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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

This announcement, for which the directors (the "Directors") of Shenzhen Neptunus Interlong Bio-technique Company Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

ANNUAL RESULTS

The board (the "Board") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 (the "Year") together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Revenue	*3*	**1,041,698**	1,064,861
Cost of sales		**(711,231)**	(617,350)
Gross profit		**330,467**	447,511
Other revenue and other net income	*5*	**16,584**	28,869
Selling and distribution expenses		**(162,361)**	(252,826)
Administrative expenses		**(93,912)**	(90,433)
Other operating expenses		**(50,994)**	(93,746)
Impairment of trade and other receivables, net		**(5,062)**	(3,127)
Profit from operations		**34,722**	36,248
Finance costs	*6(a)*	**(5,078)**	(5,574)
Profit before taxation	*6*	**29,644**	30,674
Income tax expense	*7*	**(15,879)**	(16,148)
Profit and total comprehensive income for the year		**13,765**	14,526
(Loss)/Profit and total comprehensive income/(expenses) for the year attributable to:			
Owners of the Company		**25,014**	24,127
Non-controlling interests		**(11,249)**	(9,601)
		13,765	14,526
Earnings per share			
Basic and diluted	*9*	**RMB1.49 cents**	RMB1.44 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**197,416**	203,570
Right-of-use assets		**80,529**	81,003
Intangible assets		**120,325**	122,149
Goodwill		**63,422**	63,422
Deposits for acquisition of property, plant and equipment		**98**	1,525
Deposits for acquisition of land use right		**9,817**	9,817
Deferred tax assets		**2,452**	3,576
Time deposits		**115,000**	10,000
		589,059	495,062
Current assets			
Tax recoverable		**880**	–
Inventories		**206,190**	205,424
Trade and other receivables	*10*	**318,533**	332,954
Short-term bank deposits		**–**	10,000
Bank balances and cash		**283,424**	372,206
		809,027	920,584
Current liabilities			
Trade and other payables	*11*	**222,377**	260,527
Contract liabilities		**16,838**	16,034
Interest-bearing borrowings	*12*	**98,201**	85,417
Deferred revenue		**–**	–
Lease liabilities		**1,949**	499
Current taxation		**1,058**	3,703
		340,423	366,180
Net current assets		**468,604**	554,404
Total assets less current liabilities		**1,057,663**	1,049,466

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Interest-bearing borrowings	*12*	**3,514**	2,427
Deferred revenue		**589**	589
Lease liabilities		**1,767**	1,343
Deferred tax liabilities		**25,694**	28,925
		31,564	33,284
Net assets		**1,026,099**	1,016,182
Equity			
Equity attributable to owners of the Company			
Share capital		**167,800**	167,800
Reserves		**765,383**	740,369
		933,183	908,169
Non-controlling interests		**92,916**	108,013
Total equity		**1,026,099**	1,016,182

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company							
	Share capital	**Share premium***	**Statutory reserve fund***	**Capital reserve***	**Retained earnings***	**Sub-total**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(note 28(a))	*(note 28(b))*	*(note 28(c))*				
At 1 January 2023	167,800	554,844	51,082	(188,494)	298,810	884,042	121,262	1,005,304
Profit/(Loss) and total comprehensive income/(expense) for the year	–	–	–	–	24,127	24,127	(9,601)	14,526
Dividend paid to non-controlling interests	–	–	–	–	–	–	(3,648)	(3,648)
Transfer to statutory reserve fund	–	–	1,721	–	(1,721)	–	–	–
At 31 December 2023	167,800	554,844	52,803	(188,494)	321,216	908,169	108,013	1,016,182
At 1 January 2024	**167,800**	**554,844**	**52,803**	**(188,494)**	**321,216**	**908,169**	**108,013**	**1,016,182**
Profit/(Loss) and total comprehensive income/(expense) for the year	**–**	**–**	**–**	**–**	**25,014**	**25,014**	**(11,249)**	**13,765**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(3,848)**	**(3,848)**
Transfer to statutory reserve fund	**–**	**–**	**915**	**–**	**(915)**	**–**	**–**	**–**
At 31 December 2024	**167,800**	**554,844**	**53,718**	**(188,494)**	**345,315**	**933,183**	**92,916**	**1,026,099**

* The reserves account comprise the Group's reserves of RMB765,383,000 (2023: RMB740,369,000) in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. General 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 1702, Neptunus Yinhe Technology Mansion, 1 Keji Middle 3rd Road, Maling Community, Yuehai Sub-district, Nanshan District, Shenzhen, Guangdong Province, the PRC and its principal place of business is the PRC. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited.

The Group is controlled by Shenzhen Neptunus Bio-engineering Company Limited ("Neptunus Bio-engineering"), a limited liability company incorporated and domiciled in the PRC and its shares are listed on the Shenzhen Stock Exchange. The ultimate parent company of the Group is Shenzhen Neptunus Holding Group Limited, a company incorporated in the PRC.

The Group's principal activities 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 and medical devices. The Group's operations are based in the PRC.

The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the board of directors on 25 March 2025.

2. Basis of Preparation and Adoption of New and Amended Hong Kong Financial Reporting Standards ("HKFRSs")

(a) Basis of preparation

These annual consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited ("GEM Listing Rules").

These consolidated financial statements are presented in Renminbi ("RMB") which is also the functional currency of the Company. All amounts are rounded to the nearest thousand except where otherwise indicated.

The consolidated financial statements have been prepared on the historical cost basis.

(b) Amended HKFRSs that are effective for annual periods beginning on 1 January 2024

In the current year, 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 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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.

Issued but not yet effective HKFRSs

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

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contacts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;

- disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and

- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and

- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRSs, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Company are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The major changes in amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarified and added further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

- added new disclosures for certain instruments with contractual terms that can change cash flows (e.g. some financial instruments with features linked to the achievement of environment, social and governance targets); and

- updated the disclosures for equity instruments designated at FVOCI.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained earnings. The amendments that relate to the classification of financial assets as well as the related disclosures can be early adopted and the other amendments can be applied later. The directors of the Group expect that the amendments have no material impact on the consolidated financial statements

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments remove an acknowledged inconsistency between the requirements in HKFRS 10 "Consolidated Financial Statements" and those in HKAS 28 "Investments in Associates and Joint Ventures" in dealing with the sale or contribution of assets between an investor and its associate or joint venture and require that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of the amendments has been postponed indefinitely with earlier adoption permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

Amendments to HKAS 21 Lack of Exchangeability

The amendments to HKAS 21 clarify the approach that should be taken by entities when they are reporting foreign currency transactions, translating foreign operations, or presenting financial statements in a different currency, and there is a long-term lack of exchangeability between the relevant currencies.

The amendments:

(a) introduce a definition of whether a currency is exchangeable and the process by which an entity should assess this exchangeability (i.e. a currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations); and

(b) set out a framework under which an entity can determine the spot exchange rate at the measurement date (by an observable exchange rate without adjustment or another estimation technique) when a currency lacks exchangeability.

Besides, the amendments also require an entity to disclose the additional information when it estimates a spot exchange rate due to lack of exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025 and are applied retrospectively with an adjustment to opening retained earnings. The amendments that relate to the classification of financial assets as well as the related disclosures can be early adopted and the other amendments can be applied later. The directors of the Group expect that the amendments have no material impact on the consolidated financial statements.

3. Revenue

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

	2024	2023
	RMB'000	*RMB'000*
Manufacturing and selling of medicines and medical devices	**540,581**	576,679
Sales and distribution of medicines, healthcare products and medical devices	**501,117**	488,182
	1,041,698	1,064,861

Note:

For the year ended 31 December 2024, revenue included sales of medical devices of RMB220,993,000 (2023: RMB210,674,000).

4. Segment Reporting

The Group manages its businesses 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 medical devices; and

(ii) Sales and distribution of medicines, healthcare products and medical devices.

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

(a) Segment results, assets and liabilities

Segment assets include all current and non-current assets with the exception of tax recoverable and 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 the 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 charged to external parties for similar orders.

	Manufacturing and selling of medicines and medical devices		Sales and distribution of medicines, healthcare products and medical devices		Total	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue						
Revenue from external customers	**540,581**	576,679	**501,117**	488,182	**1,041,698**	1,064,861
Inter-segment revenue	**35,899**	34,805	**21,928**	66,444	**57,827**	101,249
Reportable segment revenue	**576,480**	611,484	**523,045**	554,626	**1,099,525**	1,166,110
Reportable segment profit	**28,051**	4,930	**9,128**	33,489	**37,179**	38,419
Write-down of inventories	**(5,399)**	(7,960)	**(243)**	(317)	**(5,642)**	(8,277)
Reversal of write-down of inventories	**3,062**	–	**155**	9	**3,217**	9
Net (impairment)/reversal of:						
– trade receivables	**(3,792)**	(2,437)	**(452)**	(367)	**(4,244)**	(2,804)
– other receivables	**(229)**	(7)	**(589)**	(316)	**(818)**	(323)
Bank interest income	**3,196**	4,789	**455**	1,473	**3,651**	6,262
Depreciation and amortisation of non-financial assets	**(26,508)**	(27,970)	**(8,057)**	(5,674)	**(34,565)**	(33,644)
Reversal of impairment of intangible assets	**–**	16,201	**–**	–	**–**	16,201
Impairment of goodwill	**–**	(33,102)	**–**	–	**–**	(33,102)
Loss on disposal/write-off of property, plant and equipment	**(2,886)**	(699)	**(7)**	(315)	**(2,893)**	(1,014)
Finance costs	**(4,976)**	(5,532)	**(102)**	(42)	**(5,078)**	(5,574)
Reportable segment assets	**895,155**	900,542	**834,669**	863,034	**1,729,824**	1,763,576
Additions to non-current segment assets (other than deferred tax assets) during the year	**20,558**	14,841	**8,544**	434	**29,102**	15,275
Reportable segment liabilities	**452,733**	440,314	**227,572**	278,028	**680,305**	718,342

