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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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 announcement, 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 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.

The board (the "**Board**") of Directors is pleased to announce the consolidated results of the Group for the year ended 31 December 2024, together with the comparative results for the year ended 31 December 2023:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	4	**263,069**	289,073
Cost of services		**(154,669)**	(161,708)
Gross profit		**108,400**	127,365
Other income and gains	4	**5,008**	2,182
Selling and distribution expenses		**(56,213)**	(58,950)
Administrative expenses		**(50,391)**	(51,452)
Impairment losses on financial assets		**(6,528)**	(712)
Impairment losses on other assets		**(12,974)**	(591)
Research and development expenses		**(33,418)**	(35,806)
Other expenses		**(3,889)**	(5,597)
Finance costs	6	**(9,299)**	(6,398)
Share of results of:			
Joint ventures		**(99)**	(63)
Associates		**(317)**	12,409
LOSS BEFORE INCOME TAX		**(59,720)**	(17,613)
Income tax credit/(expense)	7	**2,831**	(1,628)
LOSS FOR THE YEAR		**(56,889)**	(19,241)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
– Owners of the parent		**(42,532)**	(11,648)
– Non-controlling interests		**(14,357)**	(7,593)
		(56,889)	(19,241)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For loss for the year	9	**RMB(0.294)**	RMB(0.080)

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(56,889)**	(19,241)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(50)**	38
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(50)**	38
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(50)**	38
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(56,939)**	(19,203)
Attributable to:		
– Owners of the parent	**(42,582)**	(11,610)
– Non-controlling interests	**(14,357)**	(7,593)
	(56,939)	(19,203)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**67,972**	74,361
Investment properties		**18,198**	20,713
Right-of-use assets		**6,579**	9,318
Other intangible assets		**18,690**	26,540
Investments in joint ventures		**11,854**	11,953
Investments in associates		**62,259**	66,497
Financial assets at fair value through other comprehensive income		**550**	–
Long-term receivables		**500**	500
Deferred tax assets		**5,365**	3,229
Total non-current assets		**191,967**	213,111
CURRENT ASSETS			
Inventories		**53,761**	60,410
Trade and bills receivables	*10*	**121,544**	179,798
Prepayments, other receivables and other assets		**41,887**	46,522
Cash and cash equivalents		**68,213**	63,410
Total current assets		**285,405**	350,140
CURRENT LIABILITIES			
Trade payables	*11*	**87,108**	111,540
Other payables and accruals		**58,754**	63,009
Interest-bearing bank and other borrowings		**143,665**	140,737
Lease liabilities		**3,356**	5,241
Tax payable		**12**	220
Total current liabilities		**292,895**	320,747
NET CURRENT (LIABILITIES)/ASSETS		**(7,490)**	29,393
TOTAL ASSETS LESS CURRENT LIABILITIES		**184,477**	242,504
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**4,556**	1,980
Deferred income		**–**	66
Lease liabilities		**2,269**	3,492
Deferred tax liabilities		**3,185**	5,562
Total non-current liabilities		**10,010**	11,100
Net assets		**174,467**	231,404

	2024	2023
	RMB'000	*RMB'000*
EQUITY		
Equity attributable to owners of the parent		
Share capital	**144,707**	144,707
Reserves	**23,098**	65,680
Total equity attributable to owners of the parent	**167,805**	210,387
Non-controlling interests	**6,662**	21,017
Total equity	**174,467**	231,404

Notes:

1. CORPORATE AND GROUP INFORMATION

Biosino Bio-Technology and Science Incorporation (the "**Company**") is a limited liability company established in the People's Republic of China (the "**PRC**") and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). 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 Company and its subsidiaries (collectively referred to as the "**Group**") principally engaged in the manufacture, sale and distribution of in-vitro diagnostic reagents. In the opinion of the Company's directors, the single largest shareholder of the Company is Beijing Pusai Asset Management Co., Ltd.（北京普賽資產管理有限責任公司）, a company incorporated in the PRC with limited liability.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting 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 ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). They have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Chinese yuan ("**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 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee). Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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 on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going Concern Basis

