



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)



INTERIM REPORT 2015

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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

WEBSITE

<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. Xu Cunmao
Mr. Hou Quanmin

Non-executive Director
Mr. Wang Fugen

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 Aiyu

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:
Loong & Yeung

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



GROUP PROFILE

Biosino Bio-Technology and Science Incorporation (“Biosino Bio-Tec” or the “Company”) is the leading supplier of in-vitro diagnostic (“IVD”) reagents in the People’s Republic of China (“PRC” or “China”). The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the research and development, manufacturing, sale and distribution of IVD reagents products, and providing hospital and other medical institutions with quality and reliable diagnostic reagents products.

The major equity holders of the Company have strong background. Our largest shareholder, the Institute of Biophysics (“IBP”) of the Chinese Academy of Sciences (“CAS”), is the leading research institution in life sciences in the PRC. Our second largest shareholder, Mr. Chen Jintian, is the chairman of Beijing Shuoze Health Industry Investment Company Limited (北京碩澤健康產業投資有限公司) (“Beijing Shuoze”). Beijing Shuoze is a professional industrial company with core businesses in medical and health industry investment and medical and health management. Its principal businesses include medical and health industry investment management services, medical and health management consulting services, research and development of health foods and investment consulting services. Our third largest shareholder, Beijing Enterprises Holdings Limited (“Beijing Enterprises”), is a Hong Kong company whose shares are listed on the Main Board of the Stock Exchange (stock code: 0392). Our third largest shareholder together with its subsidiaries are principally engaged in natural gas operations, brewery operations, sewage and water treatment operations in the PRC.

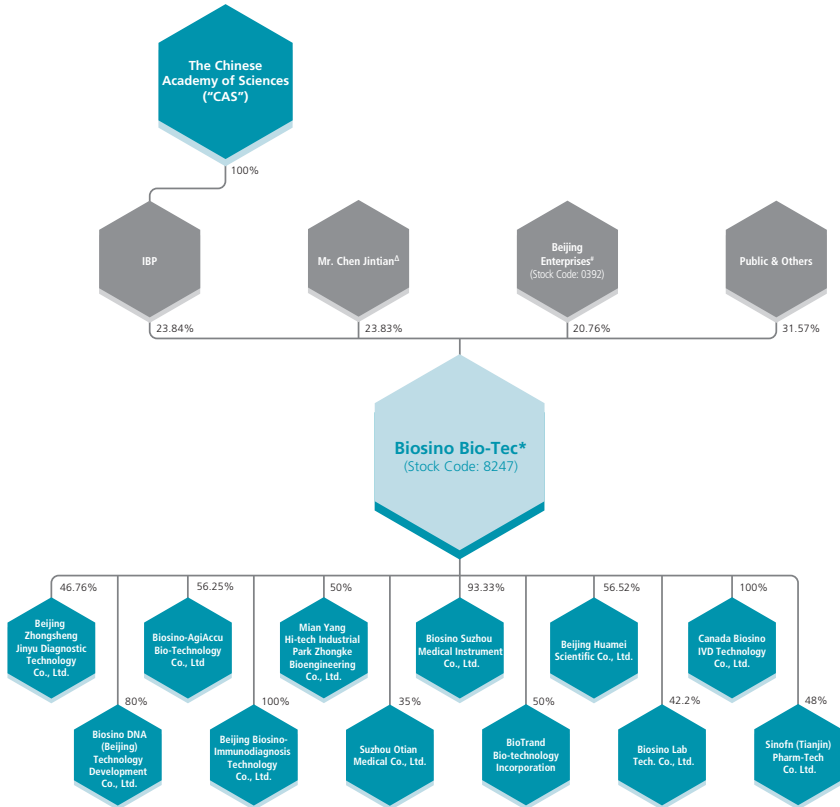
The “Biosino” brand of the Group is well-known in the industry. “Biosino” was awarded as a “Renowned Beijing Brand”(北京名牌產品) in 2002 and was awarded the “No. 1 Brand with High Quality and Reputation in the IVD Reagent Market of the PRC”(中國診斷試劑市場用戶滿意質量信譽第一品牌) in 2005. It is highly recognised among market users and in the medical sector. The Group adopted an integrated retail and distribution model in marketing, and established an efficient, stable and extensive sales network covering over 30 provinces, cities and autonomous regions with more than 600 distributors. The Group’s diagnostic reagents products are well received at domestic hospitals and medical institutions.

In addition, a number of management members of the Group are professors in universities or holding doctorate degrees. Upholding our business principles of “By the people, for the people; advocating innovation; unquestionable quality pursuing perfection; genuine craftsmanship and lawful operation”, our management strives to strengthen our overall competitiveness. The solid scientific research background and aspiration of our management team members, some of whom had research experience in IBP, laid down firm research foundation of Biosino Bio-Tec, which is advantageous to the long-term business development of the Group.

H shares of the Company have been listed on the GEM since 27 February 2006.

GROUP STRUCTURE

As at 30 June 2015



* For identification purposes only

* The H shares of Biosino Bio-Tec are listed on the GEM

The shares of Beijing Enterprises are listed on the Main Board of the Stock Exchange

Δ The 23.83% shareholding is held by Mr. Chen Jintian via Beijing Shuoze and HK Future Investment Group Limited* (香港未來投資集團有限公司) ("HK Future") as to 18.67% and 5.16% respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW FOR THE FIRST HALF OF 2015

Medical examination and testing is the principal consumption direction for in-vitro diagnostic reagents, and the domestic consumption per capita for in-vitro diagnostic reagent is only about 13% of global consumption per capita. With improving local technology for IVD, such low-cost advantage is becoming apparent and the in vitro diagnostic industry in China is at its golden development period. Currently, the medical reform has entered into a critical transitional phase and the change in medical expenses payment method has facilitated hospitals to select domestic diagnostic reagents that have higher performance-price ratio, leaving domestic enterprises the expectation of good development opportunities. The important changes in medical reform policies, such as encouragement of private capital investment in medical service industry, will lead to a continuous increase in the demand for diagnostic reagents and general consumables in the basic level medical market, which are also beneficial to the continuous growth of industry market size and products sales. During the first half of 2015, the Company faced complicated external environment, by continuing to optimise its business layout, striving to strengthen its existing competitiveness, seeking ways to enhance its management standard and efficiency actively and exploring effective solutions to cope with market changes, our principal businesses maintained a healthy development.

Research and Development

During the reporting period, the Company had 7 new registered products, including nucleic acid extraction reagent (核酸提取試劑), thyroid stimulating hormone (TSH) quantitative assay kit (magnetic particle chemiluminescence assays) (促甲狀腺素 (TSH) 定量檢測試劑盒 (磁微粒化學發光法)), free triiodothyronine (FT3) quantitative assay kit (magnetic particle chemiluminescence assays) (游離三碘甲狀腺原氨酸 (FT3) 定量檢測試劑盒 (磁微粒化學發光法)), triiodothyronine (T3) quantitative assay kit (magnetic particle chemiluminescence assays) (三碘甲狀腺原氨酸 (T3) 定量檢測試劑盒 (磁微粒化學發光法)), thyroxine (T4) quantitative assay kit (magnetic particle chemiluminescence assays) (甲狀腺素 (T4) 定量檢測試劑盒 (磁微粒化學發光法)), free thyroxine (FT4) quantitative assay kit (magnetic particle chemiluminescence assays) (游離甲狀腺素 (FT4) 定量檢測試劑盒 (磁微粒化學發光法)) and lithium reagents kit (phosphatase assays) (鋰測定試劑盒 (磷酸酶法)).



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW FOR THE FIRST HALF OF 2015

During the reporting period, the Group achieved a revenue of RMB133 million, representing an increase of 3.4% when compared with the same period last year. It achieved a net profit of RMB2,730,000, representing a decrease of 41.2% when compared with the same period last year, which was mainly due to the unsatisfactory sales performance of joint ventures and associates in the first half of the year.

PROSPECT AND OUTLOOK

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 the PRC. 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 grow substantially. The demand for diagnostic reagents and general consumables will continue to increase, which are beneficial to the continuous growth of our business size and our products sales. As a result of our hard work and established foundation for many years, the Board is confident in establishing the Group to become a leader in the health industry in PRC 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 in in-vitro reagent sector is becoming more and more intense. Enterprises are also facing on-going challenges in product quality enhancement and product mix optimisation. The Group will adopt 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 new changes and new demand in the market. 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.

CAPITAL STRUCTURE, FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with cash flows generated from sales, capital contributions from shareholders and bank borrowings. During the period, cash generated from operating activities was approximately RMB10.7 million. There were no new issue of shares and a RMB2 million short-term bank borrowing was obtained during the period.

As at 30 June 2015, the Group had cash and bank balances of approximately RMB90 million (as at 31 December 2014: approximately RMB82 million). The Group had RMB3 million unsecured bank loan as at 30 June 2015 (as at 31 December 2014: RMB1 million). The Group was in a net cash position of approximately RMB87 million (as at 31 December 2014: approximately RMB81 million).

FOREIGN CURRENCY RISK

The Group’s businesses are mostly located in the PRC and most transactions are conducted in RMB, except that the Group occasionally purchases equipment and some in-vitro diagnostic reagent products from foreign countries for resale in the PRC and administrative expenses incurred by the Canadian subsidiary. Certain bank accounts denominated in Hong Kong dollars are in Hong Kong for the payments of H share dividends and miscellaneous expenses such as professional fees incurred in Hong Kong.



MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS OF THE GROUP

As at 30 June 2015, the Group did not have any assets being pledged.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any contingent liabilities.

EMPLOYEE

As at 30 June 2015, approximately 560 full-time employees (as at 31 December 2014: approximately 650) were employed by the Group. The total staff costs of the Group (including the directors' remunerations) for the six months ended 30 June 2015 amounted to approximately RMB40.47 million (2014: approximately RMB33.97 million). The Group fixes and reviews the emoluments of its staff and directors based on their qualification, experience, performance, and market rates, so as to maintain the remunerations of its staff and directors at a competitive level.

APPRECIATION

On behalf of the Board, I would like to extend my sincere thanks to all shareholders and business partners of the Group for their unwavering support, and to the entire staff of the Group for their valuable contribution.

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

Beijing, the PRC, 14 August 2015

The Board of Directors (the "Board") of the Company announced the unaudited consolidated income statement of the Group for the three months and six months ended 30 June 2015 and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2015, together with the comparative figures in 2014, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2015

	Notes	Three months ended 30 June		Six months ended 30 June	
		2015 Unaudited RMB'000	2014 Unaudited RMB'000	2015 Unaudited RMB'000	2014 Unaudited RMB'000
CONTINUING OPERATIONS					
REVENUE	2, 3	75,100	69,916	133,374	128,979
Cost of sales		(40,477)	(33,161)	(69,484)	(66,721)
Gross profit		34,623	36,755	63,890	62,258
Other income and gains		4,502	5,038	5,276	5,587
Selling and distribution expenses		(13,349)	(16,403)	(27,390)	(27,101)
Administrative expenses		(12,759)	(13,257)	(23,921)	(22,240)
Research and development expenses		(6,061)	(4,275)	(10,988)	(11,782)
Other expenses		(633)	(423)	(633)	(423)
PROFIT FROM OPERATING					
ACTIVITIES FROM					
CONTINUING OPERATIONS	4	6,323	7,435	6,234	6,299
Finance costs	5	(138)	-	(242)	(30)
Share of profits and losses of:					
Joint ventures		(819)	986	(819)	986
Associates		273	(3,949)	(1,381)	(689)

		Three months ended 30 June		Six months ended 30 June	
		2015 Unaudited RMB'000	2014 Unaudited RMB'000	2015 Unaudited RMB'000	2014 Unaudited RMB'000
	<i>Notes</i>				
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		5,639	4,472	3,792	6,566
Income tax expense	6	(1,023)	(1,162)	(1,709)	(1,614)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		4,616	3,310	2,083	4,952
DISCONTINUED OPERATION					
Loss for the period from a discontinued operation		-	(391)	-	(391)
PROFIT FOR THE PERIOD		4,616	2,919	2,083	4,561
Attributable to:					
Owners of the parent		3,892	2,071	2,729	4,644
Non-controlling interests		724	848	(646)	(83)
		4,616	2,919	2,083	4,561
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY					
- Basic (RMB)	7	0.03	0.02	0.02	0.04
- Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2015

	Three months ended 30 June		Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000	2015 Unaudited RMB'000	2014 Unaudited RMB'000
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,616	2,919	2,083	4,561
Attributable to:				
Owners of the parent	3,892	2,071	2,729	4,644
Non-controlling interests	724	848	(646)	(83)
	4,616	2,919	2,083	4,561

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		85,678	88,043
Prepaid land lease payments		3,331	3,331
Goodwill		309	309
Other intangible assets		1,817	2,423
Investments in joint ventures		21,295	22,114
Investments in associates		17,808	19,189
Long-term receivables	9	4,586	4,049
Deferred tax assets		867	827
Total non-current assets		135,691	140,285
CURRENT ASSETS			
Available-for-sale investments		10,000	10,000
Inventories		55,044	57,295
Trade receivables	9	60,908	55,192
Prepayments, deposits and other receivables		42,563	37,007
Time deposits		21,000	27,000
Cash and bank balances		68,709	54,844
Total current assets		258,224	241,338
CURRENT LIABILITIES			
Trade payables	10	20,310	24,179
Other payables and accruals		54,959	34,323
Short term bank loan		3,000	1,000
Tax payable		1,093	1,021
Total current liabilities		79,362	60,523
NET CURRENT ASSETS		178,862	180,815
TOTAL ASSETS LESS CURRENT LIABILITIES		314,553	321,100

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
<i>Notes</i>		
TOTAL ASSETS LESS CURRENT LIABILITIES	314,553	321,100
NON-CURRENT LIABILITIES		
Deferred income	11,361	6,861
Deferred tax liabilities	474	474
Total non-current liabilities	11,835	7,335
Net assets	302,718	313,765
EQUITY		
Equity attributable to owners of the parent		
Issued capital	131,304	131,304
Reserves	145,597	142,868
Proposed final dividend	–	13,130
Non-controlling interests	276,901	287,302
	25,817	26,463
Total equity	302,718	313,765

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the parent								
	Issued capital	Capital reserves	Statutory reserves	Retained Profits	Proposed final dividend	Exchange fluctuation reserve	Total	Non-controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2014	131,304	61,017	44,642	41,666	13,130	179	291,938	25,174	317,112
Total comprehensive income/(loss) for the period	-	-	-	4,644	-	-	4,644	(83)	4,561
Final 2013 dividend	-	-	-	-	(13,130)	-	(13,130)	-	(13,130)
At 30 June 2014	131,304	61,017	44,642	46,310	-	179	283,452	25,091	308,543
At 1 January 2015	131,304	85,697	42,648	14,335	13,130	188	287,302	26,463	313,765
Total comprehensive income/(loss) for the period	-	-	-	2,729	-	-	2,729	(646)	2,083
Final 2014 dividend	-	-	-	-	(13,130)	-	(13,130)	-	(13,130)
At 30 June 2015	131,304	85,697 [†]	42,648 [†]	17,064	-	188 [†]	276,901	25,817	302,718

[†] These reserve accounts comprise the consolidated reserves of RMB145,597,000 and RMB142,868,000 in the consolidated statement of financial position as at 30 June 2015 and 31 December 2014, respectively.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Net cash inflow/(outflow) from operating activities	10,678	(6,973)
Net cash inflow/(outflow) from investing activities	(2,775)	8,213
Net cash inflow/(outflow) from financing activities	(38)	1,464
Increase in cash and cash equivalents	7,865	2,704
Cash and cash equivalents at beginning of period	81,844	69,047
Cash and cash equivalents at end of period	89,709	71,751



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months and six months ended 30 June 2015 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) 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 financial statements are consistent with those used in the Company’s audited financial statements for the year ended 31 December 2014.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment: the in-vitro diagnostic reagent products segment, which manufactures, sells and distributes a variety of mono/double diagnostic reagent products.

Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation of performance assessment. All of the Group’s revenue from external customers and profits from continuing operations are generated from this single segment.

Information about major customers

No revenue from transactions with a single customer amounted to more than 10% of the Group’s total revenue.

Geographical information

During the period ended 30 June 2015 and 2014, almost all of the Group’s revenue was generated from customers located in Mainland China and all of the non-current assets of the Group were located in Mainland China.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. PROFIT FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

The Group's profit from operating activities from continuing operations is arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Depreciation	4,784	3,820	9,567	7,639
Amortisation of know-how	278	283	556	566
Amortisation of prepaid land lease payments	25	38	50	75

5. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Interests on bank loans wholly repayable within 5 years	138	-	242	30

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. 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 six months ended 30 June 2015 (2014: Nil). Taxes on profits assessable in the PRC, where the Group operates, have been calculated at the rates of tax prevailing in the PRC, 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 concessionary income tax rate of 15%, where appropriate.

	Three months ended 30 June		Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Current – Mainland, the PRC	1,023	1,162	1,709	1,614

7. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share for the three months and six months ended 30 June 2015 is based on the unaudited profit attributable to shareholders of the Company for the period and the weighted average number of 131,303,671 (2014: 131,303,671) ordinary 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 six months ended 30 June 2015 (2014: Nil).

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. TRADE RECEIVABLES

Except for certain established customers of the Group for several instalment sales contracts entered into with payment terms ranging from two to four years, the credit period of the Group granted to its customers generally for a period ranging from 60 days to 180 days. The Group closely monitors overdue balances, and impairment is made when it is considered that amounts due may not be recovered. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are interest-free.

An aged analysis of the trade receivables of the Group as at the balance sheet date based on invoice date, is as follows:

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Within 3 months	44,791	37,608
4 to 6 months	11,009	10,397
7 to 12 months	7,129	5,668
1 to 2 years	403	3,323
Over 2 years	2,162	2,245
	65,494	59,241
Less: amount shown as non-current	(4,586)	(4,049)
	60,908	55,192

The carrying amounts of the trade receivables approximate to their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. TRADE PAYABLES

An aged analysis of trade payables of the Group as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Within 3 months	18,857	21,360
4 to 6 months	606	1,105
7 to 12 months	173	515
1 to 2 years	13	985
Over 2 years	661	214
	20,310	24,179

The trade payables are non-interest-bearing and are normally settled on credit terms ranging from 30 days to 90 days.

11. ISSUED CAPITAL

	30 June 2015 Unaudited RMB'000	31 December 2014 Audited RMB'000
Registered, issued and fully paid:		
67,017,528 domestic shares of RMB1 each	67,018	67,018
64,286,143 H shares of RMB1 each	64,286	64,286
	131,304	131,304

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2015 (2014: Nil).

13. COMMITMENTS

- (a) The Group did not have any significant capital commitments in respect of plant and machinery as at 30 June 2015 (2014: Nil).
- (b) On 9 December 2004, the IBP and the Group entered into an exclusive technology licensing agreement (the "Licensing Agreement") in regard to the production of diagnostic reagents by employing the technologies owned by the IBP. Pursuant to the Licensing Agreement, the Company is required to pay a fee of RMB500,000 per annum to the IBP for 20 years, commencing on the effective date of the Licensing Agreement.

14. RELATED PARTY TRANSACTIONS

- (a) The Group had the following material transactions with related parties during the period:

		Six months ended 30 June	
		2015 Unaudited RMB'000	2014 Unaudited RMB'000
	<i>Note</i>		
Technical service fee	<i>(i)</i>	250	250

Note:

- (i) Details of the technical service fee are set out in note 13(b) to the interim report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2015 Unaudited RMB'000	2014 Unaudited RMB'000
Short term employee benefits	4,531	3,701
Post-employment benefits	245	257
Total compensation paid to key management personnel	4,776	3,958

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

OTHER INFORMATION

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

As at 30 June 2015, the interests and short positions of the Directors, chief executive 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 of Director	Number of the Company's domestic shares held	Percentage of the Company's domestic shares	Percentage of the Company's share capital
Mr. Wu Lebin	3,500,878	5.22%	2.67%
Mr. Hou Quanmin	300,000	0.45%	0.23%
Dr. Xu Cunmao	200,000	0.30%	0.15%
Mr. Zhou Jie	150,000	0.22%	0.11%

Note: All the above Directors are the registered holders and beneficial owners of the respective domestic shares.

Save as disclosed above, as at 30 June 2015, none of the Directors, chief executive 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

As at 30 June 2015, so 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, or as otherwise notified to the Company and the Stock Exchange:

Long positions in shares of the Company:

Name of Shareholder	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 Share 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") [†]	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.67%
Hong Kong Future Investment Group Limited ("HK Future") [†]	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 [^]	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%
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%



OTHER INFORMATION

- # 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.
- ^ 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 pursuant to the SFO.

Save as disclosed above, so far as is known to any Directors or supervisors of the Company, as at 30 June 2015, no person, other than the Directors, chief executive or supervisors of the Company, whose interests are set out in the section “Directors’, chief executive’s 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, or as otherwise notified to the Company and the Stock Exchange.

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 during the six months ended 30 June 2015.

COMPETING INTERESTS

During the period and up to the date of this report, none of the Directors, supervisors, the substantial shareholders of the Company and their respective close 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, 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 six months ended 30 June 2015.



OTHER INFORMATION

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, the Company was not aware of any non-compliance with the required standards of dealings and such code of conduct regarding securities transactions by Directors during the six months ended 30 June 2015.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with 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 four independent non-executive directors of the Company, namely Dr. Zheng Yongtang, Dr. Hu Canwu Kevin, Mr. John Wong Yik Chung and Mr. Wang Daixue.

CORPORATE GOVERNANCE

For the period ended 30 June 2015, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices 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.