中生北控生物科技股份有限公司

BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION*

(Registered in the People's Republic of China with limited liability)

(Stock Code: 8247)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "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.

This announcement, for which the directors (the "Directors") of Biosino Bio-Technology and Science Incorporation (the "Company") 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; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification purposes only*

HIGHLIGHTS

- Revenue for the year kept growing to RMB201 million, representing an increase of 14.8% from that of last year.

- Profit for the year amounted to RMB26 million, representing an increase of 17.8% from that of last year.

- Profit attributable to shareholders of the Company for the year amounted to RMB24 million, representing an increase of 20.2% from that of last year.

- A final dividend of RMB0.1 per share is proposed for the year ended 31 December 2008.

THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors (the "Board") of Biosino Bio-Technology and Science Incorporation (the "Company") announced the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2008 together with the audited comparative figures for 2007 as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2008

	Notes	**2008** *RMB'000*	2007 *RMB'000*
REVENUE	3	**200,591**	174,672
Cost of sales		**(65,248)**	(62,087)
Gross profit		**135,343**	112,585
Other income and gains		**13,796**	14,961
Selling and distribution expenses		**(52,808)**	(45,499)
Administrative expenses		**(37,826)**	(28,901)
Research and development expenses		**(14,229)**	(12,219)
Other operating expenses, net		**(7,303)**	(5,149)
PROFIT FROM OPERATING ACTIVITIES	4	**36,973**	35,778
Finance costs	5	**(5,578)**	(6,022)
Share of losses of:			
A jointly-controlled entity		**–**	(632)
Associates		**(316)**	–
PROFIT BEFORE TAX		**31,079**	29,124
Tax	6	**(5,156)**	(7,126)
PROFIT FOR THE YEAR		**25,923**	21,998
Attributable to:			
Shareholders of the Company		**23,955**	19,929
Minority interests		**1,968**	2,069
		25,923	21,998
Dividend – proposed final	7	**10,002**	10,002
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	8		
– Basic (RMB)		**0.24**	0.20
– Diluted (RMB)		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

31 December 2008

	Notes	**2008** *RMB'000*	2007 *RMB'000*
ASSETS			
Non-current assets:			
Property, plant and equipment		**114,903**	118,998
Prepaid land premiums		**7,297**	7,470
Goodwill		**309**	470
Other intangible assets		**1,581**	2,450
Interest in a jointly-controlled entity		**–**	268
Interests in associates		**3,936**	–
Trade and bills receivables	*9*	**410**	1,966
Long-term deposits		**708**	1,751
Total non-current assets		**129,144**	133,373
Current assets:			
Prepaid land premiums		**177**	177
Inventories		**28,469**	24,749
Trade and bills receivables	*9*	**37,047**	33,716
Prepayments, deposits and other receivables		**7,098**	7,936
Financial assets at fair value through profit or loss		**10,209**	–
Time deposits		**6,600**	–
Cash and cash equivalents		**85,376**	148,721
Total current assets		**174,976**	215,299
TOTAL ASSETS		**304,120**	348,672

CONSOLIDATED BALANCE SHEET *(continued)*
31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company:			
Issued capital		**100,018**	100,018
Reserves		**84,960**	71,007
Proposed final dividend	*7*	**10,002**	10,002
		194,980	181,027
Minority interests		**22,354**	21,965
TOTAL EQUITY		**217,334**	202,992
Non-current liabilities:			
Bank borrowings		**–**	40,000
Deferred income		**14,157**	9,481
Other payables and accruals		**–**	1,800
Total non-current liabilities		**14,157**	51,281
Current liabilities:			
Trade payables	*10*	**6,923**	7,364
Other payables and accruals		**21,828**	31,087
Taxes payable		**3,878**	6,156
Bank borrowings		**40,000**	49,792
Total current liabilities		**72,629**	94,399
TOTAL LIABILITIES		**86,786**	145,680
TOTAL EQUITY AND LIABILITIES		**304,120**	348,672

Notes:

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated 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 products and pharmaceutical products.

