value-added tax recoverable		–	5
Prepayment and deposits	(ii)	40,364	39,590
Less: ECL allowance		(241)	(1,920)
		<u>86,632</u>	<u>84,084</u>
		<u><u>270,010</u></u>	<u><u>270,881</u></u>

### Notes:

- (i) These bank acceptance bills matured within one year from date of issue. The Group considered the issuing banks of the bills are of good credit quality and therefore, the ECL allowance of these receivables are considered to be insignificant.
- (ii) Other receivables, prepayment and deposits mainly represent deposits prepaid in advance to suppliers of approximately RMB22,591,000 (2021: approximately RMB21,494,000), which aged within one year.

## 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

### (a) Ageing analysis

Based on the invoice dates (which approximates the respective revenue recognition dates), the ageing analysis of the trade and bills receivables net of ECL allowance, was as follows:

#### Trade receivables

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 3 months	103,310	90,804
4 to 6 months	19,186	7,185
7 to 12 months	5,583	10,600
Over 1 year	12,204	10,242
	<u>140,283</u>	<u>118,831</u>

#### Bills receivables

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 3 months	19,683	30,790
4 to 6 months	20,264	37,176
7 to 12 months	3,148	–
	<u>43,095</u>	<u>67,966</u>

## 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Impairment of trade receivables

The movement in the ECL allowance of trade receivables is as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Balance at 1 January	25,520	1,765
Acquisition of a subsidiary	–	21,432
ECL recognised during the period/year	1,004	3,523
ECL reversed during the period/year	(421)	(1,096)
Amount written off during the period/year	–	(104)
	<u>26,103</u>	<u>25,520</u>

Note:

The amount was included in the net liabilities of subsidiary acquired during the Reporting Period at the acquisition date and not include in the profit or loss of the Group during the Reporting Period.

### (c) Impairment of other receivables

The movement in the ECL allowance of other receivables is as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Balance at 1 January	1,920	4,345
Acquisition of a subsidiary	–	2
ECL recognised during the period/year	126	716
ECL reversed during the period/year	–	(141)
Amount written off during the period/year	(1,805)	(3,002)
	<u>241</u>	<u>1,920</u>

## 12. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade and bills payables, the ageing analysis of which, based on the invoice date, is as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 3 months	40,534	67,705
4 to 6 months	10,249	5,721
7 to 12 months	7,456	9,798
Over 1 year	35,270	13,047
Trade and bills payables	93,509	96,271
Other payables and accruals	105,076	95,337
Consideration payable	–	10,600
Amounts due to fellow subsidiaries	17,292	2,008
Amount due to intermediate holding company	690	772
Amounts due to related companies	186	56
Amount due to a non-controlling shareholder	26,401	1,405
	<u>243,154</u>	<u>206,449</u>

## 13. INTEREST-BEARING BANK BORROWINGS

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Short-term bank loans	<u>66,070</u>	<u>101,137</u>

As at 30 June 2022, the interest-bearing bank borrowings were denominated in RMB, repayable within one year (2021: one year) and the securities were as follows:

- (a) Bank borrowings of RMB61,000,000 (2021: RMB61,000,000) were secured by a pledge of the Group's buildings and prepaid lease payment. The effective interest rate was 3.95% to 4.55% (2021: 3.95% to 4.55%).
- (b) Bank borrowings of RMB5,000,000 (2021: RMB10,000,000) was secured by a guarantee from a director of a subsidiary and pledge of his property. The effective interest rate was 4.5% (2021: 6.18%)
- (c) No bank borrowings (2021: RMB30,000,000) was secured by a guarantee from a non-controlling shareholder of a subsidiary by pledge of his properties. The effective interest rate was nil (2021: 4.05% to 6.18%.)

#### 14. LEASE LIABILITIES

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Total minimum lease payments:		
Due within one year	3,810	4,434
Due in the second to fifth years	4,557	712
	<u>8,367</u>	<u>5,146</u>
Future finance charges on leases liabilities	(1,170)	(589)
	<u>7,197</u>	<u>4,557</u>
Present value of leases liabilities		
Due within one year	3,002	3,937
Due in the second to fifth years	4,195	620
	<u>7,197</u>	<u>4,557</u>
Less: Portion due within one year included under current liabilities	(3,002)	(3,937)
	<u>4,195</u>	<u>620</u>
Portion due after one year included under non-current liabilities		

During the six-months ended 30 June 2022, the total cash outflows for the leases are approximately RMB6,315,000 (2021: RMB3,392,000).

#### 15. COMMITMENTS

##### (a) Capital commitments outstanding:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Property, plant and equipment</b>		
Contracted but not provided for:		
Property, plant and equipment	2,860	1,337
	<u>2,860</u>	<u>1,337</u>

## 15. COMMITMENTS (CONTINUED)

### (b) Lease commitments

At 30 June 2022, the lease commitments for short-term leases are as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 1 year	<b>673</b>	1,712

## 16. MATERIAL RELATED PARTY TRANSACTIONS

### (a) Related party transactions:

Name of related parties	Relationship	Nature of transaction	Notes	For the six months ended 30 June	
				2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Shenzhen Neptunus Group Company Limited ("Neptunus Group")	Intermediate parent company	Rental of office	(i)(iii)	769	769
		Services fee	(i)(iii)	-	113
Shenzhen Neptunus Bio-engineering Co., Ltd. ("Neptunus Bio-engineering")	Immediate parent company	Sales of goods	(ii)(iii)	8	30
Hangzhou Neptunus Bio-engineering Company Limited	Fellow subsidiary	Purchase of goods	(ii)(iii)	-	1,180
Zhongshan Changjian Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	456	359
Shenzhen Shenye Pharmaceutical Development Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	327	265
Henan Neptunus Pharmaceutical Group Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	1,372	1,937
Henan Enji Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	506	309
Shenzhen Quanyaowang Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	-	3,370
Shandong Neptunus Yinhe Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	5,800	4,392

## 16. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Related party transactions: (Continued)

Name of related parties	Relationship	Nature of transaction	Notes	For the six months ended 30 June	
				2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Jiangsu Neptunus Jiankang Bio-technology Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	67	452
		Purchase of finished goods	(ii)(iii)	–	2,252
Shenzhen Neptunus Pharmaceutical Company Limited	Fellow subsidiary	Purchase of finished goods	(ii)(iii)	–	33,231
		Rental expense	(ii)(iii)	148	156
		Purchase raw materials	(ii)(iii)	–	385
Shenzhen Neptunus Medical Technology Research Institute Company Limited	Fellow subsidiary	Services fee	(ii)(iii)	3	773
Guangxi Neptunus Yinhe Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	57	193
Anyang Hengfeng Pharmaceutical Company, Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	454	1,309
Henan Neptunus Kangrui Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	15	332
Guangxi Guilin Neptunus Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	1,180	720
Anhui Neptunus Guoan Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	324	81
Sulu Neptunus Pharmaceutical Group Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	46	218
Jining Neptunus Huasen Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	104	108
Zhoukou Renhe Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	1,248	1,147



## 16. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Related party transactions: (Continued)

Name of related parties	Relationship	Nature of transaction	Notes	For the six months ended 30 June	
				2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Henan Neptunus Yinhe Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	296	2,026
Neptunus (Zhanjiang) Medical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	13	166
Shaoyang Neptunus Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	331	178
Anhui Neptunus Pharmaceutical Group Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	430	176
Nanning Neptunus Jiangkang Bio-technology Company Limited	Related company	Purchases of goods	(ii)(iv)	1,663	7,748
Jilin Neptunus Jiankang Bio-technology Company Limited	Related company	Purchases of goods	(ii)(iv)	125	3,650
Jiangsu Nepstar Pharmaceutical Company Limited	Related company	Sales of goods	(ii)(iv)	1,041	1,703
Shenzhen Neptunus Yidiyao Pharmaceutical Company Limited (previously known as "Shenzhen Nepstar Pharmaceutical Company Limited")	Related company	Sales of goods	(ii)(iv)	3,122	1,482
Xinjiang Neptunus Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	185	222
Kashi Neptunus Yinhe Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	209	181
Shenzhen Neptunus Health Chain Store Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	–	1,482
Shanghai Fangcheng Medical Equipment Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	–	168

