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中生北控生物科技股份有限公司

BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION*

(Incorporated in the People's Republic of China with limited liability)

(Stock Code : 8247)

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2010

Third Quarterly Report

* For identification purpose only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This report, for which the directors (the “Directors”) of Biosino Bio-Technology and Science Incorporation (the “Company”) collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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CORPORATE INFORMATION

PRC OFFICE

No. 27 Chaoqian Road
Science and Technology Industrial Park
Changping District
Beijing, PRC

HONG KONG OFFICE

66th Floor, Central Plaza, 18 Harbour Road
Wanchai, Hong Kong

WEBSITES

<http://www.zhongsheng.com.cn>
<http://baiao.com.cn>

BOARD OF DIRECTORS

Chairman and Executive Director
Mr. Wu Lebin

Vice Chairman and Non-executive Directors
Dr. Gao Guang Xia
Mr. Zhang Yong
(Resigned on 6 February 2010)

Executive Directors
Dr. Wang Lin
Mr. Hou Quanmin

Non-executive Directors
Mr. Rong Yang
Ms. Qin Xuemin
Mr. Wang Fu Gen
Ms. Yu Xiaomin
(Resigned on 6 February 2010)
Mr. Zhang Xiaohui
(Appointed on 6 February 2010)

Independent Non-executive Directors
Dr. Rao Yi
Dr. Hu Canwu Kevin
Mr. Chan Yiu Kwong

SUPERVISORS

Dr. He Rongqiao
Mr. Shao Yimin
Mr. Wang Xin
(Resigned on 6 February 2010)
Mr. Zhang Lingyong
(Appointed on 6 February 2010)

COMPANY SECRETARY

Mr. Tung Woon Cheung Eric CPA, CPA
(U.S.)

QUALIFIED ACCOUNTANT

Mr. Cheung Yeung CPA

AUTHORISED REPRESENTATIVES

Mr. Wu Lebin
Mr. Tung Woon Cheung Eric

COMPLIANCE OFFICER

Mr. Wu Lebin

AUDITORS

Ernst & Young

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of Beijing
Industrial and Commercial Bank of China
Bank of China (Hong Kong) Limited

INFORMATION OF SHARE

Place of listing:	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
Stock code:	8247
Number of H shares issued:	33,000,000 H shares
Nominal value:	RMB1.00 per H share
Stock short name:	Biosino Bio-Tec

THIRD QUARTERLY RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2010

The Board of Directors (the "Board") of the Company announced the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 30 September 2010, together with the comparative figures for the same periods in 2009, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2010 Unaudited RMB'000	2009 Unaudited RMB'000	2010 Unaudited RMB'000	2009 Unaudited RMB'000
REVENUE	3	64,477	55,823	169,183	156,078
Cost of sales		(23,266)	(17,337)	(56,369)	(49,471)
Gross profit		41,211	38,486	112,814	106,607
Other income and gains		1,040	936	3,062	6,502
Selling and distribution expenses		(18,083)	(15,321)	(44,292)	(41,681)
Administrative expenses		(10,368)	(14,649)	(34,800)	(42,152)
Research and development expenses		(5,491)	(1,241)	(14,936)	(5,417)
Other expenses		(3)	(21)	(8)	(141)
PROFIT FROM OPERATING ACTIVITIES		8,306	8,190	21,840	23,718
Finance costs		(193)	(270)	(464)	(1,440)
Share of profit/(loss) of associates		(17)	221	(245)	(240)
PROFIT BEFORE TAX		8,096	8,141	21,131	22,038
Income tax expense	4	(1,493)	(1,338)	(3,932)	(3,677)
PROFIT FOR THE PERIOD		6,603	6,803	17,199	18,361
Attributable to:					
Shareholders of the Company		6,275	6,015	16,511	16,977
Minority interests		328	788	688	1,384
		6,603	6,803	17,199	18,361
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	5				
– Basic (RMB)		0.06	0.06	0.17	0.17
– Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2010

	Three months ended 30 September 2010		Nine months ended 30 September 2010	
	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,603	6,803	17,199	18,361
Attributable to:				
Shareholders of the Company	6,275	6,015	16,511	16,977
Minority interests	328	788	688	1,384
	6,603	6,803	17,199	18,361

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

1. CORPORATE INFORMATION

Biosino Bio-Technology and Science Incorporation (the "Company") is a limited liability company incorporated in the People's Republic of China (the "PRC"). The registered office of the Company is located at No. 27, Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC.

