



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 THIRD QUARTERLY RESULTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

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

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

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

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement.*

*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.*

## QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2023 (the “Reporting Period”), together with the unaudited comparative figures for the corresponding period of 2022.

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

For the three months and nine months ended 30 September 2023

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>Revenue</b>	4	<b>267,649</b>	250,530	<b>823,180</b>	689,399
Cost of sales		<u>(153,982)</u>	<u>(133,828)</u>	<u>(464,197)</u>	<u>(384,839)</u>
<b>Gross profit</b>		<b>113,667</b>	116,702	<b>358,983</b>	304,560
Other revenue	4	<b>1,731</b>	6,502	<b>7,569</b>	17,145
Other net income	4	<b>(1,220)</b>	190	<b>366</b>	680
Selling and distribution expenses		<b>(67,892)</b>	(66,142)	<b>(215,651)</b>	(174,350)
Administrative expenses		<b>(19,744)</b>	(22,760)	<b>(60,951)</b>	(64,360)
Other operating expenses		<b>(8,327)</b>	(11,026)	<b>(32,380)</b>	(31,766)
<b>Profit from operations</b>		<b>18,215</b>	23,466	<b>57,936</b>	51,909
Finance costs	5	<b>(1,033)</b>	(1,412)	<b>(4,280)</b>	(4,574)
<b>Profit before taxation</b>	5	<b>17,182</b>	22,054	<b>53,656</b>	47,335
Income tax expenses	6	<b>(2,786)</b>	(5,680)	<b>(8,170)</b>	(13,126)
<b>Profit and total comprehensive income for the period</b>		<b><u>14,396</u></b>	<u>16,374</u>	<b><u>45,486</u></b>	<u>34,209</u>
<b>Profit/(loss) and total comprehensive income/(expenses) for the period attributable to:</b>					
Owners of the Company		<b>15,625</b>	15,542	<b>45,506</b>	35,886
Non-controlling interests		<b>(1,229)</b>	832	<b>(20)</b>	(1,677)
		<b><u>14,396</u></b>	<u>16,374</u>	<b><u>45,486</u></b>	<u>34,209</u>
<b>Earnings per share for profit attributable to the owners of the Company during the period</b>					
Basic and diluted	8	<b><u>RMB0.93 cents</u></b>	<u>RMB0.93 cents</u>	<b><u>RMB2.71 cents</u></b>	<u>RMB2.14 cents</u>

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

*For the nine months ended 30 September 2023*

	Attributable to owners of the Company							Non- controlling Interests	Total
	Share Capital	Share Premium	Capital Reserve	Statutory Reserve Fund	Retained Earnings	Sub-total			
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
At 1 January 2022 (Audited)	167,800	554,844	(188,494)	49,611	245,935	829,696	114,704	944,400	
<b>Change in equity for 2022</b>									
Profit and total comprehensive income for the period	-	-	-	-	35,886	35,886	(1,677)	34,209	
Dividend paid from subsidiary to non-controlling interests	-	-	-	-	-	-	(2,927)	(2,927)	
Release of statutory reserve fund due to deregistration of a subsidiary	-	-	-	(250)	250	-	-	-	
<b>At 30 September 2022 (Unaudited)</b>	<b><u>167,800</u></b>	<b><u>554,844</u></b>	<b><u>(188,494)</u></b>	<b><u>49,361</u></b>	<b><u>282,071</u></b>	<b><u>865,582</u></b>	<b><u>110,100</u></b>	<b><u>975,682</u></b>	
As at 1 January 2023 (Audited)	<b>167,800</b>	<b>554,844</b>	<b>(188,494)</b>	<b>51,082</b>	<b>298,810</b>	<b>884,042</b>	<b>121,262</b>	<b>1,005,304</b>	
<b>Change in equity for 2023</b>									
Profit and total comprehensive income for the period					45,506	45,506	(20)	45,486	
Dividend paid from subsidiary to non-controlling interests							(3,500)	(3,500)	
<b>At 30 September 2023 (Unaudited)</b>	<b><u>167,800</u></b>	<b><u>554,844</u></b>	<b><u>(188,494)</u></b>	<b><u>51,082</u></b>	<b><u>344,316</u></b>	<b><u>929,548</u></b>	<b><u>117,742</u></b>	<b><u>1,047,290</u></b>	