2.1 BASIS OF PREPARATION

The 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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. 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 Company and its subsidiaries for the year ended 31 December 2008. 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 income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of a subsidiary has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combination to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders, not held by the Group, in the results and net assets of the Company's subsidiaries.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new interpretations and amendments has had no significant effect on the financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 11	*HKFRS 2 – Group and Treasury Share Transactions*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*[1]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based payment – Vesting Conditions and Cancellations*[1]
HKFRS 3 (Revised)	*Business Combinations*[2]
HKFRS 8	*Operating Segments*[1]
HKAS 1 (Revised)	*Presentation of Financial Statements*[1]
HKAS 23 (Revised)	*Borrowing Costs*[1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*[1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments*: *Recognition and Measurement – Eligible Hedged Items*[2]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*[3]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*[1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*[4]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*[2]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers*[2]

Apart from the above, HKICPA has also issued Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008

* Improvements to HKFRSs contain amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

3. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and all of the Group's assets are located in Mainland China.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segment. Particulars of the business segments are summarised as follows:

(i) the in-vitro diagnostic reagent products segment manufactures, sells and distributes a variety of mono/double diagnostic reagent products; and

(ii) the pharmaceutical product segment manufactures, sells and distributes pharmaceutical products.

The following tables present revenue, profit and certain asset and liability for the Group's business segments for the years ended 31 December 2008 and 2007.

Year ended 31 December 2008

	In-vitro diagnostic reagent products *RMB'000*	Pharma-ceutical products *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	132,498	68,093	–	200,591
Other income	2,964	5,295	–	8,259
Total	135,462	73,388	–	208,850
Segment results	26,509	4,927	–	31,436
Unallocated income and gain				5,537
Profit from operating activities				36,973
Finance costs				(5,578)
Share of losses of associates	(316)	–	–	(316)
Profit before tax				31,079
Tax				(5,156)
Profit for the year				25,923
Assets and liabilities:				
Segment assets	101,453	98,680	(1,934)	198,199
Interest in associates	3,936	–	–	3,936
Unallocated assets				101,985
Total assets				304,120
Segment liabilities	21,642	23,198	(1,934)	42,906
Unallocated liabilities				43,880
Total liabilities				86,786

Year ended 31 December 2007

	In-vitro diagnostic reagent products *RMB'000*	Pharma-ceutical products *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	113,456	61,216	–	174,672
Other income	1,250	2,554	–	3,804
Total	114,706	63,770	–	178,476
Segment results	18,226	6,395	–	24,621
Unallocated income and gain				11,157
Profit from operating activities				35,778
Finance costs				(6,022)
Share of loss of a jointly-controlled entity	(632)	–	–	(632)
Profit before tax				29,124
Tax				(7,126)
Profit for the year				21,998
Assets and liabilities:				
Segment assets	97,552	103,162	(1,031)	199,683
Interest in a jointly-controlled entity	268	–	–	268
Unallocated assets				148,721
Total assets				348,672
Segment liabilities	21,197	31,973	(1,031)	52,139
Unallocated liabilities				93,541
Total liabilities				145,680

4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	2008	2007
	RMB'000	*RMB'000*
Cost of inventories sold	**64,891**	61,047
Bank interest income	**(1,638)**	(1,641)
Imputed interest income on interest-free trade receivables with extended credit period	**(214)**	(180)
Loss/(gain) on disposal of financial assets at fair value through profit or loss	**3,620**	(4,326)
Fair value loss on financial assets at fair value through profit of loss, net	**1,821**	–
Depreciation	**12,499**	10,784
Amortisation of prepaid land premiums	**173**	56
Amortisation of other intangible assets*	**869**	900
(Gain)/loss on disposal of items of property, plant and equipment, net	**(4)**	42

* The amortisation of other intangible assets during the year comprised amortisations of know-how and computer software of RMB413,000 (2007: RMB444,000) and RMB456,000 (2007: RMB456,000), respectively, which are included in "Cost of sales" and "Administrative expenses" on the face of the consolidated income statement, respectively.

5. FINANCE COSTS

The Group's finance costs for the years ended 31 December 2008 and 2007 are interests on bank loans wholly repayable within five years.

6. TAX

No provision for Hong Kong profits tax has been made as the Group has not generated any assessable profits in Hong Kong during the year (2007: Nil). Taxes on profits assessable in Mainland China, where the Group operates, have been calculated at the rates of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof. According to the relevant PRC income tax law, the Company and certain of its subsidiaries, being registered as new and high technology enterprises in Beijing, are entitled to concessionary income tax rates of 15% or 7.5%, where appropriate.