The Group incurred a loss of approximately RMB56,889,000 for the year ended 31 December 2024, and as of that date, its current liabilities exceeded its current assets by approximately RMB7,490,000. As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB68,213,000, while its current interest-bearing bank and other borrowings totalled approximately RMB143,665,000. The consolidated financial statements have been prepared on a going concern basis, as the directors considered that, up to the date of approval of the consolidated financial statements, the Group had successfully obtained approval for the renewal of banking facilities amounting to approximately RMB100,000,000, which the Group can draw down as bank loans if required. In addition, as of 31 December 2024, the Group had unused banking facilities of approximately RMB20,000,000 available for additional loans. The directors of the Company are of the opinion that, as a result of the above progress, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due over the period of at least twelve months from 31 December 2024. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above amended HKFRSs Accounting Standards did not have material impacts on the Group's results and financial position for the current or prior years and/or disclosures set out on these consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and amended HKFRSs Accounting Standards, that have been issued but are not yet effective, in these consolidated financial statements. The Group intends to apply these new and amended HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKAS 21 and HKFRS 1	*Lack of Exchangeability*[2]
Amendments to HKFRS 9 and HKFRS 7	*Classification and Measurement of Financial Instruments*[3]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[4]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[4]

1 No mandatory effective date yet determined but available for adoption
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

Except as disclosed above, the directors of the Company anticipate that the application of these new and amended HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to HKAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. HKFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. HKFRS 18 will apply retrospectively. The directors of the Group anticipate that the application of HKFRS 18 has no impact on the Group's financial position and performance in foreseeable future, but has impact on presentation of the consolidated statement of profit or loss and other comprehensive income.

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

Geographical information

For the year ended 31 December 2024, approximately 91% of the Group's revenue was generated from customers located in Mainland China, and as at 31 December 2024, all the non-current assets of the Group were located in Mainland China.

Information about major customers

No single customer contributed to 10% or more of the Group's revenue during the year (2023: Revenue of approximately RMB32,832,000 was derived from sales by the in-vitro diagnostic reagent products segment to one single customer located in Anhui province, China, which accounted for approximately 11% of the Group's total revenue).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**263,069**	289,073

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Sale of in-vitro diagnostic reagent products	**262,231**	288,043
Other services	**838**	1,030
	263,069	289,073
Timing of revenue recognition		
Goods and services transferred at a point in time	**263,069**	289,073

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of in-vitro diagnostic reagent products	**12,235**	7,544

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of in-vitro diagnostic reagent products

Revenue from the sale of diagnostic reagent products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the diagnostic reagent products.

Other services

Revenue from other service is recognized at the point in time when the control of the service is transferred to the customer, generally upon the completion of service provided.

The amounts of transaction prices allocated to the remaining performance obligations as at 31 December are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**6,742**	12,235

(c) *Other income and gains*

Government grants*	**1,301**	856
Other interest income	**1,660**	326
Others	**2,047**	1,000
	5,008	2,182

* *Government grants mainly represented the financial support received from local government as an incentive for technology development and there are no unfulfilled conditions attached to the government grant.*

5. LOSS BEFORE INCOME TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold *(i)*	**152,736**	158,866
Cost of services provided *(i)*	**1,933**	2,842
	154,669	161,708
Employee benefit expense (including directors' and supervisors' remuneration):		
Wages, salaries and bonuses	**74,955**	79,763
Pension scheme contributions (defined contribution scheme)*	**9,444**	8,983
Social welfare and other costs	**18,531**	10,472
	102,930	99,218

* *There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.*

Research and development costs *(ii)*	**33,418**	35,806
Loss on disposal of property, plant and equipment, net	**3,618**	2,403
Loss on disposal of inventories	**552**	1,358
Lease payments not included in the measurement of lease liabilities	**658**	627
Auditor's remuneration	**1,277**	1,660
Depreciation of property, plant and equipment	**11,060**	14,078
Depreciation of investment properties	**722**	722
Depreciation of right-of-use assets	**2,889**	3,009
Amortisation of other intangible assets *(v)*	**3,137**	2,548
Impairment of trade and bills receivables	**5,664**	570
Impairment of other receivables	**864**	141
Impairment of other intangible assets	**7,546**	591
Impairment of property, plant and equipment	**3,635**	–
Impairment of investment properties	**1,793**	–
Provision for inventories to net realisable value	**1,233**	1,745
Foreign exchange differences, net	**51**	(72)

(i) For the year ended 31 December 2024, cost of inventories sold and services provided included the depreciation of property, plant and equipment of RMB7,422,000 (2023: RMB8,115,000), employee benefit expense of RMB18,609,000 (2023: RMB20,890,000) and depreciation of right-of-use assets of RMB1,794,000 (2023: RMB1,563,000).

