



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)

Third Quarterly Report
2023



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 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.

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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 of the Stock Exchange (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. Chen Peng (*President*)
(*appointed on 25 May 2023*)
Mr. Lin Yanglin (*Vice Chairman*)
(*retired on 25 May 2023*)

Non-executive Directors

Mr. Chen Zhengyong (*Vice Chairman*)
(*appointed on 25 May 2023*)
Mr. Yang Peng (*Vice Chairman*)
(*appointed on 26 September 2023*)
Dr. Sun Zhe (*Vice Chairman*)
(*resigned on 26 September 2023*)
Ms. Cheng Yali (*retired on 25 May 2023*)
Dr. Gao Guangxia
(*appointed on 25 May 2023*)
Mr. Li Zhonghua
(*appointed on 25 May 2023*)

Independent Non-executive Directors

Mr. Lu Qi
Mr. Ren Fujin
(*resigned on 12 February 2023*)
Prof. Shen Jiangan
(*appointed on 23 February 2023*)
Prof. Shen Zuojun
(*appointed on 25 May 2023*)
Dr. Zheng Yongtang
(*retired on 25 May 2023*)

SUPERVISORS

Mr. Zhou Jie (*retired on 25 May 2023*)
Mr. Li Jifeng (*appointed on 25 May 2023*)
Dr. Shen Sheng
Ms. Ren Junhe

AUDIT COMMITTEE

Mr. Lu Qi (*Chairman*) (*appointed as the
Chairman on 25 May 2023*)
Dr. Zheng Yongtang (*Chairman*)
(*retired on 25 May 2023*)
Mr. Ren Fujin
(*resigned on 12 February 2023*)
Prof. Shen Jiangan
(*appointed on 23 February 2023*)
Prof. Shen Zuojun
(*appointed on 25 May 2023*)

REMUNERATION COMMITTEE

Prof. Shen Zuojun (*Chairman*)
(*appointed on 25 May 2023*)
Dr. Zheng Yongtang (*Chairman*)
(*retired on 25 May 2023*)
Mr. Lu Qi
Mr. Ren Fujin
(*resigned on 12 February 2023*)
Prof. Shen Jiangan
(*appointed on 23 February 2023*)

CORPORATE INFORMATION

NOMINATION COMMITTEE

Mr. Lu Qi (*Chairman*)
 Mr. Ren Fujin
(resigned on 12 February 2023)
 Prof. Shen Jiangang
(appointed on 23 February 2023)
 Prof. Shen Zuojun
(appointed on 25 May 2023)
 Mr. Wu Lebin
 Dr. Zheng Yongtang
(retired on 25 May 2023)

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

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

THIRD QUARTERLY RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2023

The board of Directors (the "Board") of the Company announced the unaudited consolidated results of the Group for the three months and nine months ended 30 September 2023, together with the comparative figures for the same periods in 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 Unaudited RMB'000	2022 Unaudited RMB'000	2023 Unaudited RMB'000	2022 Unaudited RMB'000
REVENUE	3	71,418	103,223	210,564	275,659
Cost of sales		(36,201)	(57,466)	(108,671)	(159,847)
Gross profit		35,217	45,757	101,893	115,812
Other income and gains, net		1,350	432	1,755	1,402
Selling and distribution expenses		(18,786)	(15,726)	(49,496)	(44,188)
Administrative expenses		(12,542)	(11,220)	(38,337)	(32,604)
Research and development expenses		(9,724)	(6,646)	(25,677)	(18,663)
Other expenses		(1,770)	(125)	(1,883)	(138)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		(6,255)	12,472	(11,745)	21,621
Finance costs		(1,844)	(1,843)	(4,798)	(5,051)
Share of profits and losses of:					
Joint ventures		(13)	(10)	(42)	(28)
Associates		5,806	2,121	8,469	3,370
PROFIT/(LOSS) BEFORE TAX	4	(2,306)	12,740	(8,116)	19,912
Income tax	5	(381)	(95)	(2,582)	(2,535)
PROFIT/(LOSS) FOR THE PERIOD		(2,687)	12,645	(10,698)	17,377
Attributable to:					
Owners of the parent		(569)	10,691	(5,993)	11,269
Non-controlling interests		(2,118)	1,954	(4,705)	6,108
		(2,687)	12,645	(10,698)	17,377
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	6	(0.004)	0.074	(0.041)	0.078
Basic and diluted (RMB)					

