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

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8247)

(I) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012; (II) CLOSURE OF REGISTER OF MEMBERS; AND (III) WITHHOLDING AND PAYMENT OF INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS AND NON-RESIDENT INDIVIDUAL SHAREHOLDERS IN RESPECT OF THE PROPOSED 2012 FINAL DIVIDEND

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

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This announcement, for which the directors (the "Directors" and each a "Director") of Biosino Bio-Technology and Science Incorporation (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") 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 announcement 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 announcement misleading.

* *For identification purposes only*

HIGHLIGHTS

- Revenue for the year kept growing to approximately RMB210 million, representing an increase of 14.1% from that of last year.
- Profit attributable to owners of the parent for the year amounted to approximately RMB17 million.
- A final dividend of RMB0.1 per share is proposed for the year ended 31 December 2012.

(I) ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

The Board announced the audited consolidated results of the Group for the year ended 31 December 2012 together with the audited comparative figures for 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
CONTINUING OPERATIONS			
REVENUE	*3*	**210,075**	184,153
Cost of sales	*4*	**(93,582)**	(77,596)
Gross profit		**116,493**	106,557
Other income and gains		**23,507**	10,792
Selling and distribution expenses		**(39,772)**	(32,175)
Administrative expenses		**(40,136)**	(32,647)
Research and development expenses		**(24,381)**	(19,062)
Other expenses		**(2,519)**	(3,733)
Finance costs	*5*	**(935)**	(962)
Share of losses of:			
Jointly-controlled entities		**(1,647)**	(148)
Associates		**(773)**	(370)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**29,837**	28,252
Income tax expense	*6*	**(9,019)**	(4,576)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**20,818**	23,676
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	*7*	**(110)**	(4,748)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**20,708**	18,928

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*

		Year ended 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
Attributable to:			
Owners of the parent		**17,242**	17,956
Non-controlling interests		**3,466**	972
		20,708	18,928
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*9*	**RMB0.13**	RMB0.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2012

	Notes	2012 RMB'000	2011 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**97,781**	86,142
Prepaid land lease payments		**3,533**	3,634
Goodwill		**309**	309
Other intangible assets		**9,166**	11,294
Investments in jointly-controlled entities		**30,324**	29,852
Investments in associates		**25,589**	2,361
Long-term receivables	*10*	**8,893**	5,832
Deferred tax assets		**327**	295
Total non-current assets		**175,922**	139,719
CURRENT ASSETS			
Available-for-sale investments		**40,200**	–
Inventories		**35,507**	32,315
Trade receivables	*11*	**39,229**	30,011
Prepayments, deposits and other receivables		**9,094**	10,481
Time deposits		**31,000**	41,343
Cash and bank balances		**43,156**	92,146
		198,186	206,296
Assets of a disposal group classified as held for sale	*7*	**–**	110,549
Total current assets		**198,186**	316,845
CURRENT LIABILITIES			
Trade payables	*12*	**9,142**	9,393
Other payables and accruals		**35,517**	44,282
Interest-bearing bank borrowing		**–**	30,000
Taxes payable		**381**	784
		45,040	84,459
Liabilities directly associated with the assets classified as held for sale	*7*	**–**	29,724
Total current liabilities		**45,040**	114,183
NET CURRENT ASSETS		**153,146**	202,662
TOTAL ASSETS LESS CURRENT LIABILITIES		**329,068**	342,381

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2012

	Notes	**2012** **RMB'000**	2011 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**329,068**	342,381
NON-CURRENT LIABILITIES			
Deferred income		**8,023**	10,675
Total non-current liabilities		**8,023**	10,675
Net assets		**321,045**	331,706
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**131,304**	131,304
Reserves		**151,323**	147,967
Proposed final dividend	*8*	**13,130**	13,130
		295,757	292,401
Non-controlling interests		**25,288**	39,305
Total equity		**321,045**	331,706

Notes:

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People's Republic of China (the "PRC"). The registered office of the Company is located at No. 27, Chaoqian Road, Science and Technology Industrial Park, Changping District, Beijing, the PRC.

During the year, the Group principally engaged in the manufacture, sale and distribution of in-vitro diagnostic reagent.