(ii) For the year ended 31 December 2024, research and development costs included the depreciation of property, plant and equipment of RMB887,000 (2023: RMB3,256,000), employee benefit expense of RMB19,854,000 (2023: RMB20,498,000) and depreciation of right-of-use assets of RMB236,000 (2023: RMB479,000).

(iii) For the year ended 31 December 2024, administrative expenses included the depreciation of property, plant and equipment of RMB879,000 (2023: RMB781,000), employee benefit expense of RMB30,576,000 (2023: RMB28,178,000) and depreciation of right-of-use assets of RMB639,000 (2023: RMB695,000).

(iv) For the year ended 31 December 2024, selling and distribution expenses included the depreciation of property, plant and equipment of RMB1,872,000 (2023: RMB1,926,000), employee benefit expense of RMB33,891,000 (2023: RMB29,652,000) and depreciation of right-of-use assets of RMB220,000 (2023: RMB272,000).

(v) For the year ended 31 December 2024, the amortisation of other intangible assets of RMB3,137,000 (2023: RMB2,548,000) which is included in administrative expenses of RMB2,529,000 (2023: RMB2,405,000), research and development expenses of RMB91,000 (2023: RMB91,000), cost of sales of RMB477,000 (2023: RMB17,000) and selling and distribution expenses of RMB40,000 (2023: RMB35,000).

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**8,881**	5,780
Interest on lease liabilities	**418**	618
	9,299	6,398

7. 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 one of its subsidiaries, Beijing Zhongsheng Jinyu Diagnostic Technology Co., Ltd*（北京中生金域診斷技術股份有限公司）, are entitled to a preferential rate of 15% under the PRC income tax laws for a period of three years commencing from 26 October 2023 and 26 October 2022, 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 year.

	2024	2023
	RMB'000	*RMB'000*
Current tax – PRC		
Provision for the year	**1,235**	1,984
Under provision in respect of previous periods	**447**	576
	1,682	2,560
Deferred	**(4,513)**	(932)
Total tax (credit)/charge for the year	**(2,831)**	1,628

8. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

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

The calculation of the loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 144,707,176 (2023: 144,707,176) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during both the years ended 31 December 2024 and 2023.

The calculations of basic and diluted loss per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	**42,532**	11,648

	Numbers of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations	**144,707,176**	144,707,176

10. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade and bills receivables	**127,845**	183,300
Less: Loss allowance for impairment	**(6,301)**	(4,502)
	121,544	179,798

The Group's customers include established customers and distributor customers. The established customers represent the hospital customers which purchased the Group's products for clinical, physical examination or scientific research uses. Except for certain established customers of the Group, which have been granted with payment terms ranging from four to twelve months, the credit periods of the Group granted to its customers are generally 3 months. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**33,801**	51,665
4 to 6 months	**20,919**	26,315
7 to 12 months	**27,428**	38,179
1 to 2 years	**31,690**	55,167
Over 2 years	**7,706**	8,472
	121,544	179,798

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**21,543**	26,827
4 to 6 months	**7,390**	10,299
7 to 12 months	**11,494**	12,142
1 to 2 years	**33,946**	22,204
Over 2 years	**12,735**	40,068
	87,108	111,540

The trade payables are non-interest-bearing and are normally settled on credit terms ranging from 30 to 90 days. The balance with aging over 1 year is generally due to that the venders extended their credit terms to the Group.

12. OTHER FINANCIAL INFORMATION

The net current liabilities and total assets less current liabilities of the Group as at 31 December 2024 amounted to approximately RMB7,490,000 (2023: net current assets of approximately RMB29,393,000) and approximately RMB184,477,000 (2023: approximately RMB242,504,000), respectively.

13. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by or impacted on the Group subsequent to 31 December 2024 and up to the date of this announcement.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive loss, consolidated statement of financial position and the related notes thereto in this preliminary results announcement for the Year have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by BDO Limited on this preliminary results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

