中生北控生物科技股份有限公司

BIOSINO BIO-TECHNOLOGY AND SCIENCE INCORPORATION *

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

(Stock Code: 8247)

(I) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011; (II) CLOSURE OF REGISTER OF MEMBERS; (III) WITHHOLDING AND PAYMENT OF INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS AND NON-RESIDENT INDIVIDUAL SHAREHOLDERS IN RESPECT OF THE PROPOSED 2011 FINAL DIVIDEND; AND (IV) ESTABLISHMENT OF NOMINATION COMMITTEE

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 or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purposes only*

HIGHLIGHTS

- Revenue for the year kept growing to RMB184 million, representing an increase of 9.5% from that of last year.

- Profit attributable to owners of the parent for the year amounted to RMB18 million.

- A final dividend of RMB0.1 per share is proposed for the year ended 31 December 2011.

THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The board (the "Board") of directors (the "Directors" and each a "Director") 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 2011 together with the audited comparative figures for 2010 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000 Restated
CONTINUING OPERATIONS			
REVENUE	3	**184,153**	168,355
Cost of sales	4	**(77,596)**	(67,556)
Gross profit		**106,557**	100,799
Other income and gains		**10,792**	11,869
Selling and distribution expenses		**(32,175)**	(29,132)
Administrative expenses		**(32,647)**	(34,177)
Research and development expenses		**(19,062)**	(14,491)
Other expenses		**(3,733)**	(562)
Finance costs	5	**(962)**	(31)
Share of losses of			
A jointly-controlled entity		**(148)**	–
Associates		**(370)**	(403)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**28,252**	33,872
Income tax expense	6	**(4,576)**	(5,339)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**23,676**	28,533
DISCONTINUED OPERATION			
(Loss)/profit for the year from a discontinued operation	7	**(4,748)**	834
PROFIT FOR THE YEAR		**18,928**	29,367

CONSOLIDATED INCOME STATEMENT *(continued)*

Year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000 Restated
Attributable to:			
Owners of the parent		**17,956**	27,647
Non-controlling interests		**972**	1,720
		18,928	29,367
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*9*	**RMB0.14**	RMB0.27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	2011	2010
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**18,928**	29,367
Attributable to:		
Owners of the parent	**17,956**	27,647
Non-controlling interests	**972**	1,720
	18,928	29,367

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2011

	Notes	**2011** **RMB'000**	2010 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**86,142**	102,723
Prepaid land lease payments		**3,634**	6,951
Goodwill		**309**	309
Other intangible assets		**11,294**	6,545
Investment in a jointly-controlled entity		**29,852**	–
Investments in associates		**2,361**	2,731
Deferred tax assets		**295**	–
Total non-current assets		**133,887**	119,259
CURRENT ASSETS			
Inventories		**32,315**	31,674
Trade and bills receivables	*10*	**34,343**	40,669
Prepaid land lease payments		**105**	177
Prepayments, deposits and other receivables		**11,876**	10,805
Cash and cash equivalents		**133,489**	203,010
		212,128	286,335
Assets of a disposal group classified as held for sale	*7*	**110,549**	–
Total current assets		**322,677**	286,335
CURRENT LIABILITIES			
Trade payables	*11*	**9,393**	10,592
Other payables and accruals		**44,282**	37,858
Interest-bearing bank borrowing		**30,000**	–
Taxes payable		**784**	1,050
		84,459	49,500
Liabilities directly associated with the assets classified as held for sale	*7*	**29,724**	–
Total current liabilities		**114,183**	49,500
NET CURRENT ASSETS		**208,494**	236,835
TOTAL ASSETS LESS CURRENT LIABILITIES		**342,381**	356,094

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2011

	Notes	2011 RMB'000	2010 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**342,381**	356,094
NON-CURRENT LIABILITIES			
Deferred income		**10,675**	11,785
Corporate bonds		**–**	19,801
Total non-current liabilities		**10,675**	31,586
Net assets		**331,706**	324,508
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**131,304**	131,304
Reserves		**147,967**	143,587
Proposed final dividend	*8*	**13,130**	13,130
		292,401	288,021
Non-controlling interests		**39,305**	36,487
Total equity		**331,706**	324,508

Notes:

1. CORPORATE INFORMATION

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

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

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain assets 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 Group for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

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

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

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

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The HKICPA has issued a number of new HKFRSs, which are generally effective for current accounting periods. The Group has adopted the following HKFRSs and HKASs issued up to 31 December 2011 which are pertinent to its operations and relevant to these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates For First-time Adopters*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*[1]
	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	Amendments to HKFRS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendment to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]
HKAS 32 Amendments	Amendment to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 January 2012*
[3] *Effective for annual periods beginning on or after 1 July 2012*
[4] *Effective for annual periods beginning on or after 1 January 2013*
[5] *Effective for annual periods beginning on or after 1 January 2014*
[6] *Effective for annual periods beginning on or after 1 January 2015*

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services.

Pursuant to the equity transfer agreement entered into on 12 November 2011 and the resolution made by the extraordinary general meeting of the Company's shareholders held on 15 February 2012, the Company will dispose of Beijing Baiao Pharmaceuticals Company Limited ("Baiao Pharmaceuticