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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 MASTER R&D AGREEMENT

Reference is made to the Announcement dated 23 April 2009.

The Board is pleased to announce that on 26 November 2009, the Company and the JV Company, a non wholly-owned subsidiary of the Company, entered into the Master Agreement relating to the provision of services in the research, development and preclinical trial of various drugs and other ancillary services by the Company to the JV Company.

The Board estimates that the Master Agreement and the Purchase Orders contemplated thereunder will generate stable revenue for the Company of approximately RMB2.8 million (approximately HK\$3.2 million) in 2009 and approximately RMB6 million to RMB8 million (approximately HK\$6.8 million to HK\$9.1 million) per year in each of year 2010, 2011 and 2012.

The Board takes the view that the entering into of the Master Agreement and the Purchase Orders by the Company and the JV Company does not constitute a continuing connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The Board also takes the view that the transactions under the Master Agreement and the Purchase Orders are exempt from the requirements of Chapter 19 of the GEM Listing Rules.

The Board publishes this announcement on a voluntary basis in order to provide the Shareholders and the public with an update on the development of the R&D Business since the publication of the Announcement on 23 April 2009.

Reference is made to the Announcement dated 23 April 2009.

MASTER AGREEMENT

The Board is pleased to announce that on 26 November 2009, the Company and the JV Company, a non wholly-owned subsidiary of the Company, entered into the Master Agreement relating to the provision of services in the research, development and preclinical trial of various drugs and other ancillary services by the Company to the JV Company. As the Company has been providing research and development service of H1N1 vaccine to the JV Company since 1 September 2009, the Parties agreed that the actual commencement date of the transactions under the Master Agreement should be 1 September 2009. Thus, the Master Agreement shall continue from this date for a term of three (3) years unless it is terminated prior to its expiry by either Party in accordance with the terms of the Master Agreement. The initial term of three (3) years of the Master Agreement can be extended for a further period by mutual written agreement of the Parties.

Pursuant to the Master Agreement, if the JV Company requires research and development or preclinical services, it shall first invite the Company to submit a quotation for such services. If the JV Company accepts the quotation from the Company, the JV Company shall provide a Purchase Order to the Company. The obligation of the JV Company to engage the Company to provide services and the obligation of the Company to provide services shall arise only upon the execution of a Purchase Order by the Parties. Each Purchase Order will incorporate by reference the terms of the Master Agreement, but each Purchase Order shall be a separate agreement and shall stand alone with respect to any other Purchase Order. If any term of a Purchase Order is in conflict with the Master Agreement, the term of the Purchase Order shall prevail.

The Board is of the opinion that the Master Agreement is on normal commercial terms which have been determined by the Parties on an arm's length basis.

PILOT PLANT AGREEMENT

On 26 November 2009, the first Purchase Order which is called the Pilot Plant Agreement relating to the provision of preclinical research and development service of H1N1 vaccine by the Company to the JV Company was entered into by the Company with, among other party, the JV Company. Although the Pilot Plant Agreement does not take the form of the Purchase Order, the Parties agreed that it shall be deemed as a Purchase Order under the Master Agreement. As the Company has been providing research and development service of H1N1 vaccine to the JV Company since 1 September 2009, the parties to the Pilot Plant Agreement agreed that the actual commencement date of the transactions under the Pilot Plant

Agreement should be 1 September 2009. Thus, the Pilot Plant Agreement shall continue from this date and shall remain effective until the earlier of (i) completion of the H1N1 services under the Pilot Plant Agreement (which the parties thereto expect to be within six (6) months from 1 September 2009) or (ii) termination of the Pilot Plant Agreement by the JV Company for reasonable cause in line with the terms of the Master Agreement.

The Board is of the opinion that the Pilot Plant Agreement is on normal commercial terms which have been determined by the parties thereto on an arm's length basis.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE MASTER AGREEMENT

The R&D Business is now the main source of revenue for the Company. The Board estimates that the Master Agreement and the Purchase Orders will generate stable revenue for the Company of approximately RMB2.8 million (approximately HK\$3.2 million) in 2009 and approximately RMB6 million to RMB8 million (approximately HK\$6.8 million to HK\$9.1 million) per year in each of year 2010, 2011 and 2012. For the above reason, the Board is of the opinion that the entering into of the Master Agreement and the Purchase Orders with the JV Company are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF THE GEM LISTING RULES

The Board takes the view that the entering into of the Master Agreement and the Purchase Orders by the Company and the JV Company does not constitute a continuing connected transaction for the Company under Chapter 20 of the GEM Listing Rules. The Board also takes the view that the transactions under the Master Agreement and the Purchase Orders are exempt from the requirements of Chapter 19 of the GEM Listing Rules.

The Board publishes this announcement on a voluntary basis in order to provide the Shareholders and the public with an update on the development of the R&D Business since the publication of the Announcement on 23 April 2009.

DEFINITIONS

In this announcement, the following terms have the same meanings as set out below:

“Announcement”	the announcement of the Company dated 23 April 2009 in relation to the recent developments of the Company including, among other things, the expansion of the R&D Business by the Company;
“Board”	the board of directors of the 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*), whose H Shares are listed on GEM;
“Director(s)”	the director(s) of the Company;
“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 subsidiaries;
“GSK Pte”	GlaxoSmithKline Pte Ltd;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Company”	深圳葛蘭素史克海王生物製品有限公司 (Shenzhen GSK-Neptunus Biologicals Co., Ltd.*), a sino-foreign equity joint venture incorporated in the PRC with a registered capital of US\$78.33 million (approximately HK\$607 million), which is currently held as to 60% by the Company and 40% by GSK Pte;
“Master Agreement”	the Master R&D Service Agreement entered into between the Parties on 26 November 2009 as described in the section headed “Master Agreement” of this announcement;

“Pilot Plant Agreement”	the Pilot Plant Agreement entered into by the Company with, among other party, the JV Company on 26 November 2009 as described in the section headed “Pilot Plant Agreement” of this announcement;
“Parties”	the Company and the JV Company;
“PRC”	the People’s Republic of China;
“Purchase Order(s)”	the purchase order(s) (in a standard form as set out in the Master Agreement) provided by the JV Company to the Company in accordance with the Master Agreement;
“R&D Business”	the research and development of modern biological technology business of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the holders of Shares;
“Shares”	ordinary shares of RMB0.1 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the GEM Listing Rules; and
“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 rates 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
Zhang Si Min
Chairman

Hong Kong, 26 November 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 Mr. Ren De Quan and Ms. Yu Lin; and the independent non-executive Directors are Mr. Lu Sun, Mr. Yick Wing Fat, Simon and Mr. Poon Ka Yeung.

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.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “latest company announcement” page for at least 7 days from the day of its posting and on the Company’s website at www.interlong.com.

** For identification purposes only*