	Group	
	2008	2007
	RMB'000	*RMB'000*
Current – PRC	**5,156**	7,145
Adjustments in respect of current tax of previous periods	**–**	(19)
Total tax charge for the year	**5,156**	7,126

7. DIVIDEND

	2008	2007
	RMB'000	*RMB'000*
Proposed final dividend – RMB0.10 (2007: RMB0.10) per share	**10,002**	10,002

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

8. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to shareholders of the Company and the weighted average number of 100,017,528 (2007: 100,017,528) ordinary shares in issue during the year.

No diluted earnings per share amounts have been presented as no diluting events existed during the year (2007: Nil).

9. TRADE AND BILLS RECEIVABLES

Except for certain established customers of the Group being granted with payment terms of ranging from two to four years in respect of several instalment sales, the credit period of the Group granted to its customers generally range from 60 days to 90 days. The Group closely monitors overdue balances, and impairment is made when it is considered that 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. Trade and bills receivables are interest-free.

An aged analysis of the trade and bills receivables of the Group as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2008	2007
	RMB'000	*RMB'000*
Within 3 months	**32,623**	25,917
4 to 6 months	**4,271**	4,938
7 to 12 months	**1,104**	5,854
1 to 2 years	**1,562**	1,016
Over 2 years	**961**	1,506
	40,521	39,231
Less: Impairment	**(3,064)**	(3,549)
	37,457	35,682
Portion classified as current assets	**(37,047)**	(33,716)
Non-current portion	**410**	1,966

10. TRADE PAYABLES

An aged analysis of the trade payables of the Group as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2008	2007
	RMB'000	*RMB'000*
Within 3 months	**6,058**	6,767
4 to 6 months	**295**	–
7 to 12 months	**364**	353
1 to 2 years	**54**	179
Over 2 years	**152**	65
	6,923	7,364

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

11. TRANSFERS TO STATUTORY RESERVES AND CAPITAL RESERVES

The Group made transfers of RMB5,460,000 (2007: RMB2,352,000) and RMB569,000 (2007: Nil) from retained profits to statutory reserves and capital reserves, respectively, for the year ended 31 December 2008.

12. OTHER FINANCIAL INFORMATION

The net current assets and total assets less current liabilities of the Group as at 31 December 2008 amounted to RMB102,347,000 (2007: RMB120,900,000) and RMB231,491,000 (2007: RMB254,273,000), respectively.

13. POST BALANCE SHEET EVENTS

(a) Pursuant to the Company's announcement dated 9 March 2009, the Company has entered into a corporative framework agreement with parties, including (i) the People's Government of Nanchang City of Jiangxi Province; (ii) the People's Government of the Nanchang Xian; (iii) the Institute of Biophysics of Chinese Academy of Sciences, a shareholder of the Company; (iv) Legend Holdings Ltd.; and (v) the Administrative Bureau of Chinese Academy of Sciences, in relation to a project to establish a Biological Industrial Park in Jiangxi Province and the possible acquisition of certain equity interests in the target companies. The target companies include Jiangxi State Pharmaceuticals Co. Ltd. and Jiangxi Pharmaceuticals Co. Ltd. which are principally engaged in the production, research and development of pharmaceutical products in the PRC. The agreement and the relevant discussions are in a preliminary stage and therefore may or may not lead to any formal agreement.

(b) Subsequent to the balance sheet date, the Company disposed of a total of 400,000 shares in China Coal Energy Company Limited on the Shanghai Stock Exchange at a total consideration of approximately RMB3,450,000 (excluding stamp duty and related expenses). The net gain on these disposal transactions amounted to RMB780,000.

Saved as disclosed above, the Group did not have any significant events taking place subsequent to 31 December 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment

During 2008, China experienced the effect from natural disasters, the Olympic games and global financial crisis, resulted uncertainties in every sector and industry and increase requirements on the business flexibility/adaptability to changes of every enterprise.

Within the medical sector, apart from continuous growth in the high-end market, expansion in low-to-middle market was obvious. As the market expanded, the annual growth of the medical industry in China reached over 26%. Meanwhile, market competitions become keen. With more and more market entrants, enterprises had to enhance product quality but lower product price. On the other hand, there are challenges with rising labor costs and operating expenses after the new labor laws.

In the same time, the government has increased investment in the medical sector and subsequently implemented a series of policies to stimulate and drive the domestic demand to cope with the financial crisis. Under the new policy directive of self innovation, the corresponding measures being implemented by various local government departments are expected to come in place. All these factors have brought in tremendous vitality and momentum to the growth of the medical sector.

