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*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



**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)**

**EXECUTION OF JOINT VENTURE CONTRACT**

Reference is made to the Circular and the announcements made by the Company on 9 February and 23 April 2009. Unless otherwise specified herein, the terms used in this announcement shall have the meaning as defined in the above documents.

The Board is pleased to announce that the Company entered into the Executed JV Contract with GSK Pte on 9 June 2009. Certain terms in the Draft JV Contract (the summary of which is set out in the section headed “JV Contract” in the Circular) have been amended and certain new terms have been added in the Executed JV Contract. The major differences between the Draft JV Contract and the Executed JV Contract are set out in this announcement. The Board takes the view that such amendments do not constitute any material change to the terms of the JV Contract and that the terms of the Executed JV Contract are fair and reasonable.

Although the Board considers that the changes made to the Draft JV Contract by the Executed JV Contract are not material, the Board takes the view that these changes may constitute price sensitive information of the Company under rule 17.10 of the GEM Listing Rules and accordingly publishes this announcement. At the request of the Company, trading in the H Shares of the Company on GEM was suspended from 9.30 a.m. on Tuesday, 9 June 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in its H Shares on GEM from 2:30 p.m. on Tuesday, 9 June 2009.

Reference is made to the Circular and the announcements made by the Company on 9 February and 23 April 2009. Unless otherwise specified herein, the terms used in this announcement shall have the meaning as defined in the above documents.

## 1. ENTRY INTO THE EXECUTED JV CONTRACT

The Board is pleased to announce that the Company entered into the Executed JV Contract with GSK Pte on 9 June 2009. Certain terms in the Draft JV Contract (the summary of which is set out in the section headed “JV Contract” in the Circular) have been amended and certain new terms have been added in the Executed JV Contract. The major differences between the Draft JV Contract and the Executed JV Contract are set out in the table below.

<b>Relevant Term</b>	<b>Summary of the original terms of the Draft JV Contract as set out in the Circular</b>	<b>Summary of the amended terms of the Executed JV Contract</b>
<b>Definition of Contribution Assets:</b>	<p>The Contribution Assets include the following: -</p> <p>(i) real properties (five buildings, structures and other improvements located on the Site together with the land use rights of the Site);</p> <p>(ii) personal assets (including machinery, equipment, vehicles, furniture and other personal assets of the Company); and</p>	<p>The Company’s Contribution Assets in the Executed JV Contract include only real property and personal assets which are redefined below: -</p> <p>(i) real property on the Site (including buildings, structures and other improvements located on the Site together with the land use rights of the Site); and</p> <p>(ii) personal assets (including machinery, equipment, apparatus, appliances, vehicles, furniture and other personal assets).</p>

<b>Relevant Term</b>	<b>Summary of the original terms of the Draft JV Contract as set out in the Circular</b>	<b>Summary of the amended terms of the Executed JV Contract</b>
	<p>(iii) intangible assets (including technology, proprietary rights and interests in the subunit influenza vaccine, the split influenza vaccine and the rabies vaccine owned by the Company).</p>	<p>Intangible assets as set out in the definition of “Contribution Assets” in the Draft JV Contract no longer form part of the Company’s Contribution Assets under the Executed JV Contract.</p> <p>According to the Executed JV Contract, simultaneously with the contribution of the Company’s Contribution Assets, the Company shall transfer, sublicense or otherwise make available the technology together with its proprietary rights and interests in the subunit influenza vaccine, the split influenza vaccine and the rabies vaccine to the JV Company free of charge.</p>
<b>Registered Capital:</b>	<p>The registered capital of the JV Company is US\$78.33 million (approximately HK\$607 million), and shall be contributed as follows:-</p> <p>(i) 60% (i.e. US\$47 million (approximately HK\$364 million)) shall be contributed in kind by the Company and (ii) 40% (i.e. US\$31.33 million (approximately HK\$243 million)) shall be contributed in cash by GSK Pte.</p>	<p>While the amount of the registered capital and the amount to be contributed by the JV Parties remain unchanged, the types and the time of the capital contribution by the JV Parties have been changed under the Executed JV Contract.</p> <p><b>The Company’s contribution:</b></p> <p>Within 90 days of the Establishment Date, the Company shall (i) contribute the Company’s Contribution Assets with an agreed value of US\$45.53 million (approximately HK\$352.86 million) (subject to adjustment) and (ii) make a cash contribution of US\$1.47 million (approximately HK\$11.39 million) to the JV Company in return for a 60% stake in the JV Company.</p>

