



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  
2015

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

GEM has been positioned as a market designed to accommodate companies to which a higher 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 of the Stock Exchange 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" and each a "Director") of Biosino Bio-Technology and Science Incorporation\* (the "Company", together with its subsidiaries, the "Group") 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") 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 herein or 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>

## BOARD OF DIRECTORS

*Chairman and Executive Director*  
Mr. Wu Lebin

*Vice Chairmen and Non-executive Directors*  
Mr. Chen Jintian  
Ms. Bi Lijun

*Executive Directors*  
Mr. Zhou Jie  
Dr. Wang Lin  
Dr. Xu Cunmao  
Mr. Hou Quanmin

*Non-executive Directors*  
Mr. Wong Fu Gen

## *Independent Non-executive Directors*

Dr. Zheng Yongtang  
Dr. Hu Canwu Kevin  
Mr. John Wong Yik Chung  
Mr. Wang Daixue

## SUPERVISORS

Ms. Yan Xiyun  
Mr. Shao Yimin  
Ms. Huang Aiyun

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

Dr. Hu Canwu Kevin (*Chairman*)  
Dr. Zheng Yongtang  
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  
Level 22, Hopewell Centre  
183 Queen's Road East  
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:	GEM
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 2015

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 2015, together with the comparative figures for the same period in 2014, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Three months ended 31 March	
		2015	2014
		Unaudited RMB'000	Unaudited RMB'000
	<i>Notes</i>		
<b>REVENUE</b>	3	<b>58,274</b>	59,063
Cost of sales		<b>(29,007)</b>	(33,560)
Gross profit		<b>29,267</b>	25,503
Other income and gains		<b>774</b>	549
Selling and distribution expenses		<b>(14,041)</b>	(10,698)
Administrative expenses		<b>(11,162)</b>	(8,983)
Research and development expenses		<b>(4,927)</b>	(7,507)
<b>LOSS FROM OPERATING ACTIVITIES</b>		<b>(89)</b>	(1,136)
Finance costs		<b>(104)</b>	(30)
Share of profits/(losses) of associates		<b>(1,654)</b>	3,260
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(1,847)</b>	2,094
Income tax expense	4	<b>(686)</b>	(452)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(2,533)</b>	1,642
Attributable to:			
Owners of the parent		<b>(1,163)</b>	2,573
Non-controlling interests		<b>(1,370)</b>	(931)
		<b>(2,533)</b>	1,642
<b>EARNINGS/(LOSSES) PER SHARE</b>	5		
<b>ATTRIBUTABLE TO ORDINARY EQUITY</b>			
<b>HOLDERS OF THE PARENT</b>			
– Basic and diluted (RMB)		<b>(0.01)</b>	0.01

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
<b>PROFIT/(LOSS) FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(2,533)</b>	1,642
Attributable to:		
Owners of the parent	<b>(1,163)</b>	2,573
Non-controlling interests	<b>(1,370)</b>	(931)
	<b>(2,533)</b>	1,642

## 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.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated statement of profit or loss 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, and 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 statement of profit or loss and statement of comprehensive income are consistent with those used in the Company's audited financial statements for the year ended 31 December 2014.

## 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	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Sale of in-vitro diagnostic reagent products	58,274	59,063
	<b>58,274</b>	59,063



## NOTES

### 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 2012 as they are assessed by relevant government authorities as High and New Technology Enterprises.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the period.

	Three months ended 31 March	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Current – PRC	686	452

### 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 (2014: 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 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 6. RESERVES

The movements of reserves attributable to ordinary equity holders of the parent for the three months ended 31 March 2015 and 2014 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	Exchange fluctuation reserve Unaudited RMB'000	Total Unaudited RMB'000
At 1 January 2014	131,304	61,017	44,642	41,666	13,130	179	291,938
Profit and total comprehensive profit for the period	-	-	-	2,573	-	-	2,573
At 31 March 2014	131,304	61,017	44,642	44,239	13,130	179	294,511
At 1 January 2015	131,304	85,697	42,648	14,335	13,130	188	287,302
Loss and total comprehensive loss for the period	-	-	-	(1,163)	-	-	(1,163)
At 31 March 2015	131,304	85,697	42,648	13,172	13,130	188	286,139

<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 2015 (2014: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW FOR THE THREE MONTHS ENDED 31 MARCH 2015

The Group's revenue for the three months ended 31 March 2015 amounted to RMB58.27 million, representing a decrease of 1.3% as compared with RMB59.06 million for the corresponding period last year.

Loss attributable to the shareholders of the Company for the three months ended 31 March 2015 was RMB1.16 million, representing a decrease of 145.1% as compared with the profit of RMB2.57 million for the corresponding period last year. The loss was mainly due to the increase in selling expenses and administrative expenses.

## OUTLOOK AND FUTURE PROSPECTS

With the substantive benefits in the pharmaceutical sector from the launching and implementation of new medical reform and health sector policies, the impact of medical reform is spreading out with a steady increase in the number of medical visits. In particular, these substantive benefits play a significant role in the development of the basic level medical market. The operating atmosphere and market sentiment of the industry were further improved.

In 2015, the important changes in medical reform policies, such as encouragement of private capital investment in medical service industry, will bring new changes for the setup and management model of hospitals. We believe that as driven by social capital, the medical service market, in particular basic level medical market and high-end medical service, will increase substantially. The demand for diagnostic reagents and general consumables will continue to increase, which are beneficial to the continuous growth of the size of our business and will increase the sales of our products. As a result of our hard work and established foundation for many years, the Board is confident in establishing the Group into a leader in the health industry with capability in creating intellectual property rights and the ability to compete internationally. The Group will achieve an outstanding performance and maximise returns for all shareholders.



## MANAGEMENT DISCUSSION AND ANALYSIS

With increasing market participants, market competition for in-vitro reagent sector is becoming more intense. Enterprises are also facing on-going challenges in product quality enhancement and product mix optimisation. The Company will take more incentive measures to continue intensifying its marketing efforts, accelerate the progress in research and development, launch instruments that can match the diagnostic reagents, and strive to adapt to market new changes and new demand. In 2015, it continues to pursue the enterprise culture construction of “Unity, Discipline, Dedication, and Innovation” as the theme. The Group also initiates all employees to enhance their occupation quality, innovation and competitiveness, and increases the momentum in marketing efforts to increase the revenue of the Group. Through solidifying its business foundation and adjusting its operation directives, the Group is striving to forge ahead under adverse conditions to allow us to achieve new progresses in terms of production, operation and culture construction.



## OTHER INFORMATION

### DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, the interests of the Directors, supervisors or chief executive of the Company 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 (Chapter 571 of the Laws of Hong Kong) (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 the Stock Exchange, were as follows:

*Long positions 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%
Mr. Zhou Jie <i>(Note)</i>	150,000	0.22%	0.11%

*Note:* These Directors or chief executive are the registered holders and beneficial owners of the respective domestic shares.

Save as disclosed above, as at 31 March 2015, none of the Directors, supervisors or chief executive of the Company 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

As at 31 March 2015, as far as is known to any of the 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	
Institute of Biophysics of Chinese Academy of Sciences	Directly beneficially owned	31,308,576	–	46.72%	0.00%	23.84%
Beijing Shuoze Health Industry Investment Company Limited ("Beijing Shuoze") <sup>#</sup>	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.67%
Hong Kong Future Investment Group Limited ("HK Future") <sup>#</sup>	Directly beneficially owned	–	6,780,000	0.00%	10.55%	5.16%
Chen Jintian	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Beijing Enterprises Holdings Limited <sup>^</sup>	Directly beneficially owned	–	27,256,143	0.00%	42.40%	20.76%
Beijing Enterprises Group Company Limited <sup>^</sup>	Through controlled corporations	–	27,256,143	0.00%	42.40%	20.76%
Chung Shek Enterprises Company Limited	Directly beneficially owned	–	3,800,000	0.00%	5.91%	2.89%
K.C. Wong Education Foundation	Through controlled corporations	–	3,800,000	0.00%	5.91%	2.89%

<sup>#</sup> Each of Beijing Shuoze and HK Future is wholly owned by Mr. Chen Jintian who is therefore deemed to be interested in the domestic shares and H shares held by Beijing Shuoze and HK Future respectively pursuant to the SFO.

<sup>^</sup> Beijing Enterprises Group Company Limited is the ultimate holding company of Beijing Enterprises Group Company Limited. Accordingly, it is deemed to be interested in the H shares owned by Beijing Enterprises Group Company Limited pursuant to the SFO.



## OTHER INFORMATION

Save as disclosed above, as far as is known to any Directors or supervisors of the Company, as at 31 March 2015, no person, other than the Directors, supervisors and chief executive of the Company, whose interests are set out in the section “Directors’, Supervisors’ and Chief Executive’s Interests in Shares and Underlying Shares” above, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register 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.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted a model code of conduct for dealing in the Company’s securities by Directors, which was formulated in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules for the purpose of setting out the standards adopted by the Company for assessing the conduct of Directors in their dealings in the securities of the Company. Any violation of this code will be regarded as a violation of the GEM Listing Rules. The Company has confirmed, after making specific enquiries with the Directors, all Directors have complied with the required standard of dealings as set out in the model code of conduct in relation to securities dealings by directors during the period.

## 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 (the “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 statement of profit or loss for the period has been reviewed by the Audit Committee with the four independent non-executive Directors, namely Dr. Zheng Yongtang, Dr. Hu Canwu Kevin, Mr. John Wong Yik Chung and Mr. Wang Daixue.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

For the period ended 31 March 2015, the Company complied with all code provisions set out in the Corporate Governance Code (Appendix 15 to the GEM Listing Rules) with the exception of Code Provision A.1.8 as addressed below.

### Code Provision A.1.8

Under Code Provision A.1.8, the Company should arrange appropriate insurance to cover potential legal actions against its Directors. As at the date of this report, the Company has not arranged such insurance coverage for the Directors.

The Company is in the process of reviewing and comparing the quotations and insurance proposals provided by a number of insurers, and currently targets to purchase the relevant liability insurance for the Directors within 2015.

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

Beijing, the PRC, 14 May 2015





## OTHER INFORMATION

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***

Mr. Chen Jintian (陳錦添先生) and Ms. Bi Lijun (畢利軍女士)

***Executive Directors***

Dr. Wang Lin (王琳博士), Mr. Hou Quanmin (侯全民先生), Mr. Zhou Jie (周潔先生) and Dr. Xu Cunmao (許存茂博士)

***Non-executive Director***

Mr. Wang Fu Gen (王福根先生)

***Independent non-executive Directors***

Dr. Zheng Yongtang (鄭永唐博士), 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)