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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
CAPITAL INCREASE AND DEEMED DISPOSAL OF
THE EQUITY INTEREST IN A SUBSIDIARY**

The Board announces that on 17 August 2023, Hefei Tashi, Beijing Chenyimeng, Hefei Xiangpeng, the Company, Beijing Guoke, China Technology Industry, Mr. Shan, Mr. Liu and Biosino Suzhou entered into the Capital Increase Agreement, pursuant to which Hefei Tashi, Beijing Chenyimeng and Hefei Xiangpeng agreed to make contribution to the registered capital of Biosino Suzhou in an aggregate of RMB20 million in accordance with the terms and conditions of the Capital Increase Agreement. Upon completion of the Capital Increase, the Company, Hefei Tashi, Beijing Guoke, China Technology Industry, Mr. Shan, Mr. Liu, Beijing Chenyimeng and Hefei Xiangpeng will hold approximately 82.99%, 7.05%, 2.49%, 2.05%, 1.24%, 0.02%, 2.08% and 2.08% of equity interest in Biosino Suzhou respectively.

As the equity interest held by the Company in Biosino Suzhou will be reduced from approximately 90.50% to 82.99%, the Capital Increase constitutes a deemed disposal of the Company under Rule 19.29 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Capital Increase is/are more than 5% but less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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Capital Increase Agreement

Principal terms of the Capital Increase Agreement are summarised as follows:

- Date : 17 August 2023
- Parties : (i) Hefei Tashi
- (ii) Beijing Chenyimeng
- (iii) Hefei Xiangpeng
- (iv) the Company
- (v) Beijing Guoke
- (vi) China Technology Industry
- (vii) Mr. Shan
- (viii) Mr. Liu
- (ix) Biosino Suzhou

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, Hefei Tashi, Beijing Chenyimeng and Hefei Xiangpeng (being the Investors) and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

Interests to be subscribed : Approximately 8.30% equity interest in Biosino Suzhou
by the Investors

Capital Increase to be made: Pursuant to the Capital Increase Agreement, each of Hefei Tashi,
by the Investors Beijing Chenyimeng and Hefei Xiangpeng agreed to make a capital
increase of RMB10 million, RMB5 million and RMB5 million,
respectively, among which approximately RMB3.03 million, RMB1.51
million and RMB1.51 million will be contributed as registered capital,
respectively, and approximately RMB6.97 million, RMB3.49 million
and RMB3.49 million will be credited as capital reserve, respectively,
of Biosino Suzhou.

The amount of Capital Increase was determined based on the pre-investment valuation of Biosino Suzhou, which is RMB221 million. Such valuation was based on mutual agreement of all parties considering the product advantages and future development of Biosino Suzhou.

Payment terms : Hefei Tashi and Beijing Chenyimeng shall pay their respective Capital
Increase in full by one lump sum within 10 working days after the
Capital Increase Agreement takes effect and the preconditions for the
Capital Increase are satisfied, and to provide Biosino Suzhou with
corresponding copy of bank remittance vouchers.

Hefei Xiangpeng shall first pay 30% of its Capital Increase (i.e. RMB1.5 million) within 10 working days after the Capital Increase Agreement takes effect and the preconditions for the Capital Increase are satisfied, then a further 30% of the capital increase (i.e. RMB1.5 million) will be paid before 30 March 2024, and the final 40% of the capital increase (i.e. RMB2 million) will be paid before 30 March 2025, and to provide Biosino Suzhou with corresponding copies of bank remittance vouchers.

Registered capital : Before the completion of the Capital Increase:

	Registered Capital	Equity Interest <i>(Approximate %)</i>
The Company	60,500,000	90.50
Hefei Tashi	2,117,500	3.17
Beijing Guoke	1,815,000	2.71
China Technology Industry	1,497,375	2.24
Mr. Shan	907,500	1.36
Mr. Liu	15,125	0.02
Total	<u>66,852,500</u>	<u>100</u>

Immediately following the completion of the Capital Increase:

	Registered Capital	Equity Interest <i>(Approximate %)</i>
The Company	60,500,000	82.99
Hefei Tashi	5,142,500	7.05
Beijing Guoke	1,815,000	2.49
China Technology Industry	1,497,375	2.05
Mr. Shan	907,500	1.24
Mr. Liu	15,125	0.02
Beijing Chenyimeng	1,512,500	2.08
Hefei Xiangpeng	1,512,500	2.08
Total	<u>72,902,500</u>	<u>100</u>

Use of proceeds : The proceeds of the Capital Increase shall be used for reagent development and registration fees, research and development costs for instruments, working capital, marketing expenses, or for such other use as may be approved by the board meetings of Biosino Suzhou.

Effectiveness : The Capital Increase Agreement has become effective on 17 August 2023.

INFORMATION ON THE PARTIES

Information on the Group

The Company is the leading supplier of IVD reagents in the PRC. The Group is 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.

