



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)

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, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this 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 or deceptive; and (2) there are no other matters the omission of which would make any statement in this report misleading.

CONTENTS

	Page
Corporate Information	2
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Comprehensive Income	4
Notes to the Condensed Consolidated Income Statement	5
Management Discussion and Analysis	8
Other Information	9

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 Director
Dr. Gao Guang Xia

Executive Directors
Dr. Wang Lin
Mr. Hou Quanmin

Non-executive Directors
Mr. Yao Fang
Mr. Qiao Zhicheng
Mr. Zuo Zhihui
Mr. Wang Fu Gen

Independent Non-executive Directors
Dr. Rao Yi
Dr. Hu Canwu Kevin
Mr. John Wong Yik Chung

SUPERVISORS

Dr. He Rongqiao
Mr. Shao Yimin
Ms. Guan Xiaohui

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:	64,286,143 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 2011

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 2011, together with the comparative figures for the same periods in 2010, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2011 Unaudited RMB'000	2010 Unaudited RMB'000	2011 Unaudited RMB'000	2010 Unaudited RMB'000
REVENUE	3	59,877	64,477	167,807	169,183
Cost of sales		(23,492)	(23,266)	(65,765)	(56,369)
Gross profit		36,385	41,211	102,042	112,814
Other income and gains		192	1,040	2,389	3,062
Selling and distribution expenses		(16,606)	(18,083)	(42,936)	(44,292)
Administrative expenses		(11,634)	(10,368)	(34,616)	(34,800)
Research and development expenses		(5,729)	(5,491)	(15,022)	(14,936)
Other expenses		12	(3)	-	(8)
PROFIT FROM OPERATING ACTIVITIES		2,620	8,306	11,857	21,840
Finance costs		(732)	(193)	(1,192)	(464)
Share of loss of associates		(95)	(17)	(287)	(245)
PROFIT BEFORE TAX		1,793	8,096	10,378	21,131
Income tax expense	4	(963)	(1,493)	(3,152)	(3,932)
PROFIT FOR THE PERIOD		830	6,603	7,226	17,199
Attributable to:					
Owners of the parent		726	6,275	6,927	16,511
Non-controlling interests		104	328	299	688
		830	6,603	7,226	17,199
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	5				
– Basic (RMB)		0.01	0.06	0.05	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 2011

	Three months ended 30 September 2011		Nine months ended 30 September 2011	
	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	830	6,603	7,226	17,199
Attributable to:				
Owners of the parent	726	6,275	6,927	16,511
Non-controlling interests	104	328	299	688
	830	6,603	7,226	17,199

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 2011 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 2010.

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 2011 is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	2011	2010
	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000
Sale of in-vitro diagnostic reagent products	47,323	47,135	133,379	120,814
Sale of pharmaceutical products	12,554	17,342	34,428	48,369
	59,877	64,477	167,807	169,183

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 2011 (2010: 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 2011		Nine months ended 30 September 2011	
	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000	Unaudited RMB'000
Group:				
Current – Mainland China	963	1,493	3,152	3,932

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 2011 is based on the unaudited profit attributable to shareholders of the Company for the period and the weighted average of 131,303,671 (2010: 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 2011 (2010: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

6. RESERVES

The movements of reserves for the nine months ended 30 September 2011 and 2010 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 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
At 1 January 2011	131,304	62,219	35,843	45,525	13,130	288,021
Total comprehensive income for the period	-	-	-	6,927	-	6,927
Final 2010 dividend	-	-	-	-	(13,130)	(13,130)
At 30 September 2011	131,304	62,219	35,843	39,322	-	281,818

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 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Revenue for the nine months ended 30 September 2011 was approximately RMB168 million, representing a decrease of 0.81% as compared with approximately RMB169 million for the corresponding period last year. For the revenue of this period, approximately RMB133.4 million was generated from the sale of in-vitro diagnostic reagent products, accounting for 79% of the Group's total revenue and representing an increase of 10% as compared with RMB120.8 million for the corresponding period last year. As for pharmaceutical products, revenue for the period from the sale of Lumbrokinase capsules was RMB34.4 million, accounting for 21% of the Group's total revenue and representing a decrease of 29% as compared with the corresponding period last year.