During the period, the Group principally engaged in the manufacture, sale and distribution of in-vitro diagnostic reagent products and pharmaceutical products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated income statement and statement of comprehensive income for the three months and nine months ended 30 September 2010 have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated income statement and statement of comprehensive income are consistent with those used in the Company's audited financial statements for the year ended 31 December 2009.

3. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of value added tax and government surcharges, and after allowances for the goods returned and trade discounts.

An analysis of the Group's revenue for the three months and nine months ended 30 September 2010 is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2010	2009	2010	2009
	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000
Sale of in-vitro diagnostic reagent products	47,135	39,699	120,814	108,291
Sale of pharmaceutical products	17,342	16,124	48,369	47,787
	64,477	55,823	169,183	156,078

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

4. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has not generated any assessable profits in Hong Kong during the nine months ended 30 September 2010 (2009: Nil). Taxes on profits assessable in Mainland China, where the Group operates, have been calculated at the rates of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof. According to the relevant PRC income tax law, the Company and certain of its subsidiaries, being registered as new and high technology enterprises in Beijing, are entitled to a concessionary income tax rate of 15%, where appropriate.

	Three months ended 30 September 2010		Nine months ended 30 September 2010	
	Unaudited RMB'000	2009 Unaudited RMB'000	Unaudited RMB'000	2009 Unaudited RMB'000
Group:				
Current – Mainland China	1,493	1,338	3,932	3,677

5. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share for the three months and nine months ended 30 September 2010 is based on the unaudited profit attributable to shareholders of the Company for the period and the weighted average of 100,017,528 (2009: 100,017,528) registered shares in issue during the period.

No diluted earnings per share have been presented as there was no diluting event existed during the three months and nine months ended 30 September 2010 (2009: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

6. RESERVES

The movements of reserves for the nine months ended 30 September 2010 and 2009 are as follows:

	Issued share capital Unaudited	Capital reserves# Unaudited	Statutory reserves Unaudited	Retained profits Unaudited	Proposed final dividend Unaudited	Total Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2009	100,018	31,126	27,991	25,843	10,002	194,980
Total comprehensive income for the period	-	-	-	16,977	-	16,977
Final 2008 dividend	-	-	-	-	(10,002)	(10,002)
At 30 September 2009	100,018	31,126	27,991	42,820	-	201,955
At 1 January 2010	100,018	31,126	32,308	34,543	13,502	211,497
Total comprehensive income for the period	-	-	-	16,511	-	16,511
Final 2009 dividend	-	-	-	-	(13,502)	(13,502)
At 30 September 2010	100,018	31,126	32,308	51,054	-	214,506

The capital reserves of the Group include non-distributable reserves of the Company and its subsidiaries created in accordance with accounting and financial regulations of the PRC.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

Revenue for the nine months ended 30 September 2010 was approximately RMB169 million, representing an increase of 8.3% as compared with approximately RMB156 million for the corresponding period last year. For the revenue of this period, approximately RMB121 million was generated from the sale of in-vitro diagnostic reagent products, accounting for 72% of the Group's total revenue and representing an increase of 12% as compared with RMB108 million for the corresponding period last year. As for pharmaceutical products, revenue for the period from the sale of Lumbrokinase capsules was RMB48 million, accounting for 28% of the Group's total revenue and representing an increase of 2% as compared with the corresponding period last year.

Profit attributable to shareholders of the Company for the nine months ended 30 September 2010 was RMB16.5 million, representing a decrease of RMB0.5 million or approximately 3% as compared with the corresponding period last year. Such decrease was mainly attributable to the decrease in fair value gains on securities investment.

PROSPECTS AND OUTLOOK

During the period, the in-vitro diagnostic industry in China continues to expand, together with fiercer market competition.

During the third quarter, the principal business of the Group remained stable. New products' research and development achievements were in progress. In August 2010, the Group completed the registrations and obtained the certificates for a number of products regarding the category of Normal Bio-chemistry Diagnostic Reagent and Calibrator/Quality Control with Traceability and their peripheral products. Such products have been launched in the market.