2.1 BASIS OF PREPARATION

These financial statements 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 (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 First-time *Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	*Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[3]
HKFRS 13	*Fair Value Measurement*[2]
HKAS 1 Amendments	Amendments to HKAS 1 Presentation of Financial Statements – *Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (2011)	*Employee Benefits*[2]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[2]
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: *Presentation – Offsetting Financial Assets and Financial Liabilities*[3]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

[1] *Effective for annual periods beginning on or after 1 July 2012*

[2] *Effective for annual periods beginning on or after 1 January 2013*

[3] *Effective for annual periods beginning on or after 1 January 2014*

[4] *Effective for annual periods beginning on or after 1 January 2015*

3. 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 years ended 31 December 2011 and 2012, 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.

4. PROFIT BEFORE TAX

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

	Notes	2012 *RMB'000*	2011 *RMB'000*
Cost of inventories sold		**93,582**	77,596
Employee benefit expense (including directors' and supervisors' remuneration):			
Wages, salaries and bonuses		**39,361**	38,999
Pension scheme contributions **		**5,426**	4,249
Social welfare and other costs		**7,011**	8,692
		51,798	51,940
Research and development costs		**24,381**	19,062
Less: Government grants released		**(7,517)**	(6,172)
		16,864	12,890
Gain on disposal of items of property, plant and equipment, net		**(91)**	(53)
Gain on disposal of a subsidiary		**10,658**	–
Minimum lease payments under operating leases in respect of land and buildings		**4,012**	2,377
Auditors' remuneration		**700**	900
Depreciation		**13,517**	14,306
Recognition of prepaid land lease payments		**101**	173
Amortisation of other intangible assets		**1,444**	1,209
Impairment of other intangible assets*		**684**	–
Impairment of other receivables*		**121**	–
Foreign exchange differences, net		**(47)**	2,132

* *The impairment of other intangible assets and impairment of other receivables are included in other expenses in the consolidated statement of comprehensive income.*

* *At 31 December 2012, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in the future years (2011: Nil).*

5. FINANCE COSTS

	2012	2011
	RMB'000	*RMB'000*
Interest on bank loan wholly repayable within 5 years	**935**	962

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

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

	2012	2011
	RMB'000	*RMB'000*
Group:		
Current – the PRC	**9,039**	4,870
Adjustments in respect of current tax of previous periods	**12**	1
Deferred	**(32)**	(295)
Total tax charge for the year	**9,019**	4,576

7. DISCONTINUED OPERATION

On 12 November 2011, the Company and Renhe (Group) Development Co., Ltd. ("Renhe Group") entered into an equity transfer agreement, pursuant to which the Company agreed to sell, and Renhe Group agreed to purchase from the Company, 80% equity interest in Beijing Baiao Pharmaceuticals Company Limited ("Baiao Pharmaceuticals"). As at 31 December 2011, Baiao Pharmaceuticals was classified as a disposal group held for sale in the consolidated statement of financial position of the Group and the investment in Baiao Pharmaceuticals was classified as an asset held for sale in the statement of financial position of the Company.

The disposal was completed on 28 March 2012. The adjusted consideration was RMB77,012,182 and a disposal gain of RMB10,658,000 was recognised. Upon completion of the disposal, the Company did not hold any interest in Baiao Pharmaceuticals, and Baiao Pharmaceuticals was ceased to be a subsidiary of the Company. The operating results of Baiao Pharmaceuticals for the period from 1 January 2012 to 28 March 2012 and the year of 2011 were presented as discontinued operation in the consolidated income statement.

8. DIVIDEND

	2012	2011
	RMB'000	*RMB'000*
Proposed final dividend – RMB0.1 (2011: RMB0.1) per share	**13,130**	13,130

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB17,242,000 (2011: RMB17,956,000) and the weighted average number of ordinary shares of 131,303,670 (2011: 131,303,670) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2012 and 2011 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

10. LONG-TERM RECEIVABLES

Included in the amounts was a receivable of RMB3,000,000 (2011: Nil) due from Renhe Group, which represented the outstanding balance of the consideration for the disposal of Baiao Pharmaceuticals and was due after two years upon the completion of the disposal. The remaining balance represented the non-current portion of trade receivables of the Group amounting to RMB4,393,000 (2011: RMB4,332,000) and an advance of RMB1,500,000 (2011: RMB1,500,000) for the purchase of intangible assets.

11. TRADE RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**44,627**	35,348
Impairment *(note (a))*	**(1,005)**	(1,005)
	43,622	34,343
Less: amount shown as non-current *(note 10)*	**(4,393)**	(4,332)
	39,229	30,011

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 instrument, 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 interest-free.