<b>Relevant Term</b>	<b>Summary of the original terms of the Draft JV Contract as set out in the Circular</b>	<b>Summary of the amended terms of the Executed JV Contract</b>
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**GSK Pte's contribution:**

GSK Pte shall (i) contribute GSK's Contribution Assets (including machinery and equipment, details of which are set out in the JV Contract) with an agreed value of US\$3.69 million (approximately HK\$28.60 million) (subject to adjustment) and (ii) make a cash contribution of US\$27.64 million (approximately HK\$214.21 million) to the JV Company in return for a 40% stake in the JV Company in the manner set out below.

Within 90 days of the Establishment Date, GSK Pte shall make a cash contribution of US\$13.82 million (approximately HK\$107.11 million) to the JV Company.

Within 180 days of the Establishment Date, GSK Pte shall contribute GSK's Contribution Assets with an agreed value of US\$3.69 million (approximately HK\$28.60 million) (subject to adjustment) to the JV Company.

Within the earlier of (a) 10 working days after the JV Company has obtained the good manufacturing practice certification from the SFDA for the Site; or (b) two years after the Establishment Date, GSK Pte shall make a cash contribution of US\$13.82 million (approximately HK\$107.11 million) to the JV Company.

	<b>Summary of the original terms of the Draft JV Contract as set out in the Circular</b>	<b>Summary of the amended terms of the Executed JV Contract</b>
<b>Relevant Term</b>		

In case the evaluation of the assets contributed by the JV Parties as carried out by the PRC accounting firm is more than the agreed value specified above, the Company or GSK Pte is not required to inject such portion of the contribution assets equivalent in value to the surplus as its capital contribution to the JV Company. The JV Company has the right, but not the obligation to either lease or purchase such surplus portion of the contribution assets from the Company or GSK Pte. If so decided by the JV Company, the Company or GSK Pte will sell or lease such portion to the JV Company.

**Board of  
Directors:**

The board of directors of the JV Company shall initially consist of six directors, of whom three shall be nominated by the Company and three shall be nominated by GSK Pte. The Chairman of the board of directors of the JV Company shall be appointed by GSK Pte and he shall not have a casting vote. The Vice Chairman of the JV Company shall be appointed by the Company.

In addition to the original provisions regarding the JV Company's board composition (see the summary set out in the left column of this table), the following provision has been included in the Executed JV Contract:

The JV Parties further agree that once GSK Pte becomes the majority shareholder of the JV Company, GSK Pte shall be entitled to appoint four directors, and the Company shall be entitled to appoint three directors. Along with the further increase of GSK Pte's Equity Interests in the JV Company, the numbers of directors to be appointed by GSK Pte will be further adjusted.

Relevant Term	Summary of the original terms of the Draft JV Contract as set out in the Circular	Summary of the amended terms of the Executed JV Contract
<b>Possible further increase of Equity Interests by GSK Pte:</b>	<p>GSK Pte has right to call for further increase in its own Equity Interest. If additional Equity Interests are transferred to GSK Pte as a result of GSK Pte exercising its right, such Equity Interests shall be transferred at the fair market value to be determined on the basis of the net asset value of the JV Company plus a premium (such premium currently estimated by GSK Pte as amounting to 100% of the original value of such portion of interests calculated according to the Registered Capital), which shall be determined by an internationally recognized accounting firm jointly selected by the JV Parties.</p>	<p>The phrase “such premium currently being estimated by GSK Pte as amounting to 100% of the original value of such portion of interests calculated according to the Registered Capital” in the Draft JV Contract has been deleted from the Executed JV Contract.</p>
<b>Non-competition:</b>	<p>GSK Pte undertakes to the Company that subject to certain exceptions, it shall not itself or in conjunction with or on behalf of any other person during the performance of the JV Contract, engage in research, development and manufacture of influenza and rabies vaccines in the PRC</p>	<p>”Rabies vaccine” has been deleted from GSK Pte’s non-competition undertaking in the Executed JV Contract, reducing the scope of the non-competition undertaking of GSK Pte to research, development and manufacture of influenza vaccines in the PRC only.</p>

