



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)



First Quarterly Report **2012**

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

The GEM has been established as a market designed to accommodate companies to which a high 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. 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.*

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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 Chairmen and Non-executive Directors*  
Dr. Gao Guang Xia  
Dr. Qiao Zhicheng

*Executive Directors*  
Dr. Wang Lin  
Mr. Hou Quanmin

*Non-executive Directors*  
Mr. Yao Fang  
Mr. Wang Fu Gen  
Ms. Zhang Yingge

(Appointed on 1 April 2012  
subject to the approval of the shareholders  
at the forthcoming annual general  
meeting of the Company)

### *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

### AUDIT COMMITTEE

Dr. Rao Yi (*Chairman*)  
Dr. Hu Canwu Kevin  
Mr. John Wong Yik Chung

### REMUNERATION COMMITTEE

Dr. Rao Yi (*Chairman*)  
Dr. Hu Canwu Kevin  
Mr. John Wong Yik Chung

### NOMINATION COMMITTEE

Dr. Hu Canwu Kevin (*Chairman*)  
Dr. Rao Yi  
Mr. John Wong Yik Chung  
Mr. Wu Lebin

### COMPANY SECRETARY

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

## CORPORATE INFORMATION

### QUALIFIED ACCOUNTANT

Mr. Cheung Yeung CPA

### AUTHORISED REPRESENTATIVES

Mr. Wu Lebin  
Mr. Tung Woon Cheung Eric

### COMPLIANCE OFFICER

Mr. Wu Lebin

### AUDITORS

Ernst & Young

### LEGAL ADVISERS

*As to Hong Kong law:*  
Li & Partners

### 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 H SHARES

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

## THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2012

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 ended 31 March 2012, together with the comparative figures for the same period in 2011, as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 March	
		2012	2011
		Unaudited RMB'000	Unaudited RMB'000
	<i>Notes</i>		
<b>REVENUE</b>	<b>3</b>	<b>53,137</b>	46,899
Cost of sales		<b>(19,462)</b>	(18,640)
Gross profit		<b>33,675</b>	28,259
Other income and gains		<b>7,114</b>	1,607
Selling and distribution expenses		<b>(14,167)</b>	(10,042)
Administrative expenses		<b>(14,706)</b>	(12,097)
Research and development expenses		<b>(5,354)</b>	(4,025)
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>6,562</b>	3,702
Finance costs		<b>(847)</b>	(259)
Share of losses of associates		<b>(2,160)</b>	(144)
<b>PROFIT BEFORE TAX</b>		<b>3,555</b>	3,299
Income tax expense	<b>4</b>	<b>(488)</b>	(841)
<b>PROFIT FOR THE PERIOD</b>		<b>3,067</b>	2,458
Attributable to:			
Owners of the parent		<b>3,805</b>	2,513
Non-controlling interests		<b>(738)</b>	(55)
		<b>3,067</b>	2,458
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>5</b>		
– Basic and diluted (RMB)		<b>0.02</b>	0.02

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2012 Unaudited RMB'000	2011 Unaudited RMB'000
<b>PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,067</b>	2,458
Attributable to:		
Owners of the parent	<b>3,805</b>	2,513
Non-controlling interests	<b>(738)</b>	(55)
	<b>3,067</b>	2,458

## NOTES

### 1. CORPORATE INFORMATION

The Company is a limited liability company established 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 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, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. 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 2011.

### 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 returns and trade discounts during the period.

An analysis of the Group's revenue is as follows:

	Three months ended 31 March	
	2012 Unaudited RMB'000	2011 Unaudited RMB'000
Sale of in-vitro diagnostic reagent products	41,004	36,042
Sale of pharmaceutical products	12,133	10,857
	<b>53,137</b>	46,899



NOTES

4. INCOME TAX EXPENSE

The Company and all its subsidiaries that operate in Mainland China are subject to the statutory corporate income tax rate of 25% (2011: 25%) for the period under the income tax rules and regulations of the PRC, except that the Company and certain subsidiaries are subject a preferential rate of 15% as they are assessed by relevant government authorities as High and New Technology Enterprises (“HNTE”) for a period of three years commencing 1 January 2011 or 1 January 2009. Pursuant to the PRC Income Tax Law, enterprises assessed as “HNTE” are entitled to a preferential income tax rate of 15%.

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries have not generated any assessable profits in Hong Kong during the period (2011: 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.