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2023

	Three months ended 30 September		Nine months ended 30 September	
	2023 Unaudited RMB'000	2022 Unaudited RMB'000	2023 Unaudited RMB'000	2022 Unaudited RMB'000
PROFIT/(LOSS) FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(2,822)	12,645	(10,662)	17,412
Attributable to:				
Owners of the parent	(704)	10,691	(5,957)	11,304
Non-controlling interests	(2,118)	1,954	(4,705)	6,108
	(2,822)	12,645	(10,662)	17,412

NOTES

1. CORPORATE INFORMATION

The Company is incorporated in the People's Republic of China (the "PRC") with limited liability. 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 under review, the Group was principally engaged in the research and development, manufacturing, sale and distribution of in-vitro diagnostic reagent products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated statement of profit or loss and statement of comprehensive income for the three months and nine months ended 30 September 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated 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 2022.

NOTES

3. REVENUE

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 Unaudited RMB'000	2022 Unaudited RMB'000	2023 Unaudited RMB'000	2022 Unaudited RMB'000
Sale of in-vitro diagnostic reagent products	70,809	89,700	208,947	261,659
Other service	206	178	1,054	13,643
Rental income	403	13,345	563	357
	71,418	103,223	210,564	275,659

4. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2023 Unaudited RMB'000	2022 Unaudited RMB'000	2023 Unaudited RMB'000	2022 Unaudited RMB'000
Cost of inventories sold	36,201	57,466	108,671	159,847
Foreign exchange differences, net	178	(147)	9	(311)
Depreciation of property, plant and equipment	1,228	2,392	10,122	12,666
Depreciation of investment properties	181	-	542	-
Amortisation of other intangible assets	773	430	2,315	1,963

NOTES

5. INCOME TAX

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 September		Nine months ended 30 September	
	2023 Unaudited RMB'000	2022 Unaudited RMB'000	2023 Unaudited RMB'000	2022 Unaudited RMB'000
Current – the PRC	399	91	2,240	2,533
Deferred	(18)	4	342	2
	381	95	2,582	2,535

6. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share for the three months and nine months ended 30 September 2023 is based on the unaudited profit attributable to shareholders of the Company for the period and the weighted average number of 144,707,176 (2022: 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 nine months ended 30 September 2023 and 2022 as the Group had no potentially dilutive ordinary shares in issue during those periods.

NOTES

7. RESERVES

The movements of reserves for the nine months ended 30 September 2023 and 2022 are as follows:

	Attributable to owners of the parent						
	Issued share capital Unaudited RMB'000	Capital reserves [#] Unaudited RMB'000	Statutory reserves Unaudited RMB'000	Exchange fluctuation reserve Unaudited RMB'000	Fair value reserve Unaudited RMB'000	Accumulated losses Unaudited RMB'000	Total Unaudited RMB'000
At 1 January 2023	144,707	124,672	47,978	(152)	(1,005)	(110,351)	205,849
Profit for the period	-	-	-	-	-	(5,993)	(5,993)
Exchange differences on translation of foreign operations	-	-	-	36	-	-	36
Total comprehensive income for the period	-	-	-	36	-	(5,993)	(5,957)
At 30 September 2023	144,707	124,672	47,978	(116)	(1,005)	(116,344)	199,892
At 1 January 2022	144,707	102,596	47,978	(176)	(474)	(118,457)	176,174
Profit for the period	-	-	-	-	-	11,269	11,269
Exchange differences on translation of foreign operations	-	-	-	35	-	-	35
Total comprehensive income for the period	-	-	-	35	-	11,269	11,304
Capital contribution from non-controlling equity holders of a subsidiary	-	14,648	-	-	-	-	14,648
Deemed disposal of a partial interest in a subsidiary	-	8,325	-	-	-	-	8,325
At 30 September 2022	144,707	125,569	47,978	(141)	(474)	(107,188)	210,451