## 16. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Related party transactions: (Continued)

Name of related parties	Relationship	Nature of transaction	Notes	For the six months ended 30 June	
				2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Henan Zuojinming Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	412	205
Lu'an Neptunus Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	145	16
Guangdong Neptunus Medical Group Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	286	166
Henan Guanbao Yuntong Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	172	1
Shandong Neptunus Yangguang Xinnuo Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	447	12
Fuzhou Nepstar Health Drugstore Chain Company Limited	Related company	Sales of goods	(ii)(iv)	877	–
Heilongjiang Province Neptunus Pharmaceutical Company Limited	Fellow subsidiary	Sales of goods	(ii)(iii)	1,565	64

*Notes:*

- (i) Neptunus Group leased office premises to the Group, the rental of office premises was charged at pre-agreed rate with reference to market rates.
- (ii) The purchases, sales, rental of storage and services fee received were transacted in the normal course of business on the same terms as those charged to and contracted with other third party suppliers and customers.
- (iii) The ultimate parent company of these related parties is also the ultimate parent company of the Group.
- (iv) The director of the immediate parent company, Mr. Zhang Si Min is also the director of the ultimate parent company of the related company.

## 16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Outstanding balances with related parties

Name of related parties	Note	Amounts due from related parties		Amounts due to related parties	
		At	At	At	At
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Amount due from/to an intermediate parent company		<u>269</u>	<u>214</u>	<u>690</u>	<u>772</u>
Amounts due from/to fellow subsidiaries:					
Shenzhen Neptunus Pharmaceutical Co., Ltd		52	52	15,833	597
Shandong Neptunus Yinhe Pharmaceutical Company Limited		1,823	706	-	1,055
Hangzhou Neptunus Bio-engineering Company Limited		-	-	46	14
Anhui Neptunus Pharmaceutical Group Company Limited		33	10	-	-
Henan Neptunus Pharmaceutical Group Company Limited		794	1,065	-	-
Sulu Neptunus Pharmaceutical Group Company Limited		-	86	-	-
Shenzhen Quanyaowang Pharmaceutical Company Limited		856	2,461	-	-
Anyang Hengfeng Pharmaceutical Company Limited		205	692	-	-
Shenzhen Neptunus Property Management Company Limited		14	19	-	-
Henan Neptunus Yinhe Pharmaceutical Company Limited		75	112	26	49
Shenzhen Hongyang Property Management Company Limited		30	30	-	-
Shenzhen Neptunus Jiankang Shiye Company Limited		542	369	-	-
Guangxi Guilin Neptunus Pharmaceutical Company Limited		344	110	-	2
Shaoyang Neptunus Pharmaceutical Company Limited		-	-	-	84
Qingdao Huaren Pharmaceutical Distribution Company Limited		-	-	-	1
Guangxi Neptunus Yinhe Pharmaceutical Company Limited		-	-	-	1
Heilongjiang Province Neptunus Pharmaceutical Company Limited		2,335	790	-	-
Henan Enji Pharmaceutical Company Limited		586	690	-	-
Neptunus (Shaoguan) Medical Company Limited		-	-	2	7
Henan Neptunus Yinhe Medical Company Limited Zhumadian Branch		-	-	-	9
Zhongshan Changjian Pharmaceutical Company Limited		61	-	-	110
Jiangsu Neptunus Jiankang Bio-technology Company Limited		-	908	-	-
Keshi Neptunus Hongkang Medical Instruments Company Limited		-	-	-	1
Kashi Neptunus Yinhe Pharmaceutical Company Limited		-	-	-	41
Jilin Neptunus Jiankang Bio-technology Company Limited		-	17,322	186	-
Guangdong Neptunus Medical Group Company Limited		134	3,790	-	-
Henan Guanbao Yuntong Pharmaceutical Company Limited		623	1,657	-	18
Xinjiang Neptunus Xinjia Pharmaceutical Company Limited		-	-	-	19
Henan Zuojinming Pharmaceutical Company Limited		7	344	-	-
Shenzhen Neptunus Dayuancao Bio-technique Company Limited		-	419	22	-
Zhoukou Renhe Pharmaceutical Company Limited		388	578	-	-