An aged analysis of the trade receivables of the Group and the Company as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 3 months	**32,382**	26,961
4 to 6 months	**3,954**	1,598
7 to 12 months	**1,324**	3,886
1 to 2 years	**4,850**	1,257
Over 2 years	**1,112**	641
	43,622	34,343

Notes:

(a) The movements in the provision for impairment of trade receivables of the Group and the Company are as follows:

	2012	2011
	RMB'000	*RMB'000*
At 1 January	**1,005**	2,645
Provision included in a discontinued operation	**–**	(1,640)
At 31 December	**1,005**	1,005

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB828,000 (2011: RMB671,000) with a carrying amount before provision of RMB828,000 (2011: RMB671,000).

The individually impaired trade receivable as at 31 December 2012 relates to a customer that was in financial difficulties. The Group does not hold any collateral or other credit enhancements over such balance.

(b) The aged analysis of the trade receivables of the Group and the Company that are not individually nor collectively considered to be impaired is as follows:

	2012	2011
	RMB'000	*RMB'000*
Neither past due nor impaired	**38,427**	32,884
Less than 1 month past due	**4,555**	1,450
1 to 3 months past due	**640**	9
	43,622	34,343

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. TRADE PAYABLES

An aged analysis of the trade payables of the Group and the Company as at the end of the reporting period, based on the invoice date, is as follows:

	2012	2011
	RMB'000	*RMB'000*
Within 3 months	**7,600**	7,250
4 to 6 months	**801**	242
7 to 12 months	**26**	534
1 to 2 years	**569**	1,330
Over 2 years	**146**	37
	9,142	9,393

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

13. MOVEMENT OF RESERVES

During the year, the Group made transfers of RMB4,578,000 (2011: RMB2,781,000) from retained profits to statutory reserves. There was also a movement of reserves of RMB756,000 (2011: RMB446,000) due to changes in the Company's ownership interest in subsidiaries that do not result in a loss of control.

14. EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events taking place subsequent to 31 December 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment

The market size of in-vitro diagnostic reagents is closely correlated with national population, medical expenditure per capita, medical insurance standard, medical technology and service standards and other factors. In recent years, due to continuous increase in the spending of medical insurance and medical expenditure per capita, the market demand for in-vitro diagnostic reagents increases continuously in the People's Republic of China (the "PRC" or "China"). According to the latest market report of Clinical Diagnostics in China (2011) by McEvoy & Farmer, as at 2012, the population in PRC accounts for one-fifth of the world's population but the market share of in-vitro diagnostic reagent only represents 3% globally, and the annual consumption per capita on in-vitro diagnostic reagent products is only US$1.5 in the PRC, as compared to the US$25-30 annual consumption per capita in developed countries. It is expected that China will maintain a growth rate of 15%-20% in in-vitro diagnostic reagent market in the coming years. According to the analysis and forecast of research institutions like Kalorama Information and McEvoy & Farmer, the market size of in-vitro diagnostic reagent in the PRC exceeded RMB13.3 billion in 2012, which will be doubled in 2015 to RMB20.8 billion. Thus, the market development potential is enormous. The Group's bio-chemistry diagnostic reagents products will still be able to maintain a higher market share given that they have the advantages of being low in cost and have fast response speed. Its future development direction will be focusing on the on-going improvement in product quality of existing diagnostic projects and continuous development in new diagnostic reagent projects. With products being produced under systematic processes becoming increasingly popular, it is expected that the bio-chemistry diagnostic reagent market in the PRC will experience high growth and outperform the industry's average growth rates in coming years.

Business Review

Revenue

In 2012, the Company and the Group as a whole basically achieved the profit targets assigned by the Board, which realised a net profit of RMB20.71 million. The sales revenue indicator of the whole Group was satisfactory. Revenue from in-vitro diagnostic reagent business was RMB210 million, representing an increase when compared with that of last year. During 2012, the Group actively adjusted its corresponding strategies to enable business segments of the Group to maintain their stable performance and the growth in operating revenue was able to reach its expected target.

During the reporting period, owing to the impact of various internal and external factors, the growth rate in profit attributable to owners of the parent of the Group was similar to that of the previous year.