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2023*

## 1. CORPORATE INFORMATION

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

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 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 unaudited condensed consolidated 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 unaudited condensed consolidated financial statements of the Reporting Period have been prepared in accordance with the same accounting policies adopted in the annual consolidated financial statements for the year ended 31 December 2022. The unaudited condensed consolidated financial statements of the Reporting Period do not include all the information and disclosures required for annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2022.

This unaudited condensed consolidated financial statements for the period ended 30 September 2023 comprises the Company and its subsidiaries.

The measurement basis used in the preparation of these unaudited condensed consolidated financial statements is the historical cost basis. These unaudited condensed consolidated 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 financial statements are unaudited.

### 3. ADOPTION OF NEW AND AMENDED HKFRSs

#### (a) New and amended HKFRSs effective on 1 January 2023

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 2023:

HKFRS 17	Insurance Contracts with related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	Income Taxes: Pillar Two Model Rules

The adoption of the amended HKFRSs had no material impact on how the results and 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 HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> 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 condensed consolidated financial statements.

#### 4. REVENUE AND OTHER REVENUE

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2023	2022	2023	2022
	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>
<b>Revenue</b>				
Manufacturing and selling of medicines	183,753	174,975	591,245	485,157
Sales and distribution of medicines and healthcare products	83,896	75,555	231,935	204,242
	<u>267,649</u>	<u>250,530</u>	<u>823,180</u>	<u>689,399</u>
<b>Other revenue</b>				
Interest income from bank deposits	1,174	1,209	4,734	4,162
Agency fee income		2,826		7,547
Government subsidies				
– released from deferred revenue	102	100	301	300
– directly recognized in profit or loss	256	2,263	1,539	4,558
Others	199	104	995	578
	<u>1,731</u>	<u>6,502</u>	<u>7,569</u>	<u>17,145</u>
<b>Other net income</b>				
Reversal of impairment loss/(Impairment loss) on trade and other receivables	(1,373)	187	65	608
Reversal of write down of inventories	119	–	119	–
Net foreign exchange gains	–	3	47	23
Gain on disposal of property, plant and equipment	34	–	135	49
	<u>(1,220)</u>	<u>190</u>	<u>366</u>	<u>680</u>

## 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived after deducting the following:

	For the three months ended 30 September		For the nine months ended 30 September	
	2023	2022	2023	2022
	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>
<b>(a) Finance costs</b>				
Interest on bank loans and other borrowings	999	1,403	4,149	4,541
Financial cost on lease liabilities	34	9	131	33
	<u>1,033</u>	<u>1,412</u>	<u>4,280</u>	<u>4,574</u>
<b>(b) Staff costs (including directors' emoluments)</b>				
Salaries, wages and other benefits	32,580	31,469	94,810	93,537
Contributions to defined contribution retirement plans	4,907	4,243	15,814	15,061
	<u>37,487</u>	<u>35,712</u>	<u>110,624</u>	<u>108,598</u>
<b>(c) Other Item</b>				
Depreciation of right-of-use assets	488	271	3,206	3,711
Amortisation of intangible assets ( <i>Note</i> )	1,189	1,187	3,579	3,560
Depreciation of property, plant and equipment	5,470	4,731	17,109	15,202
Cost of inventories	142,229	131,463	439,798	362,408
Research & development costs ( <i>Note</i> )	9,144	7,831	23,662	21,320
Short-term lease expenses:				
minimum lease payment	470	860	2,024	3,791
Impairment/(Reversal of impairment) on				
– trade receivables ( <i>Note</i> )	3,178	250	3,684	1,254
– other receivables ( <i>Note</i> )	(629)	(126)	6	–
Loss on disposal of property, plant and equipment ( <i>Note</i> )	173	20	381	287
Write down/(Reversal of write down) of inventory ( <i>Note</i> )	(5,303)	32	710	2,079
Auditor's non-audit services remuneration	197	14	509	531

*Note:* These amounts have been included in “Other operating expenses” in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

## 6. INCOME TAX

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>Current tax</b>				
Provision for PRC Enterprise Income Tax (“EIT“)	3,371	6,887	9,267	13,740
<b>Deferred tax</b>				
Origination and reversal of temporary differences	(585)	(1,207)	(1,097)	(614)
	<u>2,786</u>	<u>5,680</u>	<u>8,170</u>	<u>13,126</u>

Hong Kong Profits Tax has not been provided for as the Group had no assessable profit to Hong Kong Profits Tax during the Reporting Period (nine-month period ended 30 September 2022: Nil).

As at 30 September 2023, 3 subsidiaries (30 September 2022: 3 subsidiaries) of the Group established in the PRC are qualified as “High and New Technology Enterprise”, respectively. 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 Reporting Period (30 September 2022: 25%).

## 7. DIVIDENDS

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

## 8. EARNINGS PER SHARE

### Basic earnings per share

For the three-month and nine-month periods ended 30 September 2023, the calculation of basic earnings per share was based on the profit attributable to owners of the Company of approximately RMB15,625,000 and RMB45,506,000 respectively (three-month and nine-month periods ended 30 September 2022: profit of approximately RMB15,542,000 and RMB35,886,000 respectively) and the weighted average number of 1,678,000,000 ordinary shares in issue for the three-month and nine-month periods ended 30 September 2023 (2022: 1,678,000,000 ordinary shares).

### Diluted earnings per share

Diluted earnings per share for the three-month and nine-month periods ended 30 September 2023 and 2022 equals to basic earnings per share because there were no potential dilutive ordinary shares outstanding during these periods.



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

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

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

The Group's research and development work mainly fulfills the internal development demands of the Group through conducting independent research and development and cooperation with external research and development institutions. Three pharmaceutical manufacturing subsidiaries of the Company are recognized as high-tech enterprises and all of them are entitled to enjoy preferential corporate income tax treatment for high-tech enterprises. Over the years, the Group has consistently promoted its research and development innovation strategy and continued to invest in the consistency evaluation of generic medicine and the research and development of new medicines. Currently, the Group owns a total of 35 patents for inventions. In respect of consistency evaluation, four of the Group's products have passed the consistency evaluation, including Sodium Bicarbonate Tablets (碳酸氫鈉片), Norfloxacin Capsules (諾氟沙星膠囊), Metformin Hydrochloride Tablets (鹽酸二甲雙胍片) and Propranolol Hydrochloride Tablets (鹽酸普萘洛爾片). The consistency evaluation of several other products is being carried out in an orderly manner, including Vitamin B6 Tablets (維生素 B6片), which evaluation have been completed and are still pending approval, and Benzhexol Hydrochloride Tablets (鹽酸苯海索片) and Vitamin B1 Tablets (維生素 B1片), which have both completed the process verification for consistency evaluation. In the aspect of research and development of new medicines, Doxofylline Injection (多索茶鹼注射液), which was commissioned by the Company's pharmaceutical subsidiary, has been approved. Concentrated Sodium Potassium Magnesium Calcium Injection (鈉鉀鎂鈣注射用濃溶液) has also obtained approval. The Group also possesses various new drugs and exclusive products with self-owned intellectual property rights, including Tegafur, Gimeracil and Oteracil Potassium Tablets (the "TGOP Tablets" or 替吉奧片, a drug for anti-gastric cancer), Xiaozheng Yigan Tablets (消症益肝片, an anti-liver-cancer

drug), Proteoglycan Tablets (多糖蛋白片, for enhancing the immune system), Biyuan Capsules (鼻淵膠囊, an anti-rhinitis medicine), Amaranth Berberine Capsules (莧菜黃連素膠囊, a drug for acute diarrhea), Disodium Glycyrrhizinate (甘草酸二鈉, a drug for anti-inflammatory and liver protection), Spironolactone Tablets (螺內酯片, a drug for auxiliary diuresis), Ligustrazine Phosphate Tablets (磷酸川芎嗪片, a drug for ischemic cerebrovascular disease), Pre-filled Catheter Flusher (預充式導管沖洗器, a Class III medical device) and HTK Myocardial Protection Cardioplegic Solution (HTK 心肌保護停跳液, a Class III medical device).