Information on the Investors

Hefei Tashi is a limited liability company established in the PRC and is principally engaged in venture capital, entrepreneurial consulting services, entrepreneurial planning services, entrepreneurial guidance services and entrepreneurial space services. To the best of the Directors' knowledge, information and belief by having made all reasonable enquiries, Hefei Tashi is owned by Song Xiaofeng (宋曉峰), Yang Songyao (楊淞鏞), Hu Wensheng (胡文盛) and Zhou Xianjuan (周顯娟) as to approximately 35.71%, 28.57%, 28.57% and 7.14%, respectively.

Beijing Chenyimeng is a limited liability company established in the PRC and is principally engaged in organisation of cultural and artistic exchange activities, film production services, professional design services, literary and artistic creation, entertainment exhibitions, conference and exhibition services. To the best of the Directors' knowledge, information and belief by having made all reasonable enquiries, Beijing Chenyimeng is owned by Pan Zhenhe (潘震河) and Liu Yanfang (劉艷芳) as to 62% and 38%, respectively.

Hefei Xiangpeng is a limited partnership established in the PRC and is principally engaged in enterprise management consulting, cloud computing equipment technical services, consulting planning services, social and economic consulting services. To the best of the Directors' knowledge, information and belief by having made all reasonable enquiries, Hefei Xiangpeng is owned by Hao Zhongchuan (郝中川), Li Mengyang (李孟陽), Zhang Rui (張睿), Wang Xiaohong (汪曉鴻), Zhou Xiuhui (周秀暉), Li Xia (李夏), Ren Jingwei (任經緯) and Huang Zhipeng (黃志鵬) as to 44%, 10%, 10%, 10%, 10%, 6%, 5% and 5%, respectively.

Information on Beijing Guoke

Beijing Guoke is a limited partnership established in the PRC and is principally engaged in equity investment, industrial investment, investment management and asset management. To the best of the Directors' knowledge, information and belief by having made all reasonable enquiries, (i) Beijing Guoke is owned by 北京鼎智共贏管理諮詢合夥企業(有限合夥) (Beijing Dingzhi Win-win Management Consulting Partnership (Limited Partnership)*), 國科嘉和(北京)投資管理有限公司 (Guoke Jiahe (Beijing) Investment Management Co., Ltd.*), 杭州恆仲投資合夥企業(有限合夥) (Hangzhou Hengzhong Investment Partnership (Limited Partnership)*), 北京市大興發展引導基金(有限合夥) (Beijing Daxing Development Guidance Fund (Limited Partnership)*), 泰康人壽保險有限責任公司 (Taikang Life Insurance Co., Ltd.*), 中科院聯動創新股權投資基金(紹興)合夥企業(有限合夥) (Chinese Academy of Sciences Linkage Innovation Equity Investment Fund (Shaoxing) Partnership (Limited Partnership)*), 北京市科技創新基金(有限合夥) (Beijing Science and Technology Innovation Fund (Limited Partnership)*) and 寧波梅山保稅港區騰雲源晟股權投資合夥企業(有限合夥) (Ningbo Meishan Bonded Port Area Tengyun Yuansheng Equity Investment Partnership (Limited Partnership*)) as to approximately 1.44%, 2.16%, 3.16%, 10.00%, 14.37%, 14.37%, 20.00% and 34.50%, respectively; and (ii) the ultimate beneficial owner of 寧波梅山保稅港區騰雲源晟股權投資合夥企業(有限合夥) (Ningbo Meishan Bonded Port Area Tengyun Yuansheng Equity Investment Partnership (Limited Partnership*)) is Huang Tao (黃濤).

Information on China Technology Industry

China Technology Industry is a limited liability company established in the PRC and is principally engaged in project investment, asset management; investment consulting and financial advisory. To the best of the Directors' knowledge, information and belief by having made all reasonable enquiries, (i) China Technology Industry is owned by 北京國科啟航諮詢中心(有限合夥) (Beijing Guoke Qihang Consulting Center (Limited Partnership)*), 共青城中實科技產業投資有限公司 (Gongqingcheng Zhongshi Technology Industry Investment Co., Ltd.*), 星星集團有限公司 (Star Group Co., Ltd.*), 國務院國有資產監督管理委員會機關服務中心 (Service Center of State-owned Assets Supervision and Administration Commission of the State Council*), 北京國科才俊諮詢有限公司 (Beijing Guoke Talent Consulting Co., Ltd.*) and Chinese Academy of Sciences Holdings Co., Ltd. as to approximately 4.09%, 5.00%, 5.59%, 9.79%, 36.37% and 39.16%; and (ii) the ultimate beneficial owner of China Technology Industry is Chinese Academy of Sciences.

Information on Biosino Suzhou

Biosino Suzhou is a limited liability company established in the PRC. Before the completion of the Capital Increase, it has a registered capital of RMB66,852,500 which was contributed by the Company, Hefei Tashi, Beijing Guoke, China Technology Industry, Mr. Shan and Mr. Liu as to approximately 90.50%, 3.17%, 2.71%, 2.24%, 1.36% and 0.02%, respectively. Immediately following the completion of the Capital Increase, the registered capital was increased to RMB72,902,500 which was contributed by the Company, Hefei Tashi, Beijing Guoke, China Technology Industry, Mr. Shan, Mr. Liu, Beijing Chenyimeng and Hefei Xiangpeng as to approximately 82.99%, 7.05%, 2.49%, 2.05%, 1.24%, 0.02%, 2.08% and 2.08%, respectively. The equity interest held by the Company in Biosino Suzhou has been reduced from approximately 90.50% to 82.99%, resulting in a reduction of the percentage equity interest of the Group in Biosino Suzhou.

Biosino Suzhou is principally engaged in production of medical instruments.

The unaudited net liabilities value and total asset value of Biosino Suzhou as at 30 June 2023 were approximately RMB29.94 million and RMB35.47 million, respectively. The audited losses before and after taxation for the years ended 31 December 2021 and 31 December 2022 were as follows:

	For the year ended	
	31 December	
	2021	2022
	RMB million	RMB million
	(audited)	(audited)
Net losses before taxation	12.10	13.85
Net losses after taxation	12.10	13.85

FINANCIAL EFFECT OF THE CAPITAL INCREASE

As Biosino Suzhou will remain as a subsidiary of the Company upon completion of the Capital Increase, the financial results of Biosino Suzhou will continue to be consolidated into the financial statements of the Group. The Company expects that there will be no gain or loss due to the Capital Increase.

REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

In order to speed up the research and development progress of the second-generation high-end flow instrument and supporting multi-project flow reagents, Biosino Suzhou has been looking for investors. Through the Capital Increase, Biosino Suzhou can introduce high-quality investors with funding to expand its business. The Directors are of the view that the Capital Increase Agreement has been entered into on normal commercial terms, the terms of the Capital Increase are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the equity interest held by the Company in Biosino Suzhou will be reduced from approximately 90.50% to 82.99%, the Capital Increase constitutes a deemed disposal of the Company under Rule 19.29 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Capital Increase is/are more than 5% but less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Beijing Chenyimeng”	北京晨逸萌科技有限公司 (Beijing Chenyimeng Technology Co., Ltd.*), a limited liability company established in the PRC;
“Beijing Guoke”	北京國科鼎智股權投資中心(有限合夥) (Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership)*), a limited partnership established in the PRC;
“Biosino Suzhou”	中生(蘇州)醫療科技有限公司 (Biosino Suzhou Medical Technology Co., Ltd.*), a limited liability company established in the PRC and a non-wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Capital Increase”	the capital increase to be made into Biosino Suzhou by the Investors pursuant to the Capital Increase Agreement;
“Capital Increase Agreement”	the capital increase agreement dated 17 August 2023 entered into among Hefei Tashi, Beijing Chenyimeng, Hefei Xiangpeng, the Company, Beijing Guoke, China Technology Industry, Mr. Shan, Mr. Liu and Biosino Suzhou in connection with the Capital Increase;
“China Technology Industry”	中國科技產業投資管理有限公司 (China Technology Industry Investment Management Co., Ltd.*), a limited liability company established in the PRC;

“Company”	Biosino Bio-Technology and Science Incorporation, a joint stock limited company established in the PRC with limited liability and the H shares of which are listed on GEM of the Stock Exchange (Stock Code: 08247);
“Director(s)”	the director(s) of the Company;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“Hefei Tashi”	合肥踏石創業投資有限公司 (Hefei Tashi Venture Capital Co., Ltd.*), a limited liability company established in the PRC;
“Hefei Xiangpeng”	合肥祥鵬科技服務合夥企業(有限合夥) (Hefei Xiangpeng Technology Service Partnership (Limited Partnership)*), a limited partnership established in the PRC;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Investors”	Hefei Tashi, Beijing Chenyimeng and Hefei Xiangpeng;
“IVD”	in-vitro diagnostic;
“Mr. Shan”	Shan Zhicui (單志萃), a PRC resident and a merchant;
“Mr. Liu”	Liu Chunguang (劉春光), a PRC resident and a merchant;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited; and

“%” per cent.

For and on behalf of the Board
Biosino Bio-Technology and Science Incorporation
Wu Lebin
Chairman and Executive Director

Beijing, the PRC, 18 August 2023

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

Chairman and executive Director

Mr. Wu Lebin (吳樂斌先生)

Vice chairmen and non-executive Directors

Dr. Sun Zhe (孫哲博士) and Mr. Chen Zhengyong (陳正永先生)

President and executive Director

Mr. Chen Peng (陳鵬先生)

Non-executive Directors

Mr. Li Zhonghua (李忠華先生) and Dr. Gao Guangxia (高光俠博士)

Independent non-executive Directors

Prof. Shen Zuojun (沈佐君教授), Mr. Lu Qi (陸琪先生) and Prof. Shen Jiangang (沈劍剛教授)

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 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.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.zhongsheng.com.cn.

* for identification purposes only