Research and Development Cost

During 2012, the deafness gene mutation detection kit (ARMS-PCR) developed by the Company had successfully passed the examinations from the government's food and drug administration department, and obtained the invention patent of "bovine serum cholesterol standard substance and its application" (牛血清膽固醇標準物質及其應用). This standard substance is of limited matrix effects and can be used as a suitable standard product for clinical laboratory testing of cholesterol for improving its accuracy. The Company also obtained the patent for "a chemiluminescent substrate solution using HRP as an enzyme catalyst"(一種用於以HRP為酶促反應的化學發光底物液), and is being applied as an inspection mechanism in using HRP as an enzyme catalyst to improve the kit's sensitivity which widened the range of application and extended the kit's validity period.

The total research and development cost for the year was RMB24.38 million, representing an increase of 28% from that of last year.

Profit Attributable to Owners of the Parent

During the reporting period, the profit attributable to owners of the parent was RMB17.24 million, representing a decrease of 4% from that of last year.

Production Facilities

The Group commenced construction of the "No. 2 Plant Complex of Biosino Bio-Technology and Science Incorporation" project in 2010 with the approval of relevant government authorities. The project covers a total area of 24,783 square meters with a gross floor area of 5,000 square meters (with five storeys above the ground), which will be the location of the production facilities for diagnostic reagents, comprising warehouse, workshops, laboratories and offices. The completion acceptance of the plant had been approved and was put into formal usage during the year.

Prospects and Future Outlook

The aging and medical insurance reimbursements are becoming the growth momentum for the pharmaceutical industry through the next decade, and the urbanization will become a new and important driver for the industry. It will particularly play a huge promotional role for the grassroots medical market. By this year, the operating atmosphere and market sentiment of the industry was further improved. Coupled with the substantive benefits in the pharmaceutical sector from the launching and implementation of new medical reform policies, the clinical diagnostics industry will still be one of the fast-growing industries in the PRC.

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

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

With more and more market participants, market competition for the in-vitro diagnostic reagent sector is becoming more and more intense. Enterprises are also facing on-going challenges in product quality enhancement and product mix optimization. Under such environment, the Company introduced incentive measures to continue intensifying its marketing efforts, accelerate the progress in research and development, and strive to adapt new market changes. In 2013, the Group established the enterprise culture year working theme of "**Strive for Excellence through Pioneering and Dedication**" to continue promoting and deepening enterprise performance culture, and increase the momentum in marketing efforts to increase effectively 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

As at 31 December 2012, the capital structure of the Company has no significant change as compared to that of last year.

Liquidity and Financial Position

	2012	2011
	RMB million	*RMB million*
Cash and bank balances	**74**	133
Short-term loans	**–**	30
Long-term loans	**–**	–
Net cash	**74**	103
Net debt equity ratio	**N/A**	0.1

The Group generally financed its operations with internally generated cash flows, capital contributions from shareholders and bank borrowings. Net cash decreased by approximately RMB29 million, which was mainly due to the increase of investment in associated companies during the year.

Foreign Currency Risk

The Group's businesses are located in the PRC and all transactions are conducted in RMB, except that the Group occasionally purchases equipment and some in-vitro diagnostic reagent products from countries overseas for resale in the PRC. 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.

Pledge of Assets of the Group

As at 31 December 2012, the Group's did not have any significant pledge of assets.

CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any significant contingent liabilities.

EMPLOYEES

As at 31 December 2012, the Group had a total of 640 full-time employees (2011: 718 employees) based in Hong Kong and China. The total staff costs of the Group (including the Directors' and Supervisors' remuneration) for the year ended 31 December 2012 amounted to approximately RMB51.80 million (2011: RMB51.94 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 remuneration of its staff and 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 law and regulations of China and Hong Kong. The Directors believe that employees are one of the most valuable assets of the Group which contributed 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES

The Directors confirmed that they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

OTHER INFORMATION

Directors' and Supervisors' Interests in Shares and Underlying Shares

As at 31 December 2012, the interests of the Directors or supervisors (the "Supervisors") of the Company in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares of the Company

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 *(note)*	3,500,878	5.22%	2.67%
Mr. Hou Quanmin *(note)*	300,000	0.45%	0.23%
Dr. Wang Lin *(note)*	200,000	0.30%	0.15%

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

Save as disclosed above, as at 31 December 2012, none of the Directors or Supervisors had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