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

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

	2024	2023
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**1,099,525**	1,166,110
Elimination of inter-segment revenue	**(57,827)**	(101,249)
Consolidated revenue	**1,041,698**	1,064,861
Profit before taxation		
Reportable segment profit	**37,179**	38,419
Elimination of inter-segment profit	**(4,269)**	(4,638)
Reportable segment profit derived from the Group's external customers	**32,910**	33,781
Unallocated corporate expenses	**(3,266)**	(3,107)
Consolidated profit before taxation	**29,644**	30,674
Assets		
Reportable segment assets	**1,729,824**	1,763,576
Elimination of inter-segment receivables	**(335,070)**	(351,506)
	1,394,754	1,412,070
Tax recoverable	**880**	–
Deferred tax assets	**2,452**	3,576
Consolidated total assets	**1,398,086**	1,415,646
Liabilities		
Reportable segment liabilities	**680,305**	718,342
Elimination of inter-segment payables	**(335,070)**	(351,506)
	345,235	366,836
Current taxation	**1,058**	3,703
Deferred tax liabilities	**25,694**	28,925
Consolidated total liabilities	**371,987**	399,464

(c) Revenue from major products and services

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

	2024	2023
	RMB'000	*RMB'000*
Sales of medicines and healthcare products	**820,705**	854,187
Sales of medical devices	**220,993**	210,674
	1,041,698	1,064,861

(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 at a point in time from the following types of customers:

	Hospital	**Pharmacy**	**Others**	**Total**
2024	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Manufacturing and selling of medicines and medical devices	**53,549**	**479,584**	**7,448**	**540,581**
Sales and distribution of medicines, healthcare products and medical devices	**20,590**	**480,527**	**–**	**501,117**
	74,139	**960,111**	**7,448**	**1,041,698**

	Hospital	Pharmacy	Others	Total
2023	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Manufacturing and selling of medicines and medical devices	52,802	514,930	8,947	576,679
Sales and distribution of medicines, healthcare products and medical devices	22,008	466,174	–	488,182
	74,810	981,104	8,947	1,064,861

5. Other Revenue and Other Net Income

	2024	2023
	RMB'000	*RMB'000*
Other revenue		
Interest income from bank deposits	**3,651**	6,262
Other net income		
Government subsidies:		
– released from deferred revenue	**–**	401
– directly recognised in profit or loss	**4,876**	4,883
Reversal of write-down of inventories	**3,217**	9
Net foreign exchange gains	**1**	46
Reversal of impairment of intangible assets	**–**	16,201
Compensation income	**2,672**	–
Others	**2,167**	1,067
	16,584	28,869

6. Profit Before Taxation

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

	2024	2023
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans and other borrowings	**4,846**	5,340
Finance charges on lease liabilities	**232**	234
	5,078	5,574
(b) Staff costs (including directors' emoluments) (note)		
Contributions to defined contribution retirement plans	**21,989**	21,100
Salaries, wages and other benefits	**141,789**	127,885
	163,778	148,985

Note:

– Staff costs of RMB49,861,000, RMB45,939,000, RMB46,601,000 and RMB21,377,000* (2023: RMB44,641,000, RMB38,274,000, RMB44,506,000 and RMB21,564,000*) are included in cost of sales, selling and distribution expenses, administrative expenses and other operating expenses respectively.

– At 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: RMB nil).