Profit attributable to shareholders of the Company for the nine months ended 30 September 2011 was RMB6.9 million, representing a decrease of approximately 58% as compared with the corresponding period last year, which was mainly because Baiao Pharmaceuticals lost sales tender in Beijing, which directly affected its revenue and resulted in a year-on-year decrease in profit of RMB7.42 million. At the same time, the Group recorded a decline in gross profit of approximate RMB10 million because Biosino increased instrument sales which is lower in profit margin. In addition, the Group increased short-term loans of RMB30 million in the second half of the year, leading to a rise in financial cost, and thus influencing profit for the period.

PROSPECTS AND OUTLOOK

Looking forward, the Group is taking active measures to turnaround the current situation, and continues to establish the system by forming the own innovation capabilities and build up the industry chain of in-vitro diagnostic reagents, which will enhance the core competitiveness of the Group. These tasks are expected to improve the business development and operating results of the Group in the future. The Board believes the introduction and implementation of the PRC medical industry reform policy will improve the market environment of the medical industry, generating new and bigger growth opportunities to the Group.

OTHER INFORMATION

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2011, 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%	2.67%
Mr. Hou Quanmin (<i>note</i>)	300,000	0.45%	0.23%
Dr. Wang Lin (<i>note</i>)	200,000	0.30%	0.15%

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

Save as disclosed above, as at 30 September 2011, 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 2011, 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	H Shares	Domestic	H Shares	
		Shares		Shares		
IBP	Directly beneficially owned	31,308,576	–	46.72%	0.00%	23.84%
Shanghai Fosun Pingyao Investment Management Company Limited [#]	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.67%
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. [#]	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Shanghai Fosun High Technology (Group) Co., Ltd. [#]	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Limited [#]	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun Holdings Limited [#]	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Holdings Ltd. [#]	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%

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	H Shares	Domestic	H Shares	
		Shares		Shares		
Guo Guangchang [#]	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun Industrial Co., Limited [#]	Directly beneficially owned	-	6,780,000	0.00%	10.55%	5.16%
Beijing Enterprises Holdings Limited [*]	Directly beneficially owned	-	27,256,143	0.00%	42.40%	20.76%
Beijing Enterprises Group Company Limited	Through controlled corporations	-	27,256,143	0.00%	42.40%	20.76%

[#] Each of Shanghai Fosun Pingyao Investment Management Company Limited ("Fosun Pingyao") and Fosun Industrial Co., Limited ("Fosun Industrial") is a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharmaceutical"). Fosun Pharmaceutical is in turn held by 48.05% and 0.01% by Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun Hi-Tech") and Mr. Guo Guangchang respectively. Fosun Hi-Tech is wholly-owned by Fosun International Limited ("Fosun International") which is in turn held by Fosun Holdings Limited ("Fosun Holdings") as to 78.24%. Fosun Holdings is wholly-owned by Fosun International Holdings Ltd. ("Fosun International Holdings") which is in turn held by Mr. Guo Guangchang as to 58%. Pursuant to the SFO, each of Fosun Pharmaceutical, Fosun Hi-Tech, Fosun International, Fosun Holdings, Fosun International Holdings and Mr. Guo Guangchang is deemed to be interested in the 24,506,143 domestic shares held by Fosun Pingyao and the 6,780,000 H shares held by Fosun Industrial.

^{*} Beijing Enterprises Group Company Limited is the ultimate holding company of Beijing Enterprises Holdings Limited. Accordingly, it is deemed to be interested in the H shares owned by Beijing Enterprises Holdings Limited.

OTHER INFORMATION (Continued)

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

Save as disclosed above, as far as is known to any directors or supervisors of the Company, as at 30 September 2011, 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 2011.

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.

OTHER INFORMATION (Continued)

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 2011.

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. John Wong Yik Chung.

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 2011 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, 11 November 2011