## 16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Outstanding balances with related parties (Continued)

Name of related parties	Note	Amounts due from related parties		Amounts due to related parties	
		At	At	At	At
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Shenzhen Shenye Pharmaceutical Development Company Limited		172	–	–	–
Qingdao Huaren Pharmaceutical Distribution Company Limited		149	–	–	–
Henan Dongsen Pharmaceutical Company Limited		52	–	–	–
Bozhou Neptunus Yinhe Medical Company Limited		11	–	–	–
Xinjiang Neptunus Pharmaceutical Company Limited		70	–	–	–
Jilin Neptunus Jiankang Technology Development Company Limited		14,727	–	–	–
Shenzhen Neptunus Medical Technology Research Institute Company Limited		–	–	1,125	–
Pingdingshan Neptunus Yinhe Pharmaceutical Sales Company Limited		–	–	8	–
Tengzhou Neptunus Pharmaceutical Company Limited		–	–	42	–
Neptunus (Zhanjiang) Medical Company Limited		–	–	28	–
Shandong Neptunus Yangguang Xinnuo Pharmaceutical Company Limited		–	–	159	–
Kashi Neptunus Hongkang Medical Equipment Company Limited		–	–	1	–
		<u>24,083</u>	<u>32,210</u>	<u>17,292</u>	<u>2,008</u>

## 16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Outstanding balances with related parties (Continued)

Name of related parties	Note	Amounts due from related parties		Amounts due to related parties	
		At 30 June 2022	At 31 December 2021	At 30 June 2022	At 31 December 2021
		RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Unaudited)	RMB'000 (Audited)
Amounts due from/to related companies:					
Shenzhen Neptunus Yidiangao Pharmaceutical Company Limited		1,786	994	-	-
Jiangsu Nepstar Pharmaceutical Company Limited		716	591	-	-
Jilin Neptunus Jiangkang Bio-technology Company Limited		-	4,000	186	1
Nanning Neptunus Jiangkang Bio-technology Company Limited		1,600	-	-	55
Shenzhen Nepstar Health Drugstore Chain Company Limited		4	4	-	-
Liaoning Province Nepstar Pharmaceutical Trading Company Limited		506	-	-	-
		<u>4,612</u>	<u>5,589</u>	<u>186</u>	<u>56</u>
Amount due to a non-controlling shareholder		-	-	26,401	1,405
		<u>28,964</u>	<u>38,013</u>	<u>44,569</u>	<u>4,241</u>

\* The English translation of the Chinese name in these consolidated financial statements, where indicated, is included for information purpose only.

## 16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Outstanding balances with related parties (Continued)

The balances with related parties are unsecured, interest-free and repayable on demand.

The Group's amounts due from/to related parties which are of trade nature and non-trade nature, consisted of the following:

	Amounts due from related parties		Amounts due to related parties	
	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Trade nature</b>				
Amounts due from/to fellow subsidiaries	24,069	32,191	17,292	1,957
Amounts due from/to related companies	4,612	5,589	186	56
	<u>28,681</u>	<u>37,780</u>	<u>17,478</u>	<u>2,013</u>
<b>Non-trade nature</b>				
Amount due from/to an intermediate parent company	269	214	690	772
Amounts due from/to fellow subsidiaries	14	19	–	51
Amounts due to a non-controlling shareholder	–	–	26,401	1,405
	<u>283</u>	<u>233</u>	<u>27,091</u>	<u>2,228</u>
	<u>28,964</u>	<u>38,013</u>	<u>44,569</u>	<u>4,241</u>