	2024	2023
	RMB'000	*RMB'000*
(c) Other items		
Depreciation of right-of-use assets	**5,868**	5,337
Amortisation of intangible assets*	**4,905**	4,603
Depreciation of property, plant and equipment	**23,792**	23,704
Impairment of/(Reversal of impairment of):		
– trade receivables, net	**4,244**	2,804
– other receivables, net	**818**	323
Reversal of impairment loss of intangible assets	**–**	(16,201)
Loss on disposal/write-off of property, plant and equipment*	**2,893**	1,014
Impairment of goodwill*	**–**	33,102
Auditor's remuneration:		
– Audit services	**1,445**	1,437
– Non-audit services	**809**	658
Lease charges in respect of short term leases	**942**	2,531
Cost of inventories	**692,638**	595,969
Write-down of inventories*	**5,642**	8,277
Reversal of write-down of inventories	**(3,217)**	(9)
Research and development costs* (including salaries, wages and other benefits of RMB21,377,000 (2023: RMB21,564,000) in note 6(b))	**33,130**	46,203
Net foreign exchange gains	**(1)**	(46)

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

7. Income Tax Expense

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax ("EIT")		
Current year	**6,887**	10,469
Under-provision in respect of prior year	**11,099**	–
	17,986	10,469
Deferred tax		
Current year	**(2,107)**	5,679
	15,879	16,148

Hong Kong Profits Tax has not been provided as the Group had no assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2024 and 2023.

During the year ended 31 December 2024, three (2023: 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 (2023: Three) subsidiaries of the Group are eligible to such Super Deduction in ascertaining its assessable profits for the year ended 31 December 2024.

The Company and other PRC subsidiaries are subject to the PRC EIT at a rate of 25% (2023: 25%) for the year ended 31 December 2024.

8. Dividends

The directors have resolved to recommend the payment of a final dividend and a special dividend of RMB0.005 (2023: nil) and RMB0.141 (2023: nil) per share respectively for both domestic and H shares of the Company. Such dividends are to be approved by the shareholders at the forthcoming Annual General Meeting. The proposed final dividend and special dividend have not been recognised as dividend payables in the consolidated statement of financial position.

	2024	2023
	RMB'000	*RMB'000*
Proposed dividends		
2024 final dividend of RMB0.005 per share	**8,390**	–
2024 special dividend of RMB0.141 per share	**236,598**	–
	244,988	–

9. Earnings Per Share

Basic earnings per share

The calculation of basic earnings per share has been based on the profit attributable to owners of the Company of RMB25,014,000 (2023: RMB24,127,000) and the weighted average number of 1,678,000,000 (2023: 1,678,000,000) ordinary shares in issue during the year.

Diluted earnings per share

Diluted earnings per share equals to basic earnings per share as there were no potential dilutive ordinary shares outstanding for both years presented.

10. Trade and Other Receivables

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**184,367**	197,023
Less: ECL allowance	**(24,838)**	(22,771)
	159,529	174,252
Bills receivables	**71,328**	52,965
	230,857	227,217
Amounts due from fellow subsidiaries	**24,972**	41,899
Amounts due from related companies	**11,947**	2,481
Amount due from immediate parent company	**–**	5
Amount due from an intermediate parent company	**251**	251
Other receivables	**28,873**	20,398
Value-added tax recoverable	**541**	268
Prepayment and deposits	**23,250**	42,525
Less: ECL allowance	**(2,158)**	(2,090)
	87,676	105,737
	318,533	332,954

Ageing analysis

Trade and bills receivables are due for payment within 30 – 180 days (2023: 30 – 180 days) from the date of billing. Based on the invoices dates (which approximate the respective revenue recognition dates), the ageing analysis of the trade and bills receivables net of ECL allowance, was as follows:

Trade receivables

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**100,243**	110,314
4 to 6 months	**31,018**	37,152
7 to 12 months	**12,436**	15,700
Over 1 year	**15,832**	11,086
	159,529	174,252

Bills receivables

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**25,753**	15,440
4 to 6 months	**45,575**	37,525
	71,328	52,965

11. Trade and Other Payables

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**143,306**	149,223
Other payables and accruals	**71,285**	102,118
Amounts due to fellow subsidiaries	**6,545**	2,468
Amounts due to ultimate holding company	**800**	800
Amount due to an intermediate parent company	**367**	442
Amounts due to related companies	**74**	5,476
	222,377	260,527

All amounts are short term and hence the carrying amounts of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

Based on the invoice dates, the ageing analysis of the trade payables was as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**115,327**	117,380
4 to 6 months	**5,400**	10,373
7 to 12 months	**2,981**	8,009
Over 1 year	**19,598**	13,461
	143,306	149,223

12. Interest-bearing Borrowings

	2024	2023
	RMB'000	*RMB'000*
Non-current liabilities		
Other borrowings	**3,514**	2,427
Current liabilities		
Short-term bank loans	**94,424**	82,105
Other borrowings	**3,777**	3,312
	98,201	85,417
	101,715	87,844

The carrying amounts of the Group's interest-bearing borrowings are considered to be reasonable approximation of their fair values.