(I) Business Environment

Biochemical Diagnostics Business has experienced a significant revenue decline due to the impact of centralised procurement. However, measures like product structure optimisation and cost-cutting have, to a certain extent, mitigated the pressure on performance. As for regular biochemical diagnostic reagents, the Company made more efforts to increase market penetration in primary medical institutions, thereby boosting sales. For high-end biochemical diagnostic reagents, the Company maintained market competitiveness by virtue of technological innovation and product upgrades. On the other hand, the immunodiagnostics business maintained its growth momentum, which was mainly attributable to the Company's continuous research and development ("**R&D**") investments and marketing efforts in a series of products for tumor markers, infectious diseases, etc., resulting in a more rapid growth in sales revenue. For the expanding in-vitro diagnostics ("**IVD**") product portfolio, such as flow cytometry instruments and reagents and molecular diagnostic products, it is in the market incubation and promotion stage, with insignificant but promising revenue scales. The high-end scientific research for the SinoCyte flow cytometer released by the Company has been sold to some research institutions and high-end medical institutions. As the market recognition enhances and the scale of application expands, the sales of the SinoCyte flow cytometer are expected to bring significant revenue growth to the Company in the future. In terms of molecular diagnostic products, multiple projects are at clinical trial stage, and they are expected to become new growth drivers of the Company after receiving the approval for marketing.

During the year ended 31 December 2024 (the "**Year**"), the Company invested approximately RMB33.4 million in R&D. Our diagnostic system products, including "Biosino Fully Automatic Sample Processing System（中生北控全自動樣品處理系統）" and "Biosino AutoProSample A960 & BioCyte Fully Automatic Flow Cytometry Workstation（中生 AutoProSample A960 & BioCyte 全自動流式工作站）", were approved for marketing. The Company has nine new products that have been registered or has applied for registration, including "Adiponectin Test Kit (Latex Immunoturbidimetry Method)". The Company has renewed the registration of 116 products, including "r-Glutamyltransferase Test Kit (GCANA Substrate Method)". In addition, the Company obtained a total of seven product patents, including "test kit for the simultaneous detection of mycoplasma pneumoniae/chlamydia pneumoniae/new coronavirus/respiratory syncytial virus/Influenza A virus/Influenza B virus", and completed the renewal of four trademarks, including "ZHONG YA" and "biosino".

The industry standards "Calibrators for Biochemical Analysis" and "Glucose Determination Kit (Enzyme Method)", of which the Company had participated in the drafting, were formally published.

(a) Competitive Landscape

In 2024, competition in the IVD industry reached a new high, with a large number of companies entering in, causing keen competition for market share. In the biochemical diagnostics sector, the Company faced a double-click attack from both domestic and overseas established enterprises and new entrants. Some domestic enterprises leveraged cost advantages and convenience of localised services to rapidly capture the low- to mid-end market, while internationally renowned enterprises maintained their dominance in the high-end market with advanced technologies and strong brand influence. For example, in terms of the sales of liver function items covered by the centralised procurement policy, the Company not only had to compete fiercely with domestic price-competitive enterprises, but also needed to address the leading edge of international enterprises in terms of technological innovation and product quality, which undoubtedly increased the difficulty of market expansion.

(b) Policy Impact

Impact of Centralised Procurement: In 2024, the full implementation of centralised procurement of medical consumables had a profound effect on the Company's operation. Due to the centralised procurement of liver function items, product selling price decreased significantly. In such case, it was hard to make up for the loss from price cuts despite an increase in sales volume. For instance, the average price of some key biochemical diagnostic reagents covered by centralised procurement dropped by 30% to 40%, severely squeezing profit margins. Meanwhile, revenue from biochemical diagnostic products declined at multiple sales outlets of the Company across the country. The double squeeze on prices and profits caused a significant drag on overall revenue.

Medical Insurance Cost Control: With the ongoing implementation of the national medical insurance cost control policies, medical institutions now focus more on cost-effectiveness when purchasing IVD products. This requires the Company to optimise its cost structure and enhance product quality and service standards, in order to meet the procurement needs of medical institutions in the context of medical insurance cost control. Additionally, the reform of medical insurance payment methods also had an impact on the reimbursement scope and ratio of the Company's products. Therefore, it is necessary for the Company to enhance communication and cooperation with the health insurance authority, in an effort to ensure that the products can be successfully incorporated into the medical insurance payment scope and to strive for a more favorable reimbursement policy.

(c) Changes in Market Demand

Post-pandemic Adjustment: The shift in COVID-19 control policies led to a sharp decline in the needs of nucleic acid testing, resulting in obvious changes in the market demand structure of the IVD industry. The revenue growth from the Company's pandemic-related nucleic acid testing business vanished rapidly, and there was a need to refocus on market demand for regular diagnostic products. However, the slower-than-expected recovery in demand for regular diagnostics and changes in patient behavior and procurement patterns of medical institutions have brought new challenges to the Company's product promotion.

Growing Demand for Chronic Disease Products: The acceleration of population aging and rising chronic disease incidence are driving up demand for chronic disease diagnostic related IVD products. Although the Company has certain product deployment in diagnostic reagents for detecting chronic diseases, such as diabetes and cardiovascular diseases, there is still a gap in market promotion and innovation compared to the demand growth. For example, in the diabetes diagnostic reagent market, the Company's products are slow to gain market share despite increasing market demand, which requires further optimisation of product performance and enhancement of marketing efforts.

(II) The Company's Counter Measures

(a) Product Strategy

Consolidating Traditional Products: The Company maintained the quality strength of traditional biochemical diagnostic products and increased its investment in R&D, so as to optimise product performance. Through technological improvements, the stability and accuracy of biochemical diagnostic reagents have been significantly enhanced, further strengthening our customer base in hospitals and other medical institutions. For example, by optimising the formula of some core biochemical diagnostic reagents, their stability in clinical use has been significantly improved, which has reduced test errors and enhanced their competitiveness in the market.

Expanding IVD Product Portfolio: The Company strengthened the layout of multi-pipeline products, focusing on flow cytometry instruments and reagents, chemiluminescent instruments and reagents, and molecular diagnostic products etc. The Company has released high-end scientific research for the SinoCyte flow cytometer, which possesses advanced technical performance and can meet the testing needs of research institutions and high-end medical institutions. At the same time, we accelerated the R&D of chemiluminescent reagents and molecular diagnostic products. At present, a number of projects are at the clinical trial stage, which are expected to bring new revenue stream for the Company in the future.

(b) *Operation and Management Strategy*

Optimisation of Internal Control: The Company improved internal control management, comprehensively streamlined internal processes, and strictly managed each process. Through the establishment of a more comprehensive process management system, we have refined the management of various aspects, such as product R&D, production and sales, to effectively improve operational efficiency. For example, we introduced an advanced production management system in the production process to achieve automated process monitoring and optimisation, thus shortening production cycles and reducing costs.

Cost Control: The Company optimised the production process, and reduced production costs. As a result of technological upgrades and equipment updates, production efficiency increased, while raw material consumption and the rate of waste products decreased. Also, we have strengthened our procurement management, established long-term and stable cooperation relationships with suppliers, and reduced procurement costs through centralised procurement process and price-bargaining. For example, for raw material procurement, we entered into long-term cooperation agreements with key suppliers. By doing so, the procurement prices of some raw materials were reduced by approximately 10% to 15%.

(c) *Marketing Strategy*

Enhancing Customer Relationships: The Company strengthened communication and cooperation with hospitals and other medical institutions, learned about customer needs, and provided them with tailored solutions accordingly. A professional customer service team has been established to respond to customer feedback in a timely manner, and customer satisfaction has increased. For example, one-stop services, including equipment maintenance, staff training and technical support, have been offered to large hospitals, which increased customer loyalty to the Company's products.

Expanding Market Channels: The Company actively expanded domestic and international market channels and participated in various industry exhibitions and academic conferences to enhance its brand awareness. In domestic market, we enhanced our collaboration with primary medical institutions to promote product penetration in the lower-tier market. In overseas market, we partnered with local distributors to gradually increase product exports. For example, in Southeast Asia, through cooperation with local renowned distributors, we successfully launched some biochemical diagnostic reagents to the local market, with a steady growth in sales.

FINANCIAL REVIEW

Operating Revenue

During the Year, the operating revenue was approximately RMB263.1 million, representing a decrease of approximately 9.0% as compared with that of approximately RMB289.1 million for the year ended 31 December 2023 (the "**Previous Year**" or "**2023**"), which was mainly due to the drop in market demand and drop in price of products as affected by industry centralised procurement.

Gross Profit and Gross Profit Margin

The gross profit during the Year was approximately RMB108.4 million, representing a decrease of approximately 14.9% as compared with that of approximately RMB127.4 million for the Previous Year and the gross profit margin was approximately 41.2% (2023: approximately 44.1%).

Selling and Distribution Expenses

During the Year, selling and distribution expenses were approximately RMB56.2 million, representing a decrease of approximately 4.7% as compared with that of approximately RMB59.0 million for the Previous Year.

Administrative Expenses

During the Year, administrative expenses were approximately RMB50.4 million, representing a decrease of approximately 2.1% as compared with that of approximately RMB51.5 million for the Previous Year.

