

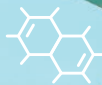
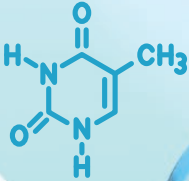


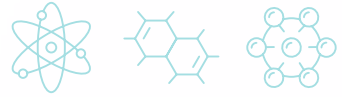
中生北控生物科技股份有限公司
BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION

(Incorporated in the People's Republic of China with limited liability) (Stock Code : 8247)

2022

Interim Report





CHARACTERISTICS OF 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 considerations. 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.

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This report, for which the directors (the “Directors”) 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

WEBSITE

<http://www.zhongsheng.com.cn>

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Lebin (*Chairman*)
Mr. Lin Yanglin (*Vice Chairman*)

Non-executive Directors

Dr. Sun Zhe (*Vice Chairman*)
Ms. Cheng Yali

Independent Non-executive Directors

Dr. Zheng Yongtang
Mr. Ren Fujin
Mr. Lu Qi

SUPERVISORS

Mr. Zhou Jie
Dr. Shen Sheng
Ms. Ren Junhe

AUDIT COMMITTEE

Dr. Zheng Yongtang (*Chairman*)
Mr. Ren Fujin
Mr. Lu Qi

REMUNERATION COMMITTEE

Dr. Zheng Yongtang (*Chairman*)
Mr. Ren Fujin
Mr. Lu Qi

NOMINATION COMMITTEE

Mr. Lu Qi (*Chairman*)
Dr. Zheng Yongtang
Mr. Wu Lebin
Mr. Ren Fujin

CHIEF EXECUTIVE

Mr. Chen Peng (*President*)

COMPANY SECRETARY

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

QUALIFIED ACCOUNTANT

Mr. Cheng King Yin *CPA, CFA*

AUTHORISED REPRESENTATIVES

Mr. Wu Lebin
Mr. Tung Woon Cheung Eric

CORPORATE INFORMATION

COMPLIANCE OFFICER

Mr. Wu Lebin

AUDITORS

Ernst & Young

LEGAL ADVISERS

As to Hong Kong law
Loong & Yeung Solicitors

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

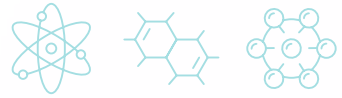
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of Beijing
Agricultural Bank of China Limited
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. It provides hospitals and other medical institutions with quality and reliable diagnostic reagents products.

The Company is strongly backed by prominent institutions and individuals: the largest shareholder, namely Beijing Saipu Asset Management Co., Ltd. (北京賽普資產管理有限責任公司), is a wholly-owned subsidiary of Institute of Biophysics (“IBP”) of Chinese Academy of Sciences (“CAS”), which is a leading research institution of life sciences in the PRC. The second largest shareholder, Beijing Enterprises Holdings Limited (“Beijing Enterprises”), is incorporated in Hong Kong and listed on the Main Board of the Stock Exchange (stock code: 0392). Beijing Enterprises together with its subsidiaries are principally engaged in natural gas operations, brewery operations, sewage and water treatment operations as well as solid waste treatment operations in the PRC.