Relevant Term	Summary of the original terms of the Draft JV Contract as set out in the Circular	Summary of the amended terms of the Executed JV Contract
<p><b>Possible Connected Transactions and Continuing Connected Transactions of the Company</b></p>	<p>It is contemplated by the JV Parties that in connection with the operation of the JV Company, they and their respective affiliates will provide certain supporting services (including but not limited to the services relating to human resources, clinical and regulatory supports, animal tests, financial management support and legal support) to the JV Company and will enter into certain service agreement, quality agreement, supply agreement and trademark licensing agreement with the JV Company.</p>	<p>According to the Executed JV Contract, the scope of the shared services to be provided by the Company to the JV Company is changed and these services now include but are not limited to (i) clinical and regulatory supports; (ii) animal tests; and (iii) research and development support.</p> <p>The shared services to be provided by GSK Pte and its affiliates to the JV Company now include not only legal support but also intellectual property support.</p> <p>The JV Parties and their respective affiliates shall enter into certain shared service agreement, quality agreement, and master supply agreement with the JV Company.</p> <p>According to the Executed JV Contract, the Company shall enter into a trademark assignment agreement instead of a trademark licensing agreement with the JV Company and shall assign to the JV Company the Interflu trademark, both in Chinese and Roman characters.</p>

The Board takes the view that the above amendments do not constitute any material change to the Draft JV contract and that the terms of the Executed JV Contract are fair and reasonable. Taking into account the benefits of the establishment of the JV Company set out in the section headed “Reasons for, and benefits of, the establishment of the JV Company” of the Circular, the Board is of the opinion that the Executed JV Contract and the establishment of the JV Company are in the best interests of the Group and the Shareholders as a whole.

Relying on the authority given by the Shareholders at the EGM, any Director is authorised to sign the JV Contract and all other documents and take all acts necessary or desirable to give effect to, *inter alia*, the JV Contract, the Board approved the execution of the JV Contract on 5 June 2009 and the JV Parties entered into the JV Contract on 9 June 2009.

The Company has completed most of the procedures for the establishment of the JV Company and is now applying for the final approval from the PRC government authorities. The Board anticipates the JV Company will be established in August 2009.

## **2. REASONS FOR MAKING THIS ANNOUNCEMENT AND RESUMPTION OF TRADING**

Although the Board considers that the changes made to the Draft JV Contract by the Executed JV Contract are not material, the Board takes the view that these changes may constitute price sensitive information of the Company under rule 17.10 of the GEM Listing Rules and accordingly publishes this announcement.

The Board confirms that the Company will comply with the relevant announcement and/or shareholders’ approval requirements under the GEM Listing Rules if there is any further development in the formation of the JV Company.

At the request of the Company, trading in the H Shares of the Company on GEM was suspended from 9.30 a.m. on Tuesday, 9 June 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in its H Shares on GEM from 2:30 p.m. on Tuesday, 9 June 2009.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors of the Company
“Circular”	the circular of the Company dated 23 January 2009 in relation to the Cooperation Agreement, the JV Contract and the formation of the JV Company
“Company”	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 company incorporated in the PRC whose H Shares are listed on GEM
“Directors”	the directors of the Company
“Draft JV Contract”	the draft JV Contract approved by the Shareholders at the EGM
“EGM”	the extraordinary general meeting of the Company held on 10 March 2009
“Establishment Date”	the date of establishment of the JV Company, being the date when business licence of the JV Company is issued
“Executed JV Contract”	the JV Contract executed by the JV Parties on 9 June 2009
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiary
“GSK Pte”	GlaxoSmithKline Pte Ltd.
“JV Parties”	the Company and GSK Pte
“H Shares”	overseas listed foreign shares of the Company, which are listed on GEM and subscribed for and traded in Hong Kong dollars
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) of RMB0.1 each in the share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the GEM Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America

*Translation of US\$ and RMB into HK\$ in this announcement is based on the exchange rate of US\$1 = HK\$7.75 and HK\$1 = RMB0.88. Such exchange rates are for the purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.*

**BY ORDER OF THE BOARD**  
**Shenzhen Neptunus Interlong Bio-technique Company Limited**  
**Zhang Si Min**  
*Chairman*

Shenzhen, the PRC  
9 June 2009

*As at the date of this announcement, the executive Directors are Mr. Zhang Si Min and Mr. Chai Xiang Dong; the non-executive Directors are Ms. Yu Lin and Mr. Ren De Quan; and the Independent Non-executive Directors are Mr. Lu Sun, Mr. Yick Wing Fat, Simon and Mr. Poon Ka Yeung.*

*\* for identification purpose only*