R&D Expenses

During the Year, the total R&D expenses amounted to approximately RMB33.4 million, representing a decrease of approximately 6.7% when compared with that of approximately RMB35.8 million for the Previous Year.

Finance Costs

The finance costs were approximately RMB9.3 million, which increased by approximately 45.3% when compared with that of approximately RMB6.4 million for the Previous Year, mainly due to the increase in the cost of loans.

Impairment Losses on Financial Assets and Other Assets

The Group incurred impairment losses on financial assets of approximately RMB6.5 million (2023: RMB0.7 million) and impairment losses on other assets of approximately RMB13.0 million (2023: RMB0.6 million) during the Year, which were mainly due to a relatively weak market environment and actual sales performance falling short of expectations.

Loss for the Year

As a result, loss for the Year amounted to approximately RMB56.9 million, as compared with that of approximately RMB19.2 million for the Previous Year. The increase of loss was mainly attributable to the drop in revenue and gross profit, and increased impairment losses on financial assets and other assets.

Loss Attributable to Owners of the Parent

During the Year, loss attributable to owners of the parent of the Company was approximately RMB42.5 million, as compared with that of approximately RMB11.6 million for the Previous Year.

FUTURE PROSPECTS

(I) Industry Trend Judgment

Scientific and Innovation-driven Development: Continued technological advancements will spur more technologic innovations in the IVD industry. For example, the application of artificial intelligence technology in diagnostic data analysis and the development of microfluidic technology in miniaturised diagnostic devices will drive the development of IVD products towards greater precision, speed and convenience. The Company will keep up with the trend of technological innovation and increase its investment in R&D in related fields, with a view to enhancing the technological sophistication and market competitiveness of its products.

Accelerating Market Consolidation: Faced with fierce competition and pressure from relevant policies, the IVD industry will experience accelerated consolidation. Large enterprises will enlarge the scale of their operation and increase market share through mergers and acquisitions ("**M&A**") and cooperation, while small enterprises will seek survival through differentiated competition and technological innovation. The Company should pay much attention to industry consolidation opportunities and carry out strategic M&A or cooperation in a timely manner, so as to optimise the resource allocation and enhance the overall strength of the Company.

Huge Potential in the Primary Care Market: As the state continuously improves the primary medical and health services system, the demands for IVD products in the primary care market will continue to increase. The Company should leverage its product cost-effective advantages and local service capabilities to further explore the primary care market, regarding it as an important direction for future business growth.

(II) Company Development Plan

Product R&D and Innovation: The Company will continue to increase R&D investment, accelerate product upgrades and R&D of new products, and focus on registration and approval of chemiluminescent reagents and molecular diagnostic products to ensure that the products can be launched on the market on time. Also, the Company will strengthen cooperation with research institutes and universities to carry out researches on cutting-edge technologies and to lay plans for future emerging technology areas, such as POCT (point-of-care testing) products and gene sequencing-related products.

Market Expansion: In domestic market, we will further maintain and expand the hospital client base, especially enhancing the cooperation with the primary medical institutions and privately run hospitals. We will strive to increase the market share of our products by providing quality products and superior services. In overseas market, we will formulate more proactive overseas expansion strategies, and further explore the emerging markets such as Southeast Asia, Africa and Latin America, thereby gradually enhancing international recognition and market share of the Company's products.

Operation and Management Enhancement: The Company will continue to optimise internal management processes to improve operational efficiency, enhance cost control, and reduce production costs and operating expenses. It will also improve the performance evaluation system to fully mobilise the enthusiasm and creativity of employees. Meanwhile, the Company will strengthen risk management by establishing a sound risk warning mechanism to effectively cope with various risks such as market competition and policy changes.

Strategic Cooperation and M&A: The Company will proactively seek strategic cooperation and M&A opportunities to achieve resource sharing and complementary advantages through cooperation with upstream and downstream enterprises and enterprises with complementary technologies or market resources. Additionally, the Company will commence M&A activities in a timely manner to rapidly expand its scale and business scope and enhance its market position and comprehensive competitiveness in the IVD industry.

CAPITAL STRUCTURE

During the Year, the change of capital structure of the Company as compared with that of the Previous Year is as follows:

	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**68,213**	63,410
Short-term loans	**143,665**	140,737
Long-term loans	**4,556**	1,980
Net debt	**80,008**	79,307
Net debt equity ratio	**46%**	34%

LIQUIDITY AND FINANCIAL POSITION

The Group generally financed its operations with internally generated cash flows, bank and other borrowings and capital contributions from the Shareholders. As at 31 December 2024, the net debt increased by approximately RMB0.7 million year-on-year as compared with that of the Previous Year.

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 overseas countries for resale in the PRC and there are administrative expenses incurred by the Canadian subsidiary. A small amount of cash denominated in Hong Kong dollar ("**HK$**") is placed in bank accounts in Hong Kong for payment of miscellaneous expenses such as professional fees incurred in Hong Kong.

PLEDGE OF ASSETS OF THE GROUP

As at 31 December 2024, certain buildings with a net carrying amount of approximately RMB19.8 million and prepaid land lease payments with a net carrying amount of approximately RMB2.2 million were pledged to Beijing Zhongguancun Guarantee Technology Financing Guarantee Co., Ltd. ("**Zhongguancun Guarantee**") to secure two loans of the Group. One of the bank loans is from Bank of Beijing Co., Ltd., with a principal amount of RMB28.9 million. The loan will be due between January to December 2025 due to different maturities. The other loan is from Industrial Bank Co., Ltd., with a principal amount of RMB50 million. The loan will be due between January to December 2025 due to different maturities. Certain buildings with a net carrying amount of RMB18.2 million were pledged to a third party as a security for the Group to obtain a bank loan of RMB10 million from China Construction Bank and a bank loan of RMB10 million from Industrial and Commercial Bank of China.

As of 31 December 2024, certain machinery with net carrying amounts of approximately RMB0.7 million were pledged to third parties to secure two loans granted to the Company which amounted to RMB4.8 million in aggregate. The loans will be due between January to March 2027.

CONTINGENT LIABILITIES

At the end of the Year, contingent liabilities not provided for in the financial statements were as follows:

	2024	2023
	RMB'000	*RMB'000*
Counter-guarantees given to a security company in connection with loans	**2,000**	10,000

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no significant investments held, material acquisitions and disposals of subsidiaries and associates by the Company during the Year. The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. Moreover, the Group will seek generic strategic expansions through acquisition(s) of suitable target(s). We are confident in the future and committed to continuous growth of the Company.

EMPLOYEES

On 31 December 2024, the Group had a total of 499 full-time employees (2023: 537 employees) based in Hong Kong and the PRC. Total staff costs of the Group (including remuneration of the Directors and the supervisors of the Company) for the Year amounted to approximately RMB103 million (2023: RMB99 million). The Group determines 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 the PRC and Hong Kong. The Board believes 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 qualified accountant, the remaining employees of the Group are stationed in China.

EVENTS AFTER THE YEAR

There were no significant event affecting the Company that have occurred after the Year and up to the date of this announcement.

OTHER INFORMATION

Directors', Supervisors' and Chief Executive's Interests in Shares and Underlying Shares

As at 31 December 2024, 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 (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 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 position in shares of the Company:

Name	Number of the Company's domestic shares held	Percentage of the Company's domestic shares	Number of the Company's H shares held	Percentage of the Company's H shares	Percentage of the Company's total registered share capital
Mr. Wu Lebin	3,500,878	4.35%	–	–	2.42%
Mr. Chen Peng	11,330,334	14.09%	–	–	7.83%
Mr. Chen Zhengyong	10,000,000	12.43%	–	–	6.91%

Save as disclosed above, as at 31 December 2024, 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.

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

As at 31 December 2024, 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%	–	21.64%
HK Zhixin Investment Co., Ltd. *(Note 1)*	Directly beneficially owned	–	27,256,143	–	42.40%	18.84%
Hainan Zhixin Investment Partnership (Limited Partnership) *(Note 1)*	Through controlled corporations	–	27,256,143	–	42.40%	18.84%
Mr. Li Dongfeng *(Note 1)*	Through controlled corporations	–	27,256,143	–	42.40%	18.84%
Mr. Yan Kang *(Note 1)*	Through controlled corporations	–	27,256,143	–	42.40%	18.84%
Yunan 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%

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	
	Directly beneficially owned	1,050,263	–	1.31%	–	0.73%
Jingning Guoke Kangyi Enterprise Management Center LLP *(Note 3)*	Directly beneficially owned	11,330,334	–	14.09%	–	7.83%
Sichuan Zhongsheng Medical Instrument Co., Ltd. *(Note 4)*	Directly beneficially owned	10,000,000	–	12.43%	–	6.91%
Chung Shek Enterprises Company Limited *(Note 5)*	Directly beneficially owned	–	3,800,000	–	5.91%	2.63%
K.C. Wong Education Foundation *(Note 5)*	Through controlled corporations	–	3,800,000	–	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 approximately 43.12% by Mr. Li Yangyixiong and seven other partners which none of them held more than one-third or more of the voting power at 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. The interests of 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 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 approximately 77.94% 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.