As at 31 December 2023 and 2024, other borrowing with principal of RMB5,739,000 and RMB7,291,000 from a third party were secured by a pledge of the Group's furniture, fixtures and equipment. The effective interest rate was 6.5% per annum repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount repayable		
Within one year	**3,777**	3,312
In the second year	**2,856**	2,076
In the third to fifth year	**658**	351
	7,291	5,739

As at 31 December 2024, the short-term bank loans were denominated in RMB, repayable within one year, further information were as follows:

(a) Bank borrowings of RMB61,074,000 were secured by a pledge of the Group's buildings and guarantee from the non-controlling shareholder of a subsidiary of the Group and subsidiaries of the Group. The effective interest rate was from 3.25% to 3.65% per annum.

(b) Bank borrowings of RMB33,025,000 were guaranteed by a guarantee from the non-controlling shareholder of a subsidiary of the Group and a subsidiary of the Group. The effective interest rate was 3.75% to 4.80% per annum.

(c) Bank borrowings of RMB325,000 was unsecured. The effective interest rate was 2.55% to 2.65% per annum.

As at 31 December 2023, the short-term bank loans were denominated in RMB, repayable within one year, further information were as follows:

(a) Bank borrowings of RMB57,070,000 were secured by a pledge of the Group's buildings and guarantee from the non-controlling shareholder of a subsidiary of the Group and subsidiaries of the Group. The effective interest rate was from 3.55 to 4.35% per annum.

(b) Bank borrowings of RMB19,028,000 were guaranteed by a guarantee from the non-controlling shareholder of a subsidiary and a subsidiary of the Group. The effective interest rate was 4.10% to 5.50% per annum.

(c) Bank borrowings of RMB6,007,000 was unsecured. The effective interest rate was 4.1% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, 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, healthcare food products and medical devices 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 Municipality, the PRC ("Beijing Production Base"). The Fuzhou Production Base possesses 368 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 236 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 147 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 combination drugs production base in Fujian Province designated by the State. The Beijing Production Base mainly produces chemical medicines (tablets, hard capsules, powders and granules) 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) (64 Basic Medical Insurance Category A drugs and 26 Basic Medical Insurance Category B drugs), 60 products are included in the "National Essential Drug List", and 31 OTC products (23 in Category A and 8 in Category B).

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 87 patents, including 25 invention patents, 13 appearance patents and 49 utility model patents. In respect of consistency evaluation, five 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), Propranolol Hydrochloride Tablets (鹽酸普萘洛爾片) and Atropine Sulfate Injection (硫酸阿托品注射液). In addition, the evaluation of Vitamin B6 Tablets (維生素B6片) has been completed and are still pending approval. 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, and Concentrated Sodium Potassium Magnesium Calcium Injection (鈉

鎂鉀鈣注射用濃溶液) have both obtained approval. Both generic Sildenafil Citrate Orodispersible Tablets (枸橼酸西地那非口崩片), a self-developed variety, and generic Sodium Bicarbonate Ringer's Injection (碳酸氫鈉林格注射液), a holder variety, have received notification of additional studies from the Drug Evaluation Center, and are expected to receive manufacturing approval in 2025. 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 替吉奥片, 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 year, two pharmaceutical subsidiaries of the Group located in Fujian followed the current acting strategy to unify sales policy, complemented strengths, allocated resource, cross-holding, integrated development to fully expand the market of key products. At the provincial level, the Group utilized the home advantages and resources to sort out and adjust the price of some varieties on the network, proactively develop the unoccupied market shares within the province and increase the share of products in the province's medical institutions; while outside the province, the Group utilized the national market resources and customer resources of Neptunus Headquarters, and give full play to the advantages of the linkage between the industrial system and trade system of Neptunus Headquarters to continue to expand the market, and actively participate in the alliance band purchasing of the expiring varieties of the national collection and procurement in each region to seize the market and drive the sales of other products. Meanwhile, according to the characteristics of the products, the distribution channels are divided into three major channels, namely, omnichannel sales, controlled sales and e-commerce sales, so as to continuously open up the sales channels and adopt a complementary approach between the medical institutions and the distribution market, so as to consolidate and develop the original advantageous products' share in the medical institutions. Among the subsidiaries, Fuzhou Neptunus Fuyao Pharmaceutical Company Limited ("Neptunus Fuyao") adhered to its core competitive products, and continued to steadily improve its operating results by expanding the market through multiple channels and cultivating new growth points in product sales under the promise of implementing key work in the areas of quality, safety and standardization; while Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Company Limited ("Neptunus Jinxiang") continued to focus on the production of fine Chinese medicines, implementing the philosophy of "safeguarding the integrity of inheritance, securing and innovative, and producing fine Chinese medicines", and actively upgrading product positioning. The continuous efforts made by these pharmaceutical subsidiaries in the areas of production, product quality, sales, inventory and pricing have not only ensured the steady development of their businesses, 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 and the tremendous challenges brought by the domestic chemical raw materials pharmaceuticals during the Reporting Period, and promptly followed the industry policies and the market changes by means of expanding production capacity, increasing production, strictly enforcing 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, shifting the sales team from regional to national, and expansion of consignment and contract processing business model", strengthening budget and compliance management, reducing costs and increasing efficiency, and further refining risk control. Meanwhile, Neptunus Zhongxin proactively promoted the transformation of its product mix, which was changing from the distribution of general pharmaceutical products to a new model of "healthcare services integrated with drug distribution", to create a more competitive business model. As a result, its operating condition improved as compared with the previous year. In 2025, Neptunus Zhongxin will continue to carry out operational adjustment programs such as transformation of marketing model, change of organizational structure, conversion of remuneration model and staffing, and deepening development of target markets, and optimize pricing, channel and competition strategies of products, intensify its efforts in budgets control, paybacks focus, receivables reduction, and winning bids, and strive to turn the business around to profitability as soon as possible.