Directors' and Supervisors' Rights to Acquire Shares or Debentures

None of the Directors or Supervisors or their respective associates (as defined under the GEM Listing Rules) was granted by the Company or its subsidiaries any rights or options to acquire any shares in or debentures of the Company or had exercised any such rights as at 31 December 2012.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 31 December 2012, as far as is known to any Directors and Supervisors, other than the interest of the Directors or Supervisors as disclosed under the section headed "Directors' and Supervisors' Interests in Shares and Underlying Shares" above, the following persons had interests 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 nonified 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	
IBP	Directly beneficially owned	31,308,576	–	46.72%	0.00%	23.84%
Shanghai Fosun Pingyao Investment Management Company Limited#	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.67%
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Shanghai Fosun High Technology (Group) Co., Ltd.#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Limited#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%

Name	Capacity and nature of interest	Number of the Company's shares held		Percentage of the Company's respective type of shares		Percentage of the Company's total registered capital
		Domestic Shares	H Shares	Domestic Shares	H Shares	
Fosun Holdings Limited#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Holdings Ltd.#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Guo Guangchang#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun Industrial Co., Limited#	Directly beneficially owned	–	6,780,000	0.00%	10.55%	5.16%
Beijing Enterprises Holdings Limited^	Directly beneficially owned	–	27,256,143	0.00%	42.40%	20.76%
Beijing Enterprises Group Company Limited	Through controlled corporations	–	27,256,143	0.00%	42.40%	20.76%

\# *Each of Shanghai Fosun Pingyao Investment Management Company Limited ("Fosun Pingyao") and Fosun Industrial Co., Limited ("Fosun Industrial") is a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharmaceutical"). Fosun Pharmaceutical is in turn held as to 48.05% and 0.01% by Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun Hi-Tech") and Mr. Guo Guangchang respectively. Fosun Hi-Tech is wholly-owned by Fosun International Limited ("Fosun International") which is in turn held by Fosun Holdings Limited ("Fosun Holdings") as to 78.24%. Fosun Holdings is wholly-owned by Fosun International Holdings Ltd. ("Fosun International Holdings") which is in turn held by Mr. Guo Guangchang as to 58%. Pursuant to the SFO, each of Fosun Pharmaceutical, Fosun Hi-Tech, Fosun International, Fosun Holdings, Fosun International Holdings and Mr. Guo Guangchang is deemed to be interested in the 24,506,143 domestic shares held by Fosun Pingyao and the 6,780,000 H shares held by Fosun Industrial.*

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

Save as disclosed above, as far as is known to any Directors or Supervisors, as at 31 December 2012, no person, other than the Directors or Supervisors, whose interests are set out in the section "Directors' and Supervisors' Interests in Shares and Underlying Shares" above, had interests or short positions in the shares or underlying shares of the Company 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.

CORPORATE GOVERNANCE

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

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

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

Mr. Wu Lebin assumes dual roles of the chairman of the Board and the president of the Company. The Board is of the view that it is in the best interests of the Group to have Mr. Wu, who has vast and solid experience in the medical industry to perform the dual role so that the Board can have the benefits of a chairman who is knowledgeable about the business of the Group and is most capable to guide and brief the Board in a timely manner on pertinent issues.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors, the 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.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for the year ended 31 December 2012.

AUDIT COMMITTEE

The Company has established an audit committee on 10 February 2006 with its 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. In 2012, the audit committee consists of three of our independent non-executive Directors, namely, Dr. Rao Yi, Dr. Hu Canwu Kevin and Mr. John Wong Yik Chung. On 1 February 2013, Mr. Wang Daixue was appointed as an independent non-executive Director and was appointed as a member of the audit committee on 18 March 2013. The Group's audited results for the year ended 31 December 2012 have been reviewed by the audit committee of the Company.

(II) CLOSURE OF REGISTER OF MEMBERS

Annual General Meeting

The registers of members of the Company will be closed from 30 April 2013 to 20 May 2013 (both days inclusive) in order to determine the entitlement to attend the annual general meeting (the "AGM") to be held on 20 May 2013. All properly completed H Shares transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 26 April 2013, for registration.

Entitlement to Final Dividend

The Board has recommended the payment of a final dividend of RMB0.1 per share in respect of the year ended 31 December 2012. Subject to the approval of shareholders at the forthcoming AGM, the dividend cum-date and ex-date will be 22 May 2013 and 23 May 2013 respectively. The register of members of the Company will be closed from 27 May 2013 to 30 May 2013 (both days inclusive) in order to determine the entitlement to final dividend. All properly completed H share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 26 May 2013, for registration. The final dividend will be payable on or about 18 July 2013.