5. 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, as far as is known to any Directors or supervisors of the Company, as at 31 December 2024, no other persons, 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.

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 Year.

Competing Interests

During the Year and up to the date of this announcement, 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 Year.

Directors' Securities Transactions

The Group has adopted a model code of conduct for dealing in the Company's securities by the Directors, which was formulated in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules (the "**required standard of dealings**") for the purpose of setting out the standards adopted by the Company for assessing the conduct of the Directors in their dealings in the securities of the Company. Any violation of this code will be regarded as a violation of the GEM Listing Rules. The Company has confirmed, after making specific enquiries with the Directors, that all Directors have complied with the required standard of dealings throughout the Year.

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 audited consolidated results of the Group for the Year, the risk management and internal control systems of the Group have been reviewed by the Audit Committee with the four independent non-executive Directors, namely Mr. Lu Qi, Prof. Shen Zuojun, Prof. Shen Jiangang and Dr. He Xin, of which Mr. Lu Qi is the chairman.

Corporate Governance

The Company had applied the principles and all the applicable code provisions (the "**Code Provisions**") as set out under the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the GEM Listing Rules during the Year and up to the date of this announcement. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

During the Year and up to the date of this announcement, the Company had complied with all the applicable Code Provisions of the CG Code, except for Code Provision D.2.5 of the CG Code as explained below:

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 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.

Non-Compliance with the GEM Listing Rules

On 9 May 2024, the Company announced that the transactions between the Group with Anhui Guoke Kangyi Medical Technology Co., Ltd.*（安徽國科康儀醫療科技有限公司）("**Anhui Guoke**") in relation to (i) the sales of reagent products and the purchases of test reagents and consumables with an aggregate consideration of approximately RMB16.99 million (equivalent to approximately HK$18.69 million) during the year ended 31 December 2022 when aggregated together constituted non-exempt continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules; (ii) the sales of reagent products and the purchases of test reagents and consumables with an aggregate consideration of approximately RMB5.05 million (equivalent to approximately HK$5.56 million) during the year ended 31 December 2023 when aggregated together constituted non-exempt continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules; and (iii) the sales of reagent products and the purchases of test reagents and consumables with an aggregate consideration of approximately RMB1.61 million (equivalent to approximately HK$1.77 million) during the three months ended 31 March 2024 when aggregated together constituted exempt continuing connected transactions of the Company under Rule 20.74 of the GEM Listing Rules.

Due to an inadvertent oversight, the Company did not comply with the relevant requirements of the GEM Listing Rules at the material time. Accordingly, there has been an inadvertent non-compliance by the Company of Chapter 20 of the GEM Listing Rules.

Following the disposal of 51% of the equity interest in Anhui Guoke by Jingning Guoke Kangyi Enterprise Management Centre (Limited Partnership)*（景寧國科康儀企業管理中心（有限合夥））to an independent third party on 1 April 2024, Anhui Guoke ceased to be a connected person of the Company. As such, the future transactions between Anhui Guoke and the Group are no longer connected transactions of the Group as defined in the GEM Listing Rules. For details, please refer to the announcements of the Company dated 9 May 2024 and 27 May 2024.

* *For identification purpose only*

Updated Information of Director Pursuant to Rule 17.50A(1) Of the GEM Listing Rules

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, subsequent to the date of the 2024 interim report of the Company and up to the date of this announcement, changes in information of the Directors are set out below:

Mr. Chen Zhengyong, the Vice Chairman of the Company, has been re-designated from a non-executive Director to an executive Director with effect from 13 December 2024.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

For and on behalf of the Board
Biosino Bio-Technology and Science Incorporation
Chen Zhengyong
Vice Chairman and Executive Director

Beijing, the People's Republic of China
31 March 2025

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

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

Vice chairman and executive Director
Mr. Chen Zhengyong（陳正永先生）

Vice chairman and non-executive Director
Mr. Yang Peng（楊鵬先生）

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）, Prof. Shen Jiangang（沈劍剛教授）and Dr. He Xin（何欣博士）

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 GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.zhongsheng.com.cn.