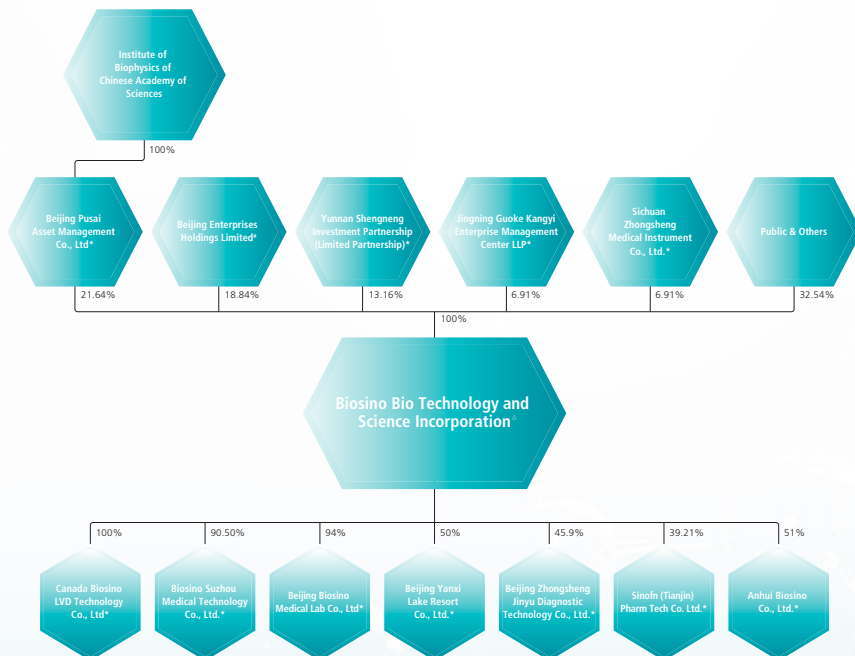
The Group’s “Biosino” brand is highly esteemed by industry peers. “Biosino” was granted the “Renowned Beijing Brand” (北京名牌產品) award in 2002, the “No. 1 Brand with High Quality and Reputation in the IVD Reagent Market of the PRC” (中國診斷試劑市場用戶滿意質量信譽第一品牌) award in 2005 and the “Beijing Famous Trademark” award. It was widely recognized by market users in the medical sector. The Group adopts an integrated retail and distribution model in marketing. It has also established an efficient, stable and extensive sales network with more than 600 distributors, covering over 30 provinces, municipalities and autonomous regions in the PRC. The Group’s diagnostic reagents products are popular amongst domestic hospitals and medical institutions.

In addition, at the heart of Biosino Bio-Tec’s excellent reputation as a leading research hub and the Group’s long-term business development is the solid scientific and research background of the management. A number of the Group’s managers are professors and doctorate degree holders, some had research experience at IBP. The Group’s management is committed to upholding the principles of “By the people, for the people; advocating innovation; quality first; forging excellence and professionalism; moral integrity and compliance” and strives to enhance the Group’s overall competitiveness.

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

GROUP STRUCTURE

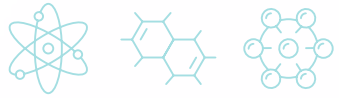
As at 30 June 2022



* For identification purpose only

△ The H shares of Biosino Bio-Technology and Science Incorporation are listed on GEM of the Stock Exchange

The shares of Beijing Enterprises Holdings Limited (“Beijing Enterprises”) are listed on the Main Board of the Stock Exchange



MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2022, COVID-19 continued to ravage most parts of China. The government focused on people's health as one of its core priorities and adopted stringent pandemic preventive measures in facing such a complicated and acute situation, which had caused significant impact on all aspects of the domestic economy and society, especially those in the medical and IVD industry. At the same time, under the background of favourable overall policies and guidelines for medical reform, changing market conditions, and the constantly changing market elements for building a healthy ecosystem in the industry and the normalisation of the pandemic, the rapid growth of new downstream demand has given domestic enterprises sound opportunity for development. The trend of narrowing technology gap of similar enterprises is accelerating, especially in the biochemical diagnosis projects with wide clinical application and broad market demand.

Clinical biochemical diagnosis is a mature technology which is easy to use, requires short analysis time and has low inspection cost. After more than three decades of development, biochemical diagnosis has become the most mature segment of the IVD industry in China, and the technologies as a whole has reached that of international standards in the same period.

In the first half of the year, with changes in the foreign trade situation, COVID-19 and the post pandemic era, the status of domestic brands plays a pivotal role. With the acceleration of centralised procurement, volume-based procurement, transparent procurement in various places, as well as the implementation and promotion of medical insurance cost control and DRG/DRP reform in hospitals nationwide, the Group continued to expand its biochemical product line by leveraging its own advantages, and accelerated the R&D and launch of immune products, mass spectrometry products, flow cytometers and molecular products through strengthening and continuous development. By increasing market promotion, continuing to adopt the combination of distribution and direct sales, the Group sought more sources and reduce expenditure in internal management, and reduced sales costs, striving to alleviate the pressures brought by the market.