Looking into the future, the Group is improving the industry chain of in-vitro diagnostic reagents and is establishing its technological system with self-innovation capabilities, which will enhance the main competitiveness and optimize the product structure of the Group. These are expected to improve the operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROSPECTS AND OUTLOOK(Continued)

The Group will endeavor to push ahead the research and development of new products; establishing a competitive and sizable industry system; introducing more new products including immune diagnostic reagents and ancillary diagnostic instruments, and looking into the new marketing and operating models under the new environment; to strengthen its marketing efforts and to further expand its market share so as to maximize the returns of the shareholders.

OTHER INFORMATION

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2010, the interest and short positions of the directors or supervisors in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and to the Stock Exchange, were as follows:

Long position in shares of the Company:

Name	Number of the Company's domestic shares held	Percentage of the Company's domestic shares	Percentage of the Company's total registered share capital
Mr. Wu Lebin (<i>note</i>)	3,500,878	5.22%	3.50%
Mr. Hou Quanmin (<i>note</i>)	300,000	0.45%	0.30%
Dr. Wang Lin (<i>note</i>)	200,000	0.30%	0.20%

Note: The directors are the registered holders and beneficial owners of the respective domestic shares.

Save as disclosed above, as at 30 September 2010, none of the directors or supervisors had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2010, as far as is known to any directors and supervisors of the Company, the following interests of 5% or more of the issued capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares of the Company:

Name	Capacity and nature of interest	Number of the Company's shares held		Percentage of the Company's respective type of shares		Percentage of the Company's total registered capital
		Domestic shares	H shares	Domestic shares	H shares	
The Institute of Biophysics of Chinese Academy of Sciences	Directly beneficially owned	31,308,576	–	46.72%	0.00%	31.30%
Beijing Enterprises Holdings High-Tech Development Co., Ltd.	Note Directly beneficially owned	24,506,143	–	36.57%	0.00%	24.50%
Beijing Enterprises Holdings Limited	Through a controlled corporation	24,506,143	–	36.57%	0.00%	24.50%
Beijing Enterprises Group (BVI) Company Limited	Through controlled corporations	24,506,143	–	36.57%	0.00%	24.50%
北京控股集團有限責任公司 (Beijing Enterprises Group Company Limited)	Through controlled corporations	24,506,143	–	36.57%	0.00%	24.50%
Shanghai Fosun Pingyao Investment Management Company Limited	Note Directly beneficially owned	24,506,143	–	36.57%	0.00%	24.50%
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Through controlled corporations	24,506,143	6,780,000	36.57%	20.55%	31.28%
上海復星高科技(集團)有限公司	Through controlled corporations	24,506,143	6,780,000	36.57%	20.55%	31.28%

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Name	Capacity and nature of interest	Number of the Company's shares held		Percentage of the Company's respective type of shares		Percentage of the Company's total registered capital
		Domestic shares	H shares	Domestic shares	H shares	
復星國際有限公司	Through controlled corporations	24,506,143	6,780,000	36.57%	20.55%	31.28%
復星控股有限公司	Through controlled corporations	24,506,143	6,780,000	36.57%	20.55%	31.28%
Fosun International Holdings Ltd.	Through controlled corporations	24,506,143	6,780,000	36.57%	20.55%	31.28%
Guo Guangchang	Through controlled corporations	24,506,143	6,780,000	36.57%	20.55%	31.28%
Beijing Enterprises Holdings Limited	Note Directly beneficially owned	-	24,506,143	0.00%	74.26%	24.50%
Beijing Enterprises Group Company Limited	Through a controlled corporation	-	24,506,143	0.00%	74.26%	24.50%
Fosun Industrial Co., Limited	Directly beneficially owned	-	6,780,000	0.00%	20.55%	6.78%
Chung Shek Enterprises Company Limited	Directly beneficially owned	-	3,800,000	0.00%	11.52%	3.80%
K.C. Wong Education Foundation	Through a controlled corporation	-	3,800,000	0.00%	11.52%	3.80%
Pheim Asset Management (Asia) Pte Ltd.	Through a controlled corporation	-	3,050,000	0.00%	9.24%	3.05%
Deutsche Bank Aktiengesellschaft	Through a controlled corporation	-	1,840,000	0.00%	5.58%	1.84%

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Note: On 10 February 2010, Beijing Enterprise Holdings High-Tech Development Co., Ltd. ("BEHT") (a wholly-owned subsidiary of Beijing Enterprises Holdings Limited ("Beijing Enterprises")) and Shanghai Fosun Pingyao Investment Management Company Limited ("Fosun Pingyao") (a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma")) entered into a share transfer agreement pursuant to which, BEHT agreed to sell, and Fosun Pingyao agreed to purchase from BEHT, 24,506,143 domestic shares of the Company at a price of RMB2.08 (equivalent to approximately HK\$2.36) per domestic share.