Purchase and Sales of Medicines, Healthcare Food Products and Medical Devices

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). Meanwhile, the Group initiated the distribution of medical devices. 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 adjust its sales strategies, focusing on the sales of key products and vigorously developing the healthcare food products market. The Group will put more effort into the promotion of its products and brand through self-media. While further boosting the sales of its key products, the Group will cultivate new flagship products and actively mitigate adverse impacts, thereby driving its sustainable growth.

Since 2022, Fuzhou Fuyao Medical Company Limited ("Fuyao Medical"), the purchasing and selling subsidiary of the Group located in Fuzhou, has been achieving significant results in the expansion of the purchasing and selling business of medical devices and the regional distribution of medicines, and has established a stable and efficient sales network for the distribution of medicines and medical devices to public medical institutions in Fuzhou. In 2025, Fuyao Medical will strengthen its efforts in cultivating end medical institutions and establish a new team responsible for sales growth to ensure its solid performance over the long term.

During the Reporting Period, the results of the Group's medicines and healthcare food purchases and sales division grew as compared with the corresponding period of last year.

Environmental, Social and Governance

The Group has been placing emphasis and taking actions in the aspects of environment, society and governance, including: constantly improving production efficiency, conserving resources and enhancing employees' awareness of environmental protection. Regarding production, the output corresponding to unit carbon emission increased, the pollution and the emission of hazardous substances which are in violation of laws and regulations were banned, and old equipment was replaced to reduce energy consumption and enhance production efficiency. Regarding office management, office supplies and energy consumption were conserved, the office is gradually transforming into a paperless office. Also, the Group actively improves the working environment and is committed to social responsibility by actively taking part in charitable activities.

During the Year, the Company engaged a professional third-party institution to assist in conducting comprehensive communication (from various dimensions) with stakeholders by way of face-to-face communication, telephone interviews, questionnaires and surveys. The relevant results not only serve as an important reference for the Company to review and promote the sustainability agenda of the Group, but also provide a solid basis for the content selection and preparation of our environmental, social and governance report. The environmental, social and governance report prepared by the Company pursuant to Appendix C2 of the GEM Listing Rules will be published at the same time as the publication of the Annual Report of the Company for the Year.

PROSPECTS AND OUTLOOK

The Group continuously adjusts and improves development strategies in accordance with the innovation trend of the pharmaceutical industry and its own characteristics, to gradually utilise the collaboration advantage of the industry structure and business structure of the Neptunus Headquarters, committing to the development of traditional Chinese medicine prescriptions and enhance the internal value of the brands to cultivate star products under the key elements of stabilised quality, safety and regulation. In addition, the Group will continue to strengthen the promotion of food supplements. We will create an all-around marketing matrix by integrating different sales channels (online sales and offline sales, direct sales and distributor sales) to drive the sales of key food supplement products. At the same time, the Group will proactively introduce the commissioned production of external varieties to supplement operating results, thus protecting itself against market risk. We believe that through the overall layout of the Group, our research and development of new drugs will progress steadily, and our businesses will achieve substantial growth.

FINANCIAL REVIEW

The Group's total revenue for the Year was approximately RMB1,041,698,000 (2023: approximately RMB1,064,861,000), representing a decrease of approximately 2.18% as compared with the corresponding period of last year. Approximately RMB540,581,000, which accounted for approximately 51.89% of the Group's total revenue, was derived from the manufacturing and selling of medicines and medical devices segment, while approximately RMB501,117,000, which accounted for approximately 48.11% of the Group's total revenue, was derived from the sales and distribution of medicines, healthcare products and medical devices segment.