During the Reporting Period, the two pharmaceutical manufacturing subsidiaries of the Group located in Fujian, in accordance with the established strategies, unified sales policies, complemented each other's strengths, shared resources, opened accounts on an interchangeable basis and integrated development to fully expand the market for key products. The said two subsidiaries took advantage of the strengths and resources inside the province, sorted and adjusted the prices of some medicine varieties listed on the provincial collective bidding and purchasing online platform, proactively developed sales channels in areas of the province where their sales network had not covered yet and increased market share of their products in medical institutions in the province while making use of the national marketing resources of the Neptunus head office and customers' resources to further expand market outside the province and actively participating in the volume-based procurements organized by regional alliances for the expired medicine varieties on the national collective purchasing medicine list to seize market share and drive sales of other products. At the same time, they developed the sales layout of distribution channels by dividing them into three major channels according to the characteristics of the products: omni-channel sales, controlled sales and e-commerce sales, and have been continuously developing sales channels and adopting a complementary approach between medical institutions and the distribution market, so as to consolidate and develop the share of our original advantageous products in the medical institutions. The continuous efforts made by these pharmaceutical manufacturing subsidiaries in the areas of production, product quality, sales, inventory and pricing have not only ensured the steady development of the business, but also contributed significantly to the Group's profitability. Beijing Neptunus Zhongxin Pharmaceutical Co., Ltd.\* (北京海王中新藥業股份有限公司, "Neptunus Zhongxin"), a pharmaceutical manufacturing subsidiary of the Group located in Beijing, actively responded to the difficult and tense development situation faced by the domestic chemical raw materials pharmaceuticals and the tremendous challenges brought about during the Reporting Period, and promptly followed the industry policies and the market changes by means of expanding production capacity, increasing products, strictly enforcing the quality control, adjusting the portfolio structure, transforming the marketing model and the team, etc., closely focusing on the strategic layout of "shifting products from low gross profit to high gross profit, and shifting the sales team from regional to national", strengthening budget and compliance management, reducing costs and increasing efficiency, and further refine risk control, the operating condition improved and the sales increased over the corresponding period of last year, but still needed efforts to turn loss into profit.

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

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

During the Reporting Period, the implementation of the policies of the new healthcare reform adversely affected the sales of retail pharmacies, which in turn affected the business of the Group's medicines and healthcare food purchase and sales division to a certain extent, and it is expected that such impact may increase in the future. In order to stabilize its business and safeguard its long-term development, the Group's medicines and healthcare food products division will continue to focus on integrated planning and timely adjusted its sales strategies, focusing on the sales of key products and vigorously developing the healthcare food products market to actively address adverse impacts to drive results growth. During the Reporting Period, the results of the Group's medicines and healthcare food purchase and sales division increased as compared with the corresponding period of last year.

## **FINANCIAL REVIEW**

The Group's revenue during the Reporting Period was approximately RMB823,180,000, representing an increase of 19.41% from approximately RMB689,399,000 for the corresponding period of last year. In relation to the Group's revenue, approximately RMB591,245,000, which amounted to approximately 71.82% of the Group's total revenue, was derived from the manufacturing and selling of medicines segment, while approximately RMB231,935,000, which amounted to approximately 28.18% of the Group's total revenue, was derived from the sales and distribution of medicines and healthcare products segment. During the Reporting Period, the revenue from the Group's manufacturing and selling of medicines segment increased by approximately 21.87% as compared with the corresponding period of last year, while the revenue from the sales and distribution of medicines and healthcare products segment increased by approximately 13.56% as compared with the corresponding period of last year. Therefore, the overall revenue of the Group increased.