On 10 February 2010, the Company entered into an H share subscription agreement with Fosun Industrial Company Ltd. ("Fosun Industrial") (a wholly-owned subsidiary of Fosun Pharma) pursuant to which, Fosun Industrial agreed to subscribe for, and the Company agreed to allot and issue to Fosun Industrial, 6,780,000 H shares of the Company at the subscription price of RMB2.08 (equivalent to approximately HK\$2.36) per H share.

On 10 February 2010, the Company entered into an H share subscription agreement with Beijing Enterprises pursuant to which Beijing Enterprises agreed to subscribe for, and the Company agreed to allot and issue to Beijing Enterprises, 24,506,143 H shares of the Company at the subscription price of RMB2.08 (equivalent to approximately HK\$2.36) per H share.

Up to the date of this report, the above transactions are still conditional and have yet to be completed. Please refer to the Company's circular on 3 March 2010 for details of the aforesaid transactions.

Save as disclosed above, as far as is known to any directors or supervisors of the Company, as at 30 September 2010, no person, other than the directors or supervisors of the Company, whose interests are set out in the section "Directors' and supervisors' interests in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the directors or supervisors or their respective associates (as defined under the GEM Listing Rules) was granted by the Company or its subsidiaries any rights or options to acquire any shares in or debentures of the Company or had exercised any such rights as at 30 September 2010.

OTHER INFORMATION (Continued)

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the period and up to the date of this report, none of the directors who is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the directors have been appointed or were appointed as directors to represent the interests of the Company and/or the Group, pursuant to the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2010.

SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' securities transactions in securities of the Company. Having made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standards of dealings its code of conduct regarding securities transactions by Directors.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the requirements as set out in Rules 5.28 and 5.29 of the GEM Listing Rules. The audit committee's primary duties are the review and supervision of the Company's financial reporting procedures and internal control system. The Group's unaudited condensed consolidated financial statements for the period have been reviewed by the audit committee with the three independent non-executive directors of the Company, namely Dr. Rao Yi, Dr. Hu Canwu Kevin and Mr. Chan Yiu Kwong.

OTHER INFORMATION (Continued)

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company always puts strong emphasis on the superiority, steadiness and rationality of corporate governance. Except for the deviation that Mr. Wu Lebin assumes the role of both the chairman of the Board and the president of the Company, the Company has complied with all the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the "Code") for the period ended 30 September 2010 by establishing a formal and transparent procedures to protect and maximise the interests of the shareholders during the period under review. The Board is of the view that it is in the best interests of the Group to have Mr. Wu, who has vast and solid experience in the medical industry to perform the dual role so that the Board can have the benefits of a chairman who is knowledgeable about the business of the Group and is most capable to guide and brief the Board in a timely manner on pertinent issues.

By order of the Board
Biosino Bio-Technology and Science Incorporation
Wu Lebin
Chairman

Beijing, the PRC, 15 November 2010

As at the date of this report, the Board comprises:

Chairman and Executive Director

Mr. Wu Lebin (吳樂斌先生)

Vice Chairman and Non-executive Director

Dr. Gao Guang Xia (高光俠博士)

Executive Directors

Dr. Wang Lin (王琳博士) and Mr. Hou Quanmin (侯全民先生)

Non-executive Directors

Mr. Rong Yang (榮洋先生), Ms. Qin Xuemin (秦學民女士), Mr. Wang Fu Gen (王福根先生) and Mr. Zhang Xiaohui (張曉暉先生)

Independent non-executive Directors

Dr. Rao Yi (饒毅博士), Dr. Hu Canwu Kevin (胡燦武博士) and Mr. Chan Yiu Kwong (陳耀光先生)