



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

2013



* For identification purpose only

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.

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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. Yu Tongle
 (appointed on 18 March 2013)
 Mr. Wang Fu Gen
 Ms. Zhang Yinge
 (resigned on 18 March 2013)

Independent Non-executive Directors

Dr. Rao Yi
 Dr. Hu Canwu Kevin
 Mr. John Wong Yik Chung
 Mr. Wang Daixue
 (appointed on 18 March 2013)

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
 Mr. Wang Daixue

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

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 2013

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 2013, together with the comparative figures for the same period in 2012, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 March	
		2013	2012
		Unaudited RMB'000	Unaudited RMB'000
	<i>Notes</i>		
REVENUE	3	48,221	53,137
Cost of sales		(22,613)	(19,462)
Gross profit		25,608	33,675
Other income and gains		4,069	7,114
Selling and distribution expenses		(12,232)	(14,167)
Administrative expenses		(12,761)	(14,706)
Research and development expenses		(6,169)	(5,354)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		(1,485)	6,562
Finance costs		–	(847)
Share of losses of associates		(1,070)	(2,160)
PROFIT/(LOSS) BEFORE TAX		(2,555)	3,555
Income tax expense	4	(541)	(488)
PROFIT/(LOSS) FOR THE PERIOD		(3,096)	3,067
Attributable to:			
Owners of the parent		(1,364)	3,805
Non-controlling interests		(1,732)	(738)
		(3,096)	3,067
EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	5		
– Basic and diluted (RMB)		(0.01)	0.02

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2013 Unaudited RMB'000	2012 Unaudited RMB'000
PROFIT/(LOSS) FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(3,096)	3,067
Attributable to:		
Owners of the parent	(1,364)	3,805
Non-controlling interests	(1,732)	(738)
	(3,096)	3,067

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 2012.

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	
	2013 Unaudited RMB'000	2012 Unaudited RMB'000
Sale of in-vitro diagnostic reagent products	48,221	41,004
Sale of pharmaceutical products	–	12,133
	48,221	53,137

4. INCOME TAX EXPENSE

Taxes on profits assessable in the PRC, where the Group operates, have been calculated at the rate of tax prevailing in the PRC. Under the PRC income tax laws, enterprises are subject to corporate income tax ("CIT") at a rate of 25%.

The Company and Beijing Zhongsheng Jinyu Diagnostic Technology Co., Ltd., a subsidiary of the Company, are subject to a preferential rate of 15% under the PRC income tax law for a period of three years commencing from 1 January 2011 as they are assessed by relevant government authorities as High and New Technology Enterprises.

Taxes on profits assessable in the PRC, where the Group operates, have been calculated at the rate of tax prevailing in the PRC, based on existing legislation, interpretations and practices in respect thereof.

	Three months ended 31 March	
	2013 Unaudited RMB'000	2012 Unaudited RMB'000
Current – PRC	541	488

5. EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(losses) per share amount is based on the unaudited profit/(loss) attributable to ordinary equity holders of the parent for the period and the weighted average of 131,303,671 (2012: 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 2013 and 2012 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 2013 and 2012 are as follows:

	Issued capital Unaudited RMB'000	Capital reserves [#] 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 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
At 1 January 2013	131,304	61,017	43,202	47,104	13,130	295,757
Loss and total comprehensive loss for the period	-	-	-	(3,096)	-	(3,096)
At 31 March 2013	131,304	61,017	43,202	44,008	13,130	292,661

[#] 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 2013 (2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW FOR THE THREE MONTHS ENDED 31 MARCH 2013

The Group's revenue for the three months ended 31 March 2013 amounted to RMB48.22 million, representing a decrease of 9.3% as compared with RMB53.14 million for the corresponding period last year.

Loss attributable to the shareholders of the Company for the three months ended 31 March 2013 was RMB1.4 million, representing a decrease of 137% as compared with RMB3.8 million profit for the corresponding period last year. The decrease in profit was mainly due to the increase of the cost of sales and research and development during the period.

OUTLOOK AND FUTURE PROSPECTS

The aging and medical insurance reimbursements are becoming the growth momentum for the pharmaceutical industry through the next decade, and the urbanisation will become a new and important driver in the development of the pharmaceutical industry. It will particularly play a huge promotional role for the rapid growth of the grassroots medical market. The pharmaceutical industry will remain as one of the fast-growing industries in the PRC.

In 2013, the "removal of the policies against price markups on medicine" will be imposed on hospitals in the PRC. This is becoming one of the biggest policy changes in medical reform. It resulted in the biggest change of hospitals' business model in the last 60 years. We believe that after the removal of the policies against having price markups on medicine imposed on hospitals, revenue from inspection will improve, and the demand for diagnostic reagents and general consumables will increase substantially, which are beneficial to the continuous growth of the size of our business and will increase the sales of our products.

The Board is still confident that in transforming the Group into a leader in the health-enhancing protein industry with capability in creating intellectual property rights and the ability to compete internationally, we sincerely hope to strive to achieve better benefits and returns for all shareholders.

OTHER INFORMATION

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2013, 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:

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 31 March 2013, 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 2013, 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 [#]	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.66%
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%
Guo Guangchang [#]	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 [#]	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.

Save as disclosed above, as far as is known to any directors or supervisors of the Company, as at 31 March 2013, 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 2013.

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, Mr. John Wong Yik Chung and Mr. Wang Daixue.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance.

On 1 April 2012, various amendments of the former Code on Corporate Governance Practices (Appendix 15 to the GEM Listing Rules) became effective and the former code was renamed as the Corporate Governance Code.

For the period ended 31 March 2013, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the new Corporate Governance Code (applicable to financial reports covering a period commencing on 1 April 2012) and the former Code on Corporate Governance Practices, with the exception of Code Provision A.2.1 as addressed below.

Mr. Wu Lebin assumes dual roles of the chairman of the Board and the president of the Company. 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 2013

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 (喬志城先生)

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. Yu Tongle (余同樂先生) and Mr. Wang Fu Gen (王福根先生)

Independent non-executive Directors

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