(III) WITHHOLDING AND PAYMENT OF INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS AND NON-RESIDENT INDIVIDUAL SHAREHOLDERS IN RESPECT OF THE PROPOSED 2012 FINAL DIVIDEND

Non-resident Corporate Shareholders

Pursuant to the Law on Corporate Income Tax of the PRC and the relevant implementing rules and regulations, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident corporate shareholders whose names appear on the H share register of members on 30 May 2013. The Company will distribute the final dividend to such non-resident corporate shareholders after withholding a 10% income tax. In order to determine the list of holders of H shares who are entitled to receive the final dividend, the H Share register of members of the Company will be closed from 27 May 2013 to 30 May 2013, both days inclusive, during which period no transfer of the Company's H shares will be effected. In order for holders of H Shares to be qualified for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 26 May 2013, for registration.

Non-resident Individual Shareholders

Pursuant to the regulation promulgated by the State General Administration of Taxation of the PRC (Guo Shui Han [2011] No. 348), the Company is required to withhold and pay the non-resident individual income tax for the non-resident individual H shareholders and the non-resident individual H shareholders are entitled to certain tax preferential treatments according to the double tax treaties between those countries where the non-resident individual H shareholders are residents and China and the provisions in respect of double tax treaties between the China and Hong Kong or Macau. The Company would withhold and pay the individual income tax at the tax rates of 10% on behalf of the non-resident individual H shareholders who are Hong Kong residents, Macau residents or residents of those countries having double tax treaties with China for personal income tax rates in respect of dividend of 10%. For non-resident individual H shareholders who are residents of those countries having agreements with China for personal income tax rates in respect of dividend of lower than 10%, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124)(《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)). For non-resident individual H shareholders who are residents of those countries having double tax treaties with China for personal income tax rates in respect of dividend of higher than 10% but lower than 20%, the Company would withhold the individual income tax at the agreed-upon effective tax rate.

For non-resident individual H shareholders who are residents of those countries without any double tax treaties with China or having double tax treaties with China for personal income tax in respect of dividend of 20% and other situations, the Company would withhold the individual income tax at a tax rate of 20%.

In order to determine the list of holders of H shares of the Company who are entitled to receive the final dividend, the H share register of members of the Company will be closed from 27 May 2013 to 30 May 2013, both days inclusive, during which period no transfer of the Company's H shares will be effected.

The Company will determine the country of domicile of the individual H shareholders based on the registered address as recorded in the register of members of the Company (the "Registered Address") on 30 May 2013 and will withhold and pay the individual income tax based on the register of members of the Company as at 30 May 2013. If the country of domicile of the individual H shareholder is not the same as the Registered Address, the individual H shareholder shall notify the Company's H share registrar and provide relevant supporting documents Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 26 May 2013, for registration. If the individual H shareholders do not provide the relevant supporting documents to the share registrar of the Company's H shares within the time period stated above, the Company will determine the country of domicile of the individual H shareholders based on the recorded Registered Address on 30 May 2013.

The Company will strictly comply with the relevant PRC tax laws and regulations to withhold for payment such appropriate income tax and the final dividend will only be payable to the shareholders whose names appear on the Company's H share register of members on 30 May 2013.

The Company will have no liability in respect of any claims arising from any delay in, or inaccurate determination, of the status of the shareholders or any disputes over the mechanism of withholding.

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

Beijing, the PRC, 18 March 2013

* *For identification purposes only*

As at the date of this announcement, the Board of Directors of the Company comprises of:

Chairman and Executive Director
Mr. Wu Lebin (吳樂斌先生)

Vice Chairmen and Non-executive Directors
Dr. Gao Guang Xia (高光俠博士), Dr. Qiao Zhicheng (喬志城博士)

Executive Directors
Dr. Wang Lin (王琳博士) and Mr. Hou Quanmin (侯全民先生)

Non-executive Directors
Mr. Yao Fang (姚方先生), Mr. Yu Tongle (余同樂先生) and Mr. Wang Fu Gen (王福根先生)

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

This announcement will remain on the GEM website with the domain name of www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.zhongsheng.com.cn.