Under these circumstances, being a manufacturer of clinical diagnostic reagents and biological pharmaceuticals in China, the Group maintains its competitive advantages in quality and pricing to achieve continuous growth.

Business Review

Revenue

Currently, the Group's major products include: i) 81 types of in-vitro diagnostic reagents approved by the State Food and Drug Administration of the PRC ("SFDA") (including 64 types of biochemical in-vitro diagnostic reagents, 15 types of immuno in-vitro diagnostic reagents and 2 types of apparatus) and ii) Lumbrokinase capsule, a Class II prescription drug approved by the SFDA.

In 2008, the Group's consolidated revenue amounted to approximately RMB201 million, representing an increase of 14.8% from that of last year, primarily attributable to an increase in the sales of major products. In particular, the revenue of in-vitro diagnostic reagents increased by 16.8% to RMB132.5 million from that of last year, accounted for 66.1% of the total revenue. In terms of the pharmaceutical products, the revenue of Lumbrokinase capsules increased by 11.2% to RMB68.1 million.

Research and Development Costs

During 2008, the Group's achievements in research and development included: i) obtained acceptance for registration of 2 new products including Creatinine Control and C-Reactive Protein Calibrator; ii) completed standards of 3 new products, including Iron Kit, Haptoglobin Assay Kit and Glucosylated Serum Proteins Kits; iii) Alpiostadil, attained the stage of technical review by SFDA approval center for injection usage; iv) Pancreatic Kininogenase Enteric-coated capsule is in the stage of the technical review by the SFDA approval center. In the meantime, the Group commenced the construction of antibody substances research laboratory. Total research and development expenses for the year amounted to RMB14.2 million, representing an increase of 16.4% as compared with that of last year.

Profit Attributable to Shareholders of the Company

The Group's profit attributable to shareholders of the Company for the year was approximately RMB24 million, representing an increase of 20.2% from that of last year. The increase in profit attributable to shareholders of the Company is in line with the increase in revenue for the year.

Production Facilities

In 2007, the Group's production line for immune diagnostic reagents at Science and Technology Industrial Park in Changping District of Beijing was inspected and approved according to the GMP standard. This further expanded the Group's production capacities.

Prospects And Future Outlook

With the increasing resources inputed by the government and new policies imposed on medical affairs, the development of medical industry in China will grow rapidly. The operating condition of the industry was improved during the year. Although the significant impact by the financial crisis on various sectors, the Government defined various plans to stimulate the economy; hence, medical industry will remain one of the fastest growing sectors in China.

The Group has established a fundamental for clinical biochemical diagnosis and protein related drugs. As there are more investments in the production, the efficiency will be gradually increased. Under appropriate condition, the Group can strengthen its competitive advantages and tackle challenges. This will allow the Group to gradually achieve a balanced development of the diagnostic products and drug businesses and to become a leading position in the industry within China so that the returns of the shareholders will be maximized.

Capital Structure

As at 31 December 2008, there was no major change in the capital structure of the Company as compared to last year.

Liquidity and Financial Position

Cashflow and Financial Position

	2008	2007
	RMB million	*RMB million*
Cash	85	149
Short-term loans	40	50
Long-term loans	–	40
Net cash	45	59
Net debt equity ratio	N/A	N/A

The Group generally financed its operations with internally generated cash flows, capital contributions from shareholders and bank borrowings. Cash position decreased by approximately RMB14 million, which was mainly due to the repayment of bank loans.

Employees

As at 31 December 2008, the Group had a total of 609 full-time employees (2007: 613 employees) based in Hong Kong and China. The total staff costs of the Group (including the directors' remunerations) for the year ended 31 December 2008 amounted to approximately RMB40.92 million (2007: RMB37.45 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 remunerations 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 of the Company believe that employees are one of the most valuable assets of the Group which contributed significantly to the success of the Group. The Group recognizes the importance of staff training and hence provides regular training to 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.

FURTHER INFORMATION

Directors' and supervisors' interests in shares and underlying shares

At 31 December 2008, the interests of the directors or supervisors in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as 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)*	1,000,000	1.5%	1.00%
Mr. Hou Quanmin *(note)*	150,000	0.2%	0.15%
Dr. Wang Lin *(note)*	100,000	0.1%	0.10%

Note: The directors are the registered holders and beneficial owners of the respective domestic shares.