Although the Company's marketing activities and various businesses in the first half were affected by the pandemic, and the sales volume and income of the reagent business decreased. Nevertheless, the Company insisted on scientific innovation products in the R&D, transformation, IVD manufacturing and precision medicine aspects, supplemented with application scenarios of scientific innovation products and medical technology services. The Company focused on its principal industry, controlled costs, synergized innovations, and strived to be innovative to further enrich its product lines, continued to enhance product production and quality management, formulated a flexible, maneuverable, and attractive win-win marketing policy, strived to increase market share, enriched cash flow, reshaped channel cooperation, and endeavoured to expand the scale of sales while achieving profit growth.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

According to the analysis of certain thinktank industry reports, the PRC IVD market is expected to continue to grow at a compound annual growth rate of 11% in the next five years, and the market scale is expected to reach RMB130 billion in 2025.

China's medium and high-end medical device consumption still has potential to increase. At present, the basic composition of China's medical device market is that high-end products and medium and low-end products account for 25% and 75% of the total market, respectively. The basic composition of medical device products in the international market is that high-end products generally account for 55% of the market, and medium and low-end products account for 45% of the total market. In the biochemical diagnosis segment, the functionality of domestic automatic biochemical analyzers has caught up with the standards of those imported products and has considerable price advantage, which accounted for over 70% of domestic market share, and has basically achieved the import substitution process.

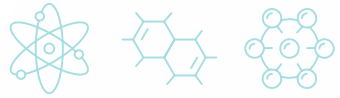
As the CFDA gradually strengthens its supervision over the R&D, registration, production and sales of IVD products, the barriers to entry have been raised, and due to the fierce industry competition, the gross profit margin has begun to decline, and the pressure on small manufacturers that have entered the industry has also increased sharply, which may result in increasing market concentration. The Company will rise to the challenge in the second half, by following the market trend, promoting its strengths and avoiding its weaknesses, striving to fully leverage on its original advantages in technology, product quality, management and market, actively pursuing breakthrough against the existing unfavorable situation, and creating better development prospects.

RESEARCH AND DEVELOPMENT COSTS

During the six months ended 30 June 2022 (the "Reporting Period"), the Company obtained a total of six product patents, including stable homocysteine cycle enzymatic detection kit, calibrator and quality control material for mass spectrometry detection of vitamin D and its metabolites and its preparation method and application. The Company's four products, including biochemical compound calibrators and apolipoprotein E assay kits (immunoturbidimetry), have obtained the new technology and new product certificates.

CAPITAL STRUCTURE, FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with cash flows generated from sales, capital contributions from shareholders and bank and other borrowings. There was no new issue of shares and RMB75 million of bank and other borrowings were obtained during the Reporting Period.



MANAGEMENT DISCUSSION AND ANALYSIS

The capital structure of the Group had no significant changes during the Reporting Period.

	30 June 2022 RMB'000	31 December 2021 RMB'000
Cash and bank balances	36,122	44,469
Short-term loans	113,514	161,755
Long-term loans	5,529	28
Net debt	82,921	117,314
Net debt equity ratio	37%	59%
Gearing ratio (total liabilities/total assets)	62%	67%

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 IVD 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 payment of H share dividends and miscellaneous expenses such as professional fees incurred in Hong Kong.

PLEDGE OF ASSETS OF THE GROUP

As at 30 June 2022, the Group's buildings and prepaid land lease payments with net carrying amounts of approximately RMB23,192,000 and RMB2,370,000 respectively were pledged to Bank of Beijing, for bank loans granted to the Company with a principal of approximately RMB64,800,000 as at the end of the Reporting Period.

As at 30 June 2022, certain machineries with a net carrying amount of approximately RMB18.99 million were pledged to independent third parties to secure loans granted to the Company amounted to approximately RMB11.89 million that are repayable in 1 to 2 years.

CONTINGENT LIABILITIES

As at the end of the Reporting Period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Counter-guarantees given to a security company in connection with loans granted to a subsidiary	3,000	3,000

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES

As at 30 June 2022, approximately 487 full-time employees (as at 31 December 2021: approximately 421) were employed by the Group. The total staff costs of the Group (including the directors' remunerations) for the six months ended 30 June 2022 amounted to approximately RMB41.2 million (2021: approximately RMB38.6 million). The Group determines and reviews the emoluments of its staff and the Directors based on their qualifications and experience, performance and market rates, so as to maintain the remuneration of its staff and the Directors at a competitive level. The Group participates in various defined contribution retirement plans and insurance schemes in compliance with its statutory obligations under the laws and regulations of China and Hong Kong. The Directors believe that employees are one of the most valuable assets of the Group who contribute significantly to the success of the Group. The Group recognises the importance of training of its staff and hence provides regular training for the Group's staff members to enhance their technical and product knowledge.