The Group's gross profit margin for the Year was approximately 32% (2023: approximately 42%), representing a decrease of approximately 10 percentage points as compared with the corresponding period of last year. The decrease was mainly due to a change in the sales model of certain products in the Year, which lowered the ex-factory price of such products and reduced the corresponding proportion of sales expenses, an increase in the purchase price of certain products, as well as the return of high-margin products or a change in their sales model.

The Group's gross profit for the Year was approximately RMB330,467,000 (2023: approximately RMB447,511,000), representing a decrease of approximately 26.15% as compared with the corresponding period of last year. The decrease in gross profit was mainly attributable to a decrease in the Group's gross profit margin.

The Group's selling and distribution expenses for the Year were approximately RMB162,361,000 (2023: approximately RMB252,826,000), representing a decrease of approximately 35.78% as compared with the corresponding period of last year. The decrease in selling and distribution expenses was mainly due to a change in the sales model of certain products in the Year.

The Group's administrative expenses for the Year were approximately RMB93,912,000 (2023: approximately RMB90,433,000), representing an increase of approximately 3.85% as compared with the corresponding period of last year. The increase in administrative expenses was mainly attributable to slight increases in staff costs and depreciation expenses, and a substantial increase in trademark registration fees as a result of the bulk revision of Neptunus Jinxiang's product descriptions.

The Group's other operating expenses (including impairment losses on trade and other receivables, net) for the Year amounted to approximately RMB56,056,000 (2023: approximately RMB96,873,000), representing a decrease of approximately 42.13% as compared with the corresponding period of last year. The decrease in other operating expenses was mainly because approximately RMB32,028,000 had been provided for the impairment of goodwill of Neptunus Zhongxin and research and development expenses of approximately RMB17,000,000 had been incurred for Neptunus Fuyao's Neptinib project in the corresponding period of last year, while there were no such expenses in the Year.

The Group's finance costs for the Year amounted to approximately RMB5,078,000 (2023: approximately RMB5,574,000), representing a decrease of approximately 8.90% as compared with the corresponding period of last year. The decrease in finance costs was mainly due to a decrease in interest expenses on the bank loans of Neptunus Zhongxin.

For the above reasons, the Group's profit after tax decreased from approximately RMB14,526,000 for the corresponding period of last year to approximately RMB13,765,000 for the Year, representing a decrease of approximately 5.23%. Profit attributable to the owners of the Company increased from approximately RMB24,127,000 for the corresponding period of last year to approximately RMB25,014,000 for the Year, representing an increase of approximately 3.68%.

LIQUIDITY AND FINANCIAL RESOURCES

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

Banking Facilities

As at 31 December 2024, the Group had short-term bank borrowings of RMB94,424,000. For details of banking facilities, please refer to note 12 to this announcement.

NET CURRENT ASSETS

As at 31 December 2024, the Group had net current assets of approximately RMB468,604,000. Current assets comprised bank balances and cash of approximately RMB283,424,000, inventories of approximately RMB206,190,000, tax recoverable of approximately RMB880,000 and trade and other receivables of approximately RMB318,533,000. Current liabilities comprised trade and other payables of approximately RMB222,377,000, current taxation of approximately RMB1,058,000, contract liabilities of approximately RMB16,838,000, lease liabilities of approximately RMB1,949,000, interest bearing borrowings of approximately RMB98,201,000. The net current assets decreased approximately by RMB85,800,000 as compared with that of approximately RMB554,404,000 as at 31 December 2023. The decrease in net current assets as compared to that on 31 December 2023 was mainly due to the fact that bank balances and cash decreased by approximately RMB88,782,000.

PLEDGE OF ASSETS

As at 31 December 2024, the utilized banking facilities of RMB61,000,000 and the available banking facilities of RMBnil of the Group were secured by pledge of its buildings at an aggregate value of approximately RMB22,457,000.

As at 31 December 2024, the Group's furniture, fixtures and equipment with a carrying amount of RMB2,919,000 (2023: RMB3,928,000) were pledged to secure the Group's other borrowings.

FOREIGN CURRENCY RISK

During the Year, the Group's operating revenue, major selling costs and capital expenditure were denominated in RMB. As at 31 December 2024, 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 31 December 2024, the gearing ratio of the Group, calculated by dividing the total liabilities by total equity and multiplied by 100%, was approximately 36.25% (2023: 39.31%).

SEGMENT INFORMATION

Segment revenue and segment results by business and region of the Group for the Year are set out in note 4 to this announcement.

SIGNIFICANT INVESTMENT HELD

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

CAPITAL STRUCTURE

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

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 Year.

CONTINGENT LIABILITY

As at 31 December 2024, the Group had no significant contingent liability.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the date of this announcement, the Group does not have any plan for material investments or purchase of capital assets.