	Three months ended 31 March	
	2012 Unaudited RMB'000	2011 Unaudited RMB'000
Current – PRC	488	841

5. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the unaudited profit attributable to ordinary equity holders of the parent for the period and the weighted average of 131,303,671 (2011: 131,303,671) ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 31 March 2012 and 2011 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

## NOTES

## 6. RESERVES

The movements of reserves attributable to ordinary equity holders of the parent for the three months ended 31 March 2012 and 2011 are as follows:

	Issued capital Unaudited RMB'000	Capital reserves <sup>#</sup> Unaudited RMB'000	Statutory reserves Unaudited RMB'000	Retained profits Unaudited RMB'000	Proposed final dividend Unaudited RMB'000	Total Unaudited RMB'000
At 1 January 2011	131,304	62,219	35,843	45,525	13,130	288,021
Profit and total comprehensive income for the period	-	-	-	2,513	-	2,513
At 31 March 2011	131,304	62,219	35,843	48,038	13,130	290,534
At 1 January 2012	131,304	61,773	38,624	47,570	13,130	292,401
Profit and total comprehensive income for the period	-	-	-	3,805	-	3,805
At 31 March 2012	131,304	61,773	38,624	51,375	13,130	296,206

<sup>#</sup> 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 three months ended 31 March 2012 (2011: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW FOR THE THREE MONTHS ENDED 31 MARCH 2012

The Group's revenue for the three months ended 31 March 2012 amounted to RMB53.14 million, representing an increase of 13.3% as compared with RMB46.9 million for the corresponding period last year.

During the period, revenue of approximately RMB41 million was generated from the sales of in-vitro diagnostic reagents which accounted for 77.2% of the Group's total revenue, representing an increase of 13.8% as compared with RMB36.04 million for the corresponding period last year. For pharmaceutical products, the revenue from Lumbrokinase capsules amounted to RMB12.13 million which accounted for 22.8% of the Group's total revenue, representing an increase of 11.8% as compared with RMB10.86 million for the corresponding period last year.

Profit attributable to the shareholders of the Company for the three months ended 31 March 2012 was RMB3.8 million, representing an increase of 51.4% as compared with RMB2.5 million for the corresponding period last year. The increase in profit was mainly due to the gain from disposal of Beijing Baiao Pharmaceuticals Company Ltd. during the period.

### OUTLOOK AND FUTURE PROSPECTS

For 2012, with China's economy continues to develop and the establishment of universal medical insurance system, the increase in government spending on medical industry and the escalating demand in healthcare by people will promote China's pharmaceutical industry into a new development period in the long run, as such, the operating atmosphere and market sentiment of the industry was further improved, coupled with the substantive benefits in the pharmaceutical sector from the launching and implementation of new medical reform policies, the clinical diagnostics industry will still be one of the fast growing industries in the PRC.

The Board is confident in turning the Group into a leading enterprise in the health enhancing protein industry with self-owned intellectual property rights and international competitive edges in the PRC, and also sincerely hopes that we can achieve an excellent business performance and maximise the returns for all of our shareholders.

## OTHER INFORMATION

### DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2012, the interests 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 otherwise 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:*

<b>Name</b>	<b>Number of the Company's domestic shares held</b>	<b>Percentage of the Company's domestic shares</b>	<b>Percentage of the Company's total registered share capital</b>
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 31 March 2012, 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

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

At 31 March 2012, as far as is known to any directors and supervisors of the Company, the following interests of 5% or more of the issued share 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, or as otherwise notified to the Company and the Stock Exchange:

*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%	23.84%
Shanghai Fosun Pingyao Investment Management Company Limited <sup>#</sup>	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.66%
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. <sup>#</sup>	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Shanghai Fosun High Technology (Group) Co., Ltd. <sup>#</sup>	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Limited <sup>#</sup>	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun Holdings Limited <sup>#</sup>	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Holdings Ltd. <sup>#</sup>	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Guo Guangchang <sup>#</sup>	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%

## OTHER INFORMATION

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	
Fosun Industrial Co., Limited <sup>‡</sup>	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%

<sup>‡</sup> 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.

Save as disclosed above, as far as is known to any directors or supervisors of the Company, as at 31 March 2012, 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 interests or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

## OTHER INFORMATION

### 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 31 March 2012.

### COMPETING INTERESTS

During the period and up to the date of this report, none of the directors, supervisors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has an interest in any business that competes or may compete, either directly or indirectly, with the business of the Group, nor any conflicts of interest which has or may have with the Group.

### PURCHASE, REDEMPTION OR SALE 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 period.

### AUDIT COMMITTEE

The Company has established an audit committee on 10 February 2006 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 income statement 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

### CORPORATE GOVERNANCE

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 for the period ended 31 March 2012 by establishing a formal and transparent procedures to protect and maximise the interests of 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**  
**Mr. Wu Lebin**  
*Chairman*

Beijing, the PRC, 14 May 2012

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

#### ***Chairman and Executive Director***

Mr. Wu Lebin (吳樂斌先生)

#### ***Vice Chairmen and Non-executive Directors***

Dr. Gao Guang Xia (高光俠博士) and Dr. Qiao Zhicheng (喬志城博士)

#### ***Executive Directors***

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

#### ***Non-executive Directors***

Mr. Yao Fang (姚方先生), Mr. Wang Fu Gen (王福根先生) and Ms. Zhang Ying (張英娥女士) (Appointed on 1 April 2012 subject to the approval of the shareholders at the forthcoming annual general meeting of the Company)

#### ***Independent non-executive Directors***

Dr. Rao Yi (饒毅博士), Dr. Hu Canwu Kevin (胡燦武博士) and Mr. John Wong Yik Chung (黃翼忠先生)