Other than the company secretary and the qualified accountant, the employees of the Group are all stationed in China.

APPRECIATION

On behalf of the board (the "Board") of directors (the "Director(s)") of the Company, I would like to extend my sincere gratitude 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, 11 August 2022



The Board announced the unaudited consolidated statement of profit or loss of the Group for the three months and six months ended 30 June 2022 and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2022, together with the comparative figures in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 June 2022

		Three months ended 30 June		Six months ended 30 June	
		2022 Unaudited RMB'000	2021 Unaudited RMB'000	2022 Unaudited RMB'000	2021 Unaudited RMB'000
	<i>Notes</i>				
REVENUE	4	83,876	93,771	172,436	174,665
Cost of sales		(48,509)	(48,041)	(102,381)	(93,631)
Gross profit		35,367	45,730	70,055	81,034
Other income and gains		856	207	970	226
Selling and distribution expenses		(13,685)	(19,304)	(28,462)	(35,463)
Administrative expenses		(11,826)	(11,955)	(21,384)	(21,219)
Research and development expenses		(6,943)	(6,703)	(12,017)	(12,503)
Other expenses		(13)	(232)	(13)	(232)
PROFIT FROM OPERATING ACTIVITIES	5	3,756	7,743	9,149	11,843
Finance costs		(1,918)	(3,663)	(3,208)	(5,505)
Share of profits and losses of:					
Joint ventures		(10)	(29)	(18)	(29)
Associates		2,135	1,019	1,249	237

	Notes	Three months ended 30 June		Six months ended 30 June	
		2022 Unaudited RMB'000	2021 Unaudited RMB'000	2022 Unaudited RMB'000	2021 Unaudited RMB'000
PROFIT BEFORE TAX		3,963	5,070	7,172	6,546
Income tax expense	6	(1,349)	(308)	(2,440)	(1,379)
PROFIT FOR THE PERIOD		2,614	4,762	4,732	5,167
Attributable to:					
Owners of the parent		1,172	2,488	578	1,836
Non-controlling interests		1,442	2,274	4,154	3,331
		2,614	4,762	4,732	5,167
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7				
– Basic and diluted (RMB)		0.008	0.017	0.004	0.013



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2022

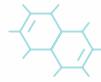
	Three months ended 30 June		Six months ended 30 June	
	2022 Unaudited RMB'000	2021 Unaudited RMB'000	2022 Unaudited RMB'000	2021 Unaudited RMB'000
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,635	4,764	4,764	5,185
Attributable to:				
Owners of the parent	1,193	2,490	613	1,854
Non-controlling interests	1,442	2,274	4,154	3,331
	2,635	4,764	4,764	5,185

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	30 June 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
<i>Notes</i>		
NON-CURRENT ASSETS		
Property, plant and equipment	95,604	94,808
Right-of-use assets	9,625	12,035
Prepayments	600	600
Other intangible assets	28,750	27,176
Investments in joint ventures	12,752	12,770
Investments in associates	48,757	47,508
Equity investments designated at fair value through other comprehensive income	531	531
Long-term receivables	1,970	770
Deferred tax assets	3,488	3,487
Total non-current assets	202,077	199,685
CURRENT ASSETS		
Inventories	58,437	59,999
Trade and bills receivables	227,039	207,444
Prepayments, other receivables and other assets	69,316	96,164
Cash and cash equivalents	36,122	44,469
Total current assets	390,914	408,076

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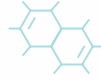
		30 June 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
	<i>Notes</i>		
CURRENT LIABILITIES			
Trade payables	10	138,503	145,669
Other payables and accruals		80,301	75,632
Interest-bearing bank and other borrowings		113,514	161,755
Lease liabilities		2,612	2,506
Tax payable		9,112	3,469
Total current liabilities		344,042	389,031
NET CURRENT ASSETS		46,872	19,045
TOTAL ASSETS LESS CURRENT LIABILITIES		248,949	218,730
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		5,529	28
Deferred income		2,407	2,457
Lease liabilities		9,243	9,242
Deferred tax liabilities		7,591	7,591
Total non-current liabilities		24,770	19,318
Net assets		224,179	199,412
EQUITY			
Equity attributable to owners of the parent			
Share capital	11	144,707	144,707
Reserves		53,991	31,467
Non-controlling interests		198,698	176,174
		25,481	23,238
Total equity		224,179	199,412