HUMAN RESOURCES

As at 31 December 2024, the Group employed a total of 1,485 staff (2023: 1,444).

During the Year, the staff costs including directors' remuneration which amounted to approximately RMB163,778,000 (2023: approximately RMB148,985,000). 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 and bonus policies of the Group based on the performance of the employees. The Group also provided various other benefits to its employees.

Compared with 31 December 2023, there was no significant movement in the number of employees of the Group at the end of the Year.

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.

DIVIDEND

The Board has resolved to declare a final dividend of RMB0.005 per share for both domestic and H shares of the Company in respect of the year ended 31 December 2024 (the "**Final Dividend**") (for the year ended 31 December 2023: nil) and a special dividend of RMB0.141 per share for both domestic and H shares of the Company (the "**Special Dividend**"). After taking into account a number of factors, including the cash flow and financial condition of the Company, and in response to requests from the shareholders, the Board considers it appropriate to distribute the Final Dividend and the Special Dividend to acknowledge the shareholders' support. The Board believes that the payment of the Final Dividend and the Special Dividend will not have any material adverse effect on the underlying assets, business, operations, or financial position of the Group. The Final Dividend and the Special Dividend are subject to the approval of the shareholders at the forthcoming annual general meeting of the Company. Further details regarding the Final Dividend and the Special Dividend, including the expected payment date, will be published by the Company in due course. In future years, the Company will actively consider the distribution of dividend and continue to consider the dividend policy of the Company formulated on 17 December 2018.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no distributable reserves and no accumulated loss calculated in accordance with the Company's articles of association and relevant rules and regulations.

CAPITALIZED INTEREST

The Group has no capitalized interest during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the PRC which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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, nor were there any sales of treasury shares of the Company during the Year. The Company and its subsidiaries also did not redeem, purchase or cancel any of their redeemable securities. There were no treasury shares held by the Company during the Year.

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

As far as the Directors or supervisors of the Company are aware, as at 31 December 2024, the interests and short position of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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	Capacity	Type of interests	Number of associated corporation	Number of shares in associated corporation	Approximate percentage of associated corporation's issued share capital
Mr. Zhang Feng *(Note (a))*	Beneficial owner	Personal	Neptunus Bio-engineering	1,331,093	0.05%
Ms. Yu Lin *(Note (b))*	Beneficial owner	Personal	Neptunus Bio-engineering	900,000	0.03%

Notes:

(a) Mr. Zhang Feng, chairman of the Board of the Company 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 of the Company, was beneficially interested in approximately 0.03% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.

Save as disclosed above, as at 31 December 2024, none of the Directors, supervisors or chief executives of the Company nor their respective associates held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as the Directors and supervisors of the Company are aware, as at 31 December 2024, the interests and/or short positions held by shareholders (not being a Director, a supervisor or a chief executive of the Company) in shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company were as follows:

Long positions in the shares of the Company:

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

Notes:

(a) Neptunus Bio-engineering was deemed to be interested in the 52,464,500 domestic shares of the Company held by Neptunus Oriental as the entire issued share capital of Neptunus Oriental was beneficially owned by Neptunus Bio-engineering, and Neptunus Oriental was interested in the 52,464,500 domestic shares of the Company. 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 executives of the Company) who held any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO as at 31 December 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events affecting the Group have occurred since the end of the Year up to the date of this announcement.

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 (among others), that as long as the securities of the Company are listed on GEM (previously known as the 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 those 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 enters into any negotiations, within or outside the PRC, in relation to any new investment projects which may compete with the existing and future business of the Company, the Company shall have preferential rights of investments in such new investment projects.

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

CORPORATE GOVERNANCE PRACTICES

The Corporate Governance Code was effective for accounting periods commencing on or after 1 January 2005. The Company puts strong emphasis on the superiority, steadiness and rationality of corporate governance. The Board is of the view that the Company has complied with the requirements set out in the then applicable Appendix C1 "Corporate Governance Code" of the GEM Listing Rules throughout the Year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the Year, the Company has adopted a code of conduct regarding securities transactions by the 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 have confirmed that they have complied with the "required standard of dealings" and the Company's internal code of conduct regarding securities transactions by the Directors during the Year.

REVIEW OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Company (the "Audit Committee") together with the management and the Group's auditor, Grant Thornton Hong Kong Limited (the "Auditor"). The Audit Committee is satisfied that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

The figures in this announcement of the Group's results for the Year have been agreed by the Auditor, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Auditor on this announcement.

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

Shenzhen, the PRC, 25 March 2025

* *For identification purpose only*

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.

This announcement will remain on the "LATEST LISTED COMPANY INFORMATION" page of the GEM website at www.hkgem.com for at least 7 days from its date of publication and on the Company's website at www.interlong.com.