During the Reporting Period, the Group's gross profit margin was approximately 44%, basically the same as compared with the corresponding period of last year.

The Group's gross profit during the Reporting Period was approximately RMB358,983,000, representing an increase of approximately 17.87% from approximately RMB304,560,000 for the corresponding period of last year. The increase in gross profit was mainly attributable to the increase in the overall revenue of the Group.

During the Reporting Period, the Group's selling and distribution expenses were approximately RMB215,651,000, representing an increase of approximately 23.69% from approximately RMB174,350,000 for the corresponding period of last year. The increase in selling and distribution expenses was mainly because the Group's overall revenue increased, and thus the selling and distribution expenses increased.

The Group's administrative expenses for the Reporting Period were approximately RMB60,951,000, representing a decrease of approximately 5.30% from approximately RMB64,360,000 for the corresponding period of last year. The decrease in administrative expenses was mainly attributable to the change in staff costs and the decrease in legal and professional fees and depreciation costs.

During the Reporting Period, the Group's other operating expenses were approximately RMB32,380,000, representing an increase of approximately 1.93% from approximately RMB31,766,000 for the corresponding period of last year. The increase in other operating expenses was mainly because the impairment on trade receivables increased.

The Group's finance costs for the Reporting Period amounted to approximately RMB4,280,000, representing a decrease of approximately 6.43% from approximately RMB4,574,000 for the corresponding period of last year. The decrease in finance costs was mainly because the interest expenses on bank borrowings of Neptunus Zhongxin decreased.

Due to the above reasons, the Group's profit after tax increased from approximately RMB45,486,000 for the corresponding period of last year to approximately RMB34,209,000 for the Reporting Period, representing an increase of approximately 32.96%. Profit attributable to the owners of the Company increased from approximately RMB35,886,000 for the corresponding period of last year to approximately RMB45,506,000 for the Reporting Period, representing an increase of approximately 26.81%.

## **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 September 2023, the Group had short-term bank borrowings of RMB82,000,000.

## **CONTINGENT LIABILITY**

As at 30 September 2023, the Group had no significant contingent liabilities.

## 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 September 2023, 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. Zhang Xiao Guang ( <i>Note (c)</i> )	Beneficial owner	Personal	Neptunus Bio-engineering	430,000	0.02%
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 9th 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. Zhang Xiao Guang, executive Director, was beneficially interested in approximately 0.02% 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 resource 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 30 September 2023, 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 September 2023, the Company and its subsidiaries have not adopted any share option scheme and have not granted any option, convertible securities, warrants or other similar rights.

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

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



## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as the Directors and supervisors of the Company are aware, as at 30 September 2023, the interests and/or short positions held by shareholders (not being a Director, a supervisor or a chief executive of the Company) in shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company were as follows:

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

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 ( <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, 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 September 2023.

## **PURCHASE, SALES 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 code of conduct regarding securities transactions during the Reporting Period.

## **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 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” set out in Appendix 15 of the GEM Listing Rules. As the leader of the Board, the Chairman is responsible for the approval and supervision of the overall strategies and policies of the Company, approval of annual budgets and business plans, evaluation of the Company’s performance and oversight of the management. Mr. Zhang Feng is the current Chairman of the Board. The General Manager (same role as the chief executive pursuant to the Corporate Governance Code) is responsible for the day-to-day operations of the Company.

Subsequent to the resignation of Mr. Zhou Hang as an executive Director and the General Manager on 8 February 2021, the Company is identifying a suitable candidate to fulfill the vacancy of the General Manager. The articles of 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. 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, 7 November 2023

*As at the date of this announcement, the executive Directors are Mr. Zhang Feng, Mr. Huang Jian Bo and Mr. Zhang Xiao Guang; the non-executive Directors are Mr. Zhang Yi Fei, Ms. Yu Lin 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