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Issued capital	Capital* reserve	Statutory* reserve	Exchange*		Accumulated* losses	Total		
				fluctuation reserve	Fair value* reserve				
				Unaudited	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	
At 1 January 2021	144,707	102,596	47,978	(157)	(474)	(117,317)	177,333	18,938	196,271
Profit for the period	-	-	-	-	-	1,836	1,836	3,331	5,167
Exchange differences on translation of foreign operations	-	-	-	18	-	-	18	-	18
Total comprehensive income for the period	-	-	-	18	-	1,836	1,854	3,331	5,185
At 30 June 2021	144,707	102,596	47,978	(139)	(474)	(115,481)	179,187	22,269	201,456
At 1 January 2022	144,707	102,596	47,978	(176)	(474)	(118,457)	176,174	23,238	199,412
Profit for the period	-	-	-	-	-	578	578	4,154	4,732
Exchange differences on translation of foreign operations	-	-	-	35	-	-	35	-	35
Total comprehensive income for the period	-	-	-	35	-	578	613	4,154	4,767
Capital contribution from non-controlling equity holders of a subsidiary	-	13,950	-	-	-	-	13,950	6,050	20,000
Deemed disposal of a partial interest in a subsidiary	-	7,961	-	-	-	-	7,961	(7,961)	-
At 30 June 2022	144,707	124,507	47,978	(141)	(474)	(117,879)	198,698	25,481	224,179

* These reserve accounts comprise the consolidated reserves of RMB53,991,000 and RMB31,467,000 in the consolidated statement of financial position as at 30 June 2022 and 31 December 2021, respectively.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 Unaudited RMB'000	2021 Unaudited RMB'000
Net cash flows from operating activities	4,497	25,353
Net cash flows from/(used in) investing activities	11,165	(2,226)
Net cash flows used in financing activities	(24,009)	(45,726)
Net decrease in cash and cash equivalents	(8,347)	(22,599)
Cash and cash equivalents at beginning of period	44,469	45,453
Cash and cash equivalents at end of period	36,122	22,854

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

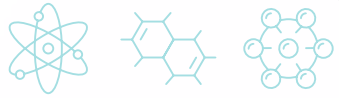
The unaudited condensed consolidated financial statements for the three months and six months ended 30 June 2022 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) 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 2021.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised HKFRSs for the first time for the current period’s financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The adoption of the above revised HKFRSs has had no significant financial effect on this unaudited condensed consolidated financial information and there has been no significant changes to the accounting policies applied in this unaudited condensed consolidated financial information.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. OPERATING SEGMENT INFORMATION

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

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

Geographical information

During the six months ended 30 June 2022, 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.

Information about major customers

Revenue of approximately RMB22,665,000 was derived from sales by the IVD reagent products segment to the largest customer of the Group, which amounted to more than 10% of the Group's total revenue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for return and trade discounts, net of tax and surcharges during the period.

5. PROFIT FROM OPERATING ACTIVITIES

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

	Three months ended 30 June		Six months ended 30 June	
	2022 Unaudited RMB'000	2021 Unaudited RMB'000	2022 Unaudited RMB'000	2021 Unaudited RMB'000
Cost of inventories sold	48,509	48,041	102,381	93,631
Gain/(loss) on foreign exchange differences, net	208	(53)	164	(54)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. 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 its two subsidiaries, Beijing Zhongsheng Jinyu Diagnostic Technology Co., Ltd. and Biosino Suzhou Medical Technology Co., Ltd., are entitled to a preferential rate of 15% under the PRC income tax laws for a period of three years commencing on 2 December 2020, 21 October 2020 and 3 November 2021, respectively, as they are accredited by the 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 30 June		Six months ended 30 June	
	2022 Unaudited RMB'000	2021 Unaudited RMB'000	2022 Unaudited RMB'000	2021 Unaudited RMB'000
Current – the PRC				
Charge for the period	1,361	300	2,442	1,364
Deferred	(12)	8	(2)	15
Total tax charge for the period	1,349	308	2,440	1,379

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 2022 is based on the unaudited profit attributable to shareholders of the Company for the period and the weighted average number of 144,707,176 (2021: 144,707,176) ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during those periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. INTERIM DIVIDEND

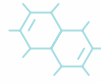
The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: Nil).