Save as disclosed above, as at 31 December 2008, 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.

Substantial shareholders' and other persons' interests in shares and underlying shares

At 31 December 2008, as far as is known to any directors and supervisors of the Company, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

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		
The Institute of Biophysics of Chinese Academy of Sciences	Directly beneficially owned	31,308,576	–	46.7%	31.3%
Beijing Enterprises Holdings High-Tech Development Co., Ltd. ("BEHT")	Directly beneficially owned	24,506,143	–	36.6%	24.5%
Beijing Enterprises Holdings Limited ("BEHL") *(note)*	Through a controlled corporation	24,506,143	–	36.6%	24.5%
Beijing Enterprises Group (BVI) Company Limited ("BE(BVI)") *(note)*	Through controlled corporations	24,506,143	–	36.6%	24.5%
北京控股集團有限責任公司 (Beijing Enterprises Group Company Limited) ("BEGC") *(note)*	Through controlled corporations	24,506,143	–	36.6%	24.5%
K.C. Wong Education Foundation	Directly beneficially owned	–	3,800,000	11.52%	3.8%
Chung Shek Enterprises Company Limited	Through controlled corporations	–	3,800,000	11.52%	3.8%
Pheim Asset Management (Asia) Pte Ltd	Through controlled corporations	–	3,050,000	9.24%	3.05%
Deutsche Bank Aktiengesellschaft	Through controlled corporations	–	1,840,000	5.58%	1.84%

Note: These domestic shares are registered in the name of BEHT. BEHL, BE(BVI) and BEGC are the immediate holding company, an intermediate holding company and the ultimate holding company of BEHT, respectively. Accordingly, each of them is deemed to be interested in the domestic shares of the Company owned by BEHT.

Save as disclosed above, as far as is known to any directors or supervisors of the Company, as at 31 December 2008, no person, other than the directors or supervisors of the Company, 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 that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company always puts strong emphasis on the superiority, steadiness and rationality of corporate governance. The Company has complied with all the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the "Code") for the year ended 31 December 2008 by establishing a formal and transparent procedures to protect and maximise the interests of shareholders during the period under review, except for the deviation that Mr. Wu Lebin assumes the role of both 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' 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 2008.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this announcement, none of the directors who is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the directors have been appointed or were appointed as directors to represent the interests of the Company and/or the Group, pursuant to the GEM Listing Rules.

COMPLIANCE ADVISER

As updated and notified by the Company's compliance adviser, Guangdong Securities Limited (the "Compliance Adviser"), none of the Compliance Adviser, or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 December 2008 pursuant to Rule 6A.32 of the GEM Listing Rules.

Pursuant to an agreement dated 24 June 2008 entered into between the Company and the Compliance Adviser, the Compliance Adviser will receive a fee for acting as the Company's compliance adviser for the period from 28 June 2008 to 31 March 2009 or until the agreement is terminated in accordance with the terms and conditions set out therein.

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. The audit committee consists of the three independent non-executive directors, namely, Dr. Rao Yi, Dr. Hu Canwu Kevin and Mr. Chan Yiu Kwong. The Group's audited results for the year ended 31 December 2008 have been reviewed by the three independent non-executive directors of the Company.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 6 May 2009 to Tuesday, 26 May 2009 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for entitlement to the proposed final dividend and for attending the forthcoming annual general meeting of the Company to be held on Tuesday, 26 May 2009, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar, Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 May 2009. The final dividend will be payable on Friday, 28 August 2009 to shareholders whose name appear on the register of members of the Company on Tuesday, 26 May 2009.

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

Beijing, the PRC, 19 March 2009

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

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

Vice Chairman and Non-executive Directors
Mr. Zhang Yong (張勇先生) and Dr. Gao Guang Xia (高光俠博士)

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

Non-executive Directors
Mr. Rong Yang (榮洋先生), Ms. Qin Xuemin (秦學民女士), Mr. Wang Fu Gen (王福根先生) and Ms. Yu Xiaomin (郁小民女士)

Independent non-executive Directors
Dr. Rao Yi (饒毅博士), Dr. Hu Canwu Kevin (胡燦武博士) and Mr. Chan Yiu Kwong (陳耀光先生)

This announcement will remain on the "Latest Company Announcements" page of the GEM website and the Company's website for at least seven days from the day of its posting.

* *For identification purposes only*