## 16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Outstanding balances with related parties (Continued)

The ageing analysis of amounts due from related parties arising from the ordinary course of business which are of trade nature, based on invoice date is as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 3 months	26,673	34,967
More than 3 months but less than 12 months	1,923	2,728
Over 12 months	85	85
	<u>28,681</u>	<u>37,780</u>

The ageing analysis of amounts due to related parties arising from the ordinary course of business which are of trade nature, based on invoice date is as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 3 months	<u>17,478</u>	<u>2,013</u>

### (c) Key management personnel remuneration

	For the six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Short-term employee benefits	3,644	3,701
Post-employment benefits	248	215
	<u>3,892</u>	<u>3,916</u>

## 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 cover several therapeutic areas which mainly 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 367 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), of which, 206 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 127 varieties 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 90 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 national high-tech enterprises, all of which are entitled to enjoy preferential corporate income tax treatment for high-tech enterprises. The aforesaid three subsidiaries are continuing to invest in the quality consistency evaluation for generic drugs and the research and development of new drugs. They possess 22 patents for invention in total. For the quality consistency evaluation for generic drugs, 4 products of the Group have passed the evaluation, which are Sodium Bicarbonate Tablets, Norfloxacin Capsules, Metformin Hydrochloride Tablets and Propranolol Hydrochloride Tablets. And the evaluation of other products are under orderly progress, among which the evaluation of the Vitamin B6 Tablets has been completed and is pending approval. For the research and development of new drugs, the evaluation of Doxofylline Injection (多索茶鹼注射液), a contract manufacturing medicine of a pharmaceutical subsidiary of the Company, has been approved and relevant procedures are completed, and Concentrated Sodium Potassium Magnesium Calcium Injection (鈉鎂鉀鈣注射用濃溶液) has passed evaluation and is pending approval. The Group also 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), 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).



Owing to more stringent national regulations and product inspection in the market, the monopoly of active ingredients became more severe with prices of Chinese medicinal materials rising noticeably with high volatility, leading to an increase in manufacturing costs. Combined with the fact that certain raw and auxiliary materials were not available for procurement, relevant products were not sufficiently manufactured to meet demand and this led to increased operational stress experienced by the two pharmaceutical subsidiaries of the Group in Fuzhou. To ensure the results were on track and targets can be reached, such pharmaceutical subsidiaries actively reinforced their management by developing direct cooperation with active ingredient manufacturers, striving to source monopolized raw materials through the Group's own resources and others to meet manufacturing needs, properly planning of manufacturing activities according to the Company's catalog of key products to fully utilize its capacity in meeting market demand, making timely adjustment to maintain buffer inventory according to market changes to minimize losses and accelerating product sales efforts such as developing the Group's health segment and manufacturer-vendor collaboration. During the Reporting Period, the promotion of key products by these pharmaceutical subsidiaries has been effective, resulting in higher sales volume of high-margin products. Therefore, continuous business growth has been reported and revenue of the key operational business has been significantly increased compared to the corresponding period last year.

During the Reporting Period, Beijing Neptunus Zhongxin Pharmaceutical Co., Ltd.\* (北京海王中新藥業股份有限公司, "Neptunus Zhongxin"), facing the increasing regulatory pressure and competition pressure in the pharmaceutical industry, closely followed the changes in the industry regulations and the market, implemented diversified marketing strategies, expanded the marketing team, increased the coverage of distributors network, and further strengthened the regulatory compliance of business operation in order to facilitate the stable and high quality development of Neptunus Zhongxin and to reach breakeven as soon as possible.

The Group received a notice of response to action issued by the People's Superior Court of Beijing\* (北京市高級人民法院) last year for a dispute with a customer of Neptunus Fuyao for a claim of RMB153,270,800 and the related litigation costs arising from the dispute. During the Reporting Period, Neptunus Fuyao reached a settlement with the customer and the customer withdrew the lawsuit. The related cost incurred for the dispute was approximately RMB840,000. Details of which are disclosed in the Company's announcements dated 8 December 2021 and 17 March 2022.

#### **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 itself and the group headed by its parent company, 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 and marketing companies and to the end users through large and medium-sized chain pharmacies.

During the Reporting Period, affected by the regional COVID-19 outbreak in Shenzhen, Jilin and other regions, the delivery of goods of the Group's purchase and sales segment of medicines and healthcare food products suffered from suspension and delay for a relatively long period of time and sales were affected. In addition, in line with development in trends of pharmaceutical industry the Group's purchase and sales segment of medicines and healthcare food products reduced the distribution of several prescription products during the first half of last year, which caused a significant decline in revenue. Therefore, the revenue of this segment declined significantly during the Reporting Period as compared with the corresponding period of last year.

In order to stabilize its business, the Group's purchase and sales segment of medicines and healthcare food products will continue to proactively adopt a diversified development strategy, increase efforts in regional market development, keep up with market trends, launch a series of promotional activities, conferences, team training, introduce Neptunus Zhongxin's products and market demand products, expand its product lines, increase customer stickiness, initiate large-scale training and gradually develop other distribution models to attain higher performance.

## FINANCIAL REVIEW

The Group's revenue for the Reporting Period was approximately RMB438,869,000, representing an increase of approximately 12.19% from approximately RMB391,194,000 for the corresponding period of last year. In relation to the Group's revenue, approximately RMB310,182,000, which amounted to approximately 70.68% of the Group's total revenue, was derived from the manufacturing and selling of medicines segment, while approximately RMB128,687,000, which amounted to approximately 29.32% 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 32.69% 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 18.26%. 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 43%, representing a decrease of approximately 4 percentage points from approximately 47% for the corresponding period of last year. The decrease in gross profit margin was mainly because the gross profit margin of the subsidiary acquired in June 2021 Neptunus Zhongxin is still low and the Group reduced several agent products which gross profit margin were high.

The Group's gross profit during the Reporting Period was approximately RMB187,858,000, representing an increase of approximately 1.38% from approximately RMB185,303,000 for the corresponding period of last year. The increase in gross profit was mainly due to the reason that the gross profit margin of the Group decreased, but the overall revenue increased significantly, so the gross profit increased slightly.

During the Reporting Period, the Group's selling and distribution expenses were approximately RMB108,208,000, representing a decrease of approximately 10.70% from approximately RMB121,177,000 for the corresponding period of last year. The decrease in selling and distribution expenses was mainly because the structure and varieties sold as agent were adjusted.

The Group's administrative expenses for the Reporting Period were approximately RMB41,600,000, representing an increase of approximately 20.70% from approximately RMB34,465,000 for the corresponding period of last year. The increase in administrative expenses was mainly due to the increase in labor costs and the acquisition of Neptunus Zhongxin in June 2021.

During the Reporting Period, the Group's other operating expenses amounted to approximately RMB20,740,000, representing an increase of approximately 20.37% from approximately RMB17,230,000 for the corresponding period of last year. The increase in other operating expenses was mainly attributed to the increase in research and development expenses from Neptunus Zhongxin, a subsidiary acquired in June 2021.

During the Reporting Period, the Group's finance costs amounted to approximately RMB3,162,000, representing an increase of approximately 328.46% from approximately RMB738,000 for the corresponding period of last year. The increase in finance costs was mainly due to the increase in interest expenses incurred from the banking loans of Neptunus Zhongxin, a subsidiary acquired in June 2021.

Due to the above reasons, the Group's profit after tax was approximately RMB17,835,000 during the Reporting Period, representing a decrease of approximately 21.38% from approximately RMB22,685,000 of the corresponding period of last year. Profit attributable to the owners of the Company was approximately RMB20,344,000 of the Reporting Period, representing an increase of approximately 3.55% from approximately RMB19,647,000 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 30 June 2022, Neptunus Zhongxin has pledged company's buildings and credit guarantee to secure banking facilities of RMB66,000,000, which have been fully utilized.

## PLEDGE OF ASSETS

As at 30 June 2022, the available banking facilities of RMB66,000,000 of the Group were secured by pledge of its buildings and prepaid lease payments and the pledged buildings and prepaid lease payments were stated at an aggregate value of approximately RMB66,210,000.

## FOREIGN CURRENCY RISK

During the Reporting Period, the Group's operating revenue, major selling costs and capital expenditure were denominated in RMB. As at 30 June 2022, the Group's cash and cash equivalents were mainly denominated in RMB. As such, the foreign currency risk facing the Group is limited. Currently, the Group has not adopted any financial instrument for hedging purposes.

## GEARING RATIO

As at 30 June 2022, the gearing ratio of the Group, calculated by dividing the total borrowings by total equity and multiplied by 100%, was approximately 38.44% (31 December 2021: approximately 38.46%).

## SIGNIFICANT INVESTMENT HELD

Save as disclosed in this announcement, there was no other significant investment held by the Company during the Reporting Period.

## CAPITAL STRUCTURE

During the Reporting Period, there has been no change in the capital structure of the Company. The capital of the Company comprises its shares and other reserves.

## INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the Reporting Period (2021: Nil).

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had not made any material acquisitions and disposals of subsidiaries, associates, and joint ventures during the Reporting Period.

## CONTINGENT LIABILITY

As at 30 June 2022, the Group had no significant contingent liabilities.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2022, the Group did not have concrete plans for material investments and capital assets.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 1,506 employees.

During the Reporting Period, the staff costs including directors' remuneration which amounted to approximately RMB72,886,000. Employees are remunerated according to their performance and work experience. The Group raised the salaries and improved fringe benefits for its employees to maintain competitiveness and broaden appeal of the Group. The employees' incentives were reviewed and determined annually pursuant to the remuneration, bonus policies and/or share options of the Group based on the performance of the employees. The Group also provided various other benefits to its employees.

The Group monitored closely the remuneration and fringe benefits of the employees and rewarded employees in accordance with the Group's business performance. In addition, training and development opportunities for the employees were also provided by the Group.

## CAPITAL COMMITMENTS

As at 30 June 2022, the Group had contracted commitments for future capital expenditure of approximately RMB2,860,000.

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

As far as the Directors and supervisors of the Company are aware, as at 30 June 2022, the interests and short positions of the Directors, supervisors and chief executive 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	2,000,000	0.07%
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 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, 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, 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 and vice general manager, supervisor and head of human resources of Neptunus Changjian, 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 30 June 2022, none of the Directors, supervisors or chief executive 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 30 June 2022, the Company and its subsidiaries have neither adopted any share option scheme nor 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 30 June 2022, 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:**

<b>Substantial Shareholder</b>	<b>Capacity</b>	<b>Number of domestic shares held</b>	<b>Approximate percentage of all the domestic shares</b>	<b>Approximate percentage of the Company's issued share capital</b>
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"), 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 44.22% 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 executive 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 30 June 2022.

## **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 project which may compete with the existing and future business of the Company, the Company shall have a preferential right of investment 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 complied with the "Required Standard of Dealings" and the Company's code of conduct regarding Director's securities transactions.

## **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, 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 condensed 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) 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.

## UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors for the six months ended 30 June 2022 is set out below:

Mr. Xu Yan He, a non-executive Director, passed away on 21 March 2022.

Mr. Jin Rui was appointed as a non-executive Director with effect from 13 May 2022.

Mr. Yick Wing Fat, Simon, an independent non-executive Director, ceased to act as an independent non-executive director, the chairman of the remuneration and nomination committee and a member of the audit and compliance committee of Nexteer Automotive Group Limited (the shares of which are listed on the Main Board of the Stock Exchange) since 14 June 2022.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules for the six months ended 30 June 2022.

## EVENTS AFTER THE REPORTING PERIOD

There are no important events affecting the Group which have occurred after the end of the Reporting Period and up to the date of this announcement.

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

Shenzhen, the PRC, 12 August 2022

*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