9. TRADE AND BILLS RECEIVABLES

Except for certain established customers of the Group which have been granted with payment terms ranging from two to four years in respect of certain sales of instruments, the credit periods of the Group granted to its customers generally range from 60 to 180 days. The Group closely monitors overdue balances, and impairment is made when it is considered that the 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The trade receivables are non-interest bearing.

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 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
Within 3 months	54,251	43,823
4 to 6 months	40,071	46,096
7 to 12 months	68,568	34,298
1 to 2 years	53,848	48,958
Over 2 years	10,301	34,269
	227,039	207,444



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 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
Within 3 months	51,434	45,197
4 to 6 months	21,083	30,822
7 to 12 months	11,715	24,702
1 to 2 years	51,371	40,261
Over 2 years	2,900	4,687
	138,503	145,669

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

11. SHARE CAPITAL

	30 June 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
Registered, issued and fully paid:		
80,421,033 domestic shares of RMB1 each	80,421	80,421
64,286,143 H shares of RMB1 each	64,286	64,286
	144,707	144,707

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. CONTINGENT LIABILITIES

The guarantees given to a bank in connection with loans granted to a subsidiary were RMB3,000,000 as at 30 June 2022 (31 December 2021: RMB3,000,000).

13. COMMITMENTS

The Group did not have any significant capital commitments in respect of plant and equipment as at 30 June 2022.

On 9 December 2004, the Company and its substantial shareholder, IBP, entered into an exclusive technology licensing agreement (the "Licensing Agreement") with regard to the production of diagnostic reagents by employing the technologies owned by IBP. Pursuant to the Licensing Agreement, the Company is required to pay a fee of RMB500,000 per annum to 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	
		2022 Unaudited RMB'000	2021 Unaudited RMB'000
	<i>Note</i>		
Technical service fee	(i)	250	250
Joint ventures:			
Sales of products to Biosino (Shan Dong) Bio-Technology and Science Co., Ltd.		—	327

Note:

- (i) Details of the technical service fee are set out in note 13 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	
	2022 Unaudited RMB'000	2021 Unaudited RMB'000
Wages and salaries	3,227	2,787
Pension scheme contributions	259	198
	3,486	2,985

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

15. APPROVAL OF THE FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the Board on 11 August 2022.

OTHER INFORMATION

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

As at 30 June 2022, 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 (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and to the Stock Exchange, were as follows:

Long position in shares of the Company:

Name	Number of the Company's domestic shares held	Percentage of the Company's domestic shares	Percentage of the Company's total registered share capital
Mr. Wu Lebin	3,500,878	4.35%	2.42%
Mr. Zhou Jie	150,000	0.19%	0.10%
Mr. Chen Peng	10,000,000	12.43%	6.91%

Save as disclosed above, as at 30 June 2022, none of the Directors, supervisors or chief executive of the Company had registered an interest and 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

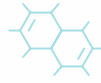
As at 30 June 2022, as far as is known to any Directors and supervisors of the Company, other than the interest of the Directors, supervisors and chief executive of the Company as disclosed under the section headed "Directors', Supervisors' and Chief Executive's Interests in Shares and Underlying Shares" above, the following persons had interests in the shares and 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:

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	
Beijing Pusai Asset Management Co., Ltd. (北京普賽資產管理有限責任公司)	Directly beneficially owned	31,308,576	–	38.93%	0.00%	21.64%
Beijing Enterprises Holdings Limited (Note 1)	Directly beneficially owned	–	27,256,143	0.00%	42.40%	18.84%
Beijing Enterprises Group Company Limited (Note 1)	Through controlled corporations	–	27,256,143	0.00%	42.40%	18.84%
Yunan Shengneng Investment Partnership (Limited Partnership) (Note 2)	Directly beneficially owned	12,269,648	6,780,000	15.26%	10.55%	13.16%
Mr. Li Yangxiong (Note 2)	Through controlled corporations	12,269,648	6,780,000	15.26%	10.55%	13.16%
	Directly beneficially owned	1,050,263	–	1.31%	–	0.73%

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	
Ms. Chen Chen (Note 2)	Through controlled corporation	12,269,648	6,780,000	15.26%	10.55%	13.16%
Mr. Chen Zhaoyang (Note 2)	Through controlled corporation	12,269,648	6,780,000	15.26%	10.55%	13.16%
Jingning Guoke Kangyi Enterprise Management Center LLP (Note 3)	Directly beneficially owned	10,000,000	–	12.43%	–	6.91%
Sichuan Zhongsheng Medical Instrument Co., Ltd. (Note 4)	Directly beneficially owned	10,000,000	–	12.43%	–	6.91%
Mr. Chen Zhengyong (Note 4)	Through controlled corporation	10,000,000	–	12.43%	–	6.91%
Chung Shek Enterprises Company Limited	Directly beneficially owned	–	3,800,000	0.00%	5.91%	2.63%
K.C. Wong Education Foundation	Through controlled corporations	–	3,800,000	0.00%	5.91%	2.63%



OTHER INFORMATION

Notes:

1. 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.
2. The interests of Yunan Shengneng Investment Partnership (Limited Partnership) (“Yunan Shengneng”) were owned as to 34% by Mr. Li Yangxiong, 33% by Ms. Chen Chen and 33% by Mr. Chen Zhaoyang. Accordingly, Mr. Li Yangxiong, Ms. Chen Chen and Mr. Chen Zhaoyang were deemed to be interested in the H shares and the domestic shares owned by Yunan Shengneng pursuant to the SFO.
3. The interests of Jingning Guoke Kangyi Enterprise Management Center LLP (“Jingning Guoke”) were owned as to 99.5% by Mr. Chen Peng, the president of the Company. Accordingly, Mr. Chen Peng is deemed to be interested in the domestic shares owned by Jingning Guoke pursuant to the SFO.
4. The equity interests of Sichuan Zhongsheng Medical Instrument Co., Ltd. (“Sichuan Zhongsheng”) were owned as to 75.35% by Mr. Chen Zhengyong. Accordingly, Mr. Chen Zhengyong is deemed to be interested in the domestic shares owned by Sichuan Zhongsheng pursuant to the SFO.

Save as disclosed above, as far as is known to any Directors or supervisors of the Company, as at 30 June 2022, no person, other than the Directors, supervisors and chief executive of the Company, whose interests are set out in the section headed “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.

OTHER INFORMATION

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

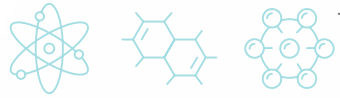
None of the Directors or supervisors or their respective associates (as defined under the GEM Listing Rules) was granted by the Company or its subsidiaries any rights or options to acquire any shares in or debentures of the Company or had exercised any such rights during the six months ended 30 June 2022.

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 2022.



OTHER INFORMATION

DIRECTORS' SECURITIES TRANSACTIONS

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' dealings in the 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 2022.

AUDIT COMMITTEE

The Company has established an audit committee (the "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 three independent non-executive directors of the Company, namely Dr. Zheng Yongtang, Mr. Ren Fujin and Mr. Lu Qi, of which Dr. Zheng Yongtang is the chairman.

CORPORATE GOVERNANCE

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

For the period ended 30 June 2022, the Company complied with all Code Provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code, with the exception of Code Provision D.2.5 as addressed below.

OTHER INFORMATION

Code Provision D.2.5

Code Provision D.2.5 states that the Company should have an internal audit function. Based on the size and simple operating structure of the Group as well as the internal control processes, the Group decided not to set up an internal audit department for the time being. However, the Board has put in place adequate measures to perform the internal audit function in relation to different aspects including (i) the Board has established formal arrangements to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the GEM Listing Rules and all relevant laws and regulations and (ii) the Company engaged an external consultant to perform an internal review on the scope determined by the Audit Committee. The Company considers that the existing organization structure and close supervision by the management and the abovementioned engagement of the external consultant can maintain sufficient risk management and internal control of the Group. The Board will review the need to set up an internal audit function from time to time and may set up an internal audit team if the need arises.

UPDATED INFORMATION OF DIRECTOR PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

After having made all reasonable enquiries, the Board is not aware of any information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules during the Reporting Period.