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.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

In the first three quarters of 2023, faced with the market environment of gradual recovery in the number of diagnosis and treatment visits of domestic medical institutions in the post-pandemic era and the steady growth in the demand for routine in-vitro diagnostic testing, as well as the intensive introduction of important industry documents for policy changes, such as normalisation of centralised procurement of test reagents, charges of medical services, payment reform of medical insurance, and stringent supervision, the Company adhered to its “product-centric and market-oriented” business policy to conduct business steadily. Our management grasped business opportunities and made innovative layouts after giving due consideration to product pipeline expansion and new product research and development. Our core scientific and creative products, the first and second generation flow cytometers, and the first batch of over 50 supporting reagents were successfully licensed by the Medical Products Administration of Anhui Province and were fully promoted to the clinical and scientific research markets with great potential. The innovative biochemical, immunodiagnostic and early tumor screening equipment and reagent products launched one after another under the Biosino system, received sound market recognition. Moreover, the Company has actively set up a chain system of precision medicine laboratories in Beijing, Hefei, Chengdu, Jinan, Nanchang and other regions to comprehensively improve its overall capability in scientific research and cooperation, academic facilitation, and application services to expand application scenarios.

MANAGEMENT DISCUSSION AND ANALYSIS

In the future, the Company will actively cooperate with the centralised procurement and medical insurance cost control in China, grasp the sound higher ranking opportunity brought by the inclusion of biochemical reagents in the centralised procurement list of several provinces to further develop the market, reduce costs and improve efficiency, stabilise quality and expand capacity, proactively combine the independent research and development of fully automated biochemical analyser with intelligent laboratory assembly line platform, in order to increase the market share of biochemical reagents and various products through various measures. Firstly, we will further consolidate our competitive advantage in the existing biochemical diagnostic market. Secondly, we will continue to increase efforts in our independent research and development and cooperation with other research and development institutions, vigorously construct the scientific and technological achievements transformation center to accelerate the transformation of scientific research results and the certification of new projects, and improve our product pipelines. Thirdly, we will fully leverage the strategic cooperation regime jointly constructed with Institute of Biophysics of Chinese Academy of Sciences, East China Industrial Research Institute of Life Sciences of Peking University (北京大學生命科學華東產業研究院), Nanchang University and its affiliated hospitals, key large Grade-A tertiary hospital groups across the country, and renowned health management chain institutions to carry out in-depth integration and cooperation among industrial, academic, research and application to drive the development of business. Fourthly, we will constantly improve the salary system and incentive mechanism, conduct talent layout in advance, broaden talent introduction channels, optimise the structure of the talent team to maintain our competitiveness.

During the reporting period, the Company completed the change of registration of 42 Class II products (including Glucosylated Serum Proteins Kits (NBT method)) and 7 Class III products (including Herpes Simplex Virus Type I IgG Antibody Kit (chemiluminescence method)) and the renewal registration of 9 Class III products (including α -L-fucosidase assay kits (CNPF substrate method) and Herpes Simplex Virus Type I IgG Antibody Kit (chemiluminescence method)).

OTHER INFORMATION

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2023, the interests and/or short positions of the Directors, supervisors or chief executive of the Company in the shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or as required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the 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. Chen Zhengyong	10,000,000	12.43%	6.91%
Mr. Chen Peng	11,330,334	14.09%	7.83%

Save as disclosed above, as at 30 September 2023, none of the Directors, supervisors or chief executive of the Company had registered any interests and/or short positions in the shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2023, as far as is known to any Directors and supervisors of the Company, other than the interests of the Directors, supervisors and chief executive of the Company as disclosed under the section headed "Directors', Supervisors' and Chief Executive's Interests and/or Short Positions in Shares, Underling Shares and Debentures of the Company and its Associated Corporations" above, the following persons had interests and/or short positions 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 would be 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 the 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公司)	Directly beneficially owned	31,308,576	–	38.93%	0.00%	21.64%
HK Zhixin Investment Co., Ltd. (Note 1)	Directly beneficially owned	–	27,256,143	0.00%	42.40%	18.84%
Hainan Zhixin Investment Partnership (Limited Partnership) (Note 1)	Through controlled corporations	–	27,256,143	0.00%	42.40%	18.84%
Mr. Li Dongfeng (Note 1)	Through controlled corporations	–	27,256,143	0.00%	42.40%	18.84%
Mr. Yan Kang (Note 1)	Through controlled corporations	–	27,256,143	0.00%	42.40%	18.84%
Yunnan Shengneng Investment Partnership (Limited Partnership) (Note 2)	Directly beneficially owned	10,939,314	6,780,000	13.60%	10.55%	12.24%
Mr. Li Yangyixiong (Note 2)	Through controlled corporations	10,939,314	6,780,000	13.60%	10.55%	12.24%
	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	
Jingning Guoke Kangyi Enterprise Management Center LLP <i>(Note 3)</i>	Directly beneficially owned	11,330,334	–	14.09%	–	7.83%
Sichuan Zhongsheng Medical Instrument Co., Ltd. <i>(Note 4)</i>	Directly beneficially owned	10,000,000	–	12.43%	–	6.91%
Chung Shek Enterprises Company Limited <i>(Note 5)</i>	Directly beneficially owned	–	3,800,000	0.00%	5.91%	2.63%
K.C. Wong Education Foundation <i>(Note 5)</i>	Through controlled corporations	–	3,800,000	0.00%	5.91%	2.63%

Notes:

1. HK Zhixin Investment Co., Ltd. (“HK Zhixin”) was wholly owned by Hainan Zhixin Investment Partnership (Limited Partnership), which was owned as to approximately 36.01% and 36.01% by Mr. Yan Kang and Mr. Li Dongfeng, respectively, as the limited partners. Accordingly, Mr. Yan Kang and Mr. Li Dongfeng were deemed to be interested in the H shares owned by HK Zhixin pursuant to the SFO.
2. Yunan Shengneng Investment Partnership (Limited Partnership) (“Yunan Shengneng”) was owned as to 43.0% by Mr. Li Yangyixiong and 57.0% by six other shareholders (each of them has less than one-third of the voting power at the general meetings of Yunan Shengneng). Accordingly, Mr. Li Yangyixiong was deemed to be interested in the H shares and the domestic shares owned by Yunan Shengneng pursuant to the SFO.
3. Jingning Guoke Kangyi Enterprise Management Center LLP (“Jingning Guoke”) was owned as to 99.5% by Mr. Chen Peng, the president of the Company. Accordingly, Mr. Chen Peng was deemed to be interested in the domestic shares owned by Jingning Guoke pursuant to the SFO.
4. Sichuan Zhongsheng Medical Instrument Co., Ltd. (“Sichuan Zhongsheng”) was owned as to 77.94% by Mr. Chen Zhengyong, a vice chairman of the Company, and 22.06% by nine other shareholders (each of them has less than one-third of the voting power at the general meetings of Sichuan Zhongsheng). Accordingly, Mr. Chen Zhengyong was deemed to be interested in the domestic shares owned by Sichuan Zhongsheng pursuant to the SFO.

OTHER INFORMATION

- Information is extracted from the corporate substantial shareholder notices filed by Chung Shek Enterprises Company Limited and K.C. Wong Education Foundation on 7 December 2010.

Save as disclosed above, so far as is known to any Directors or supervisors of the Company, as at 30 September 2023, no person, other than the Directors, chief executive or supervisors of the Company, whose interests are set out in the section “Directors’, Supervisors’ and Chief Executive’s Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, had registered an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise required to be 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 as at 30 September 2023.

COMPETING INTERESTS

During the period under review 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, 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 nine months ended 30 September 2023.

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 standards of dealings as required by its code of conduct regarding securities transactions by Directors during the nine months ended 30 September 2023.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") 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 financial statements for the period have been reviewed by the audit committee of the Company with the three independent non-executive Directors, namely Mr. Lu Qi, Prof. Shen Zuojun and Prof. Shen Jiangang, of which Mr. Lu Qi is the chairman.

CORPORATE GOVERNANCE

For the nine months ended 30 September 2023, 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 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, which include: (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 organisation 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.

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

Beijing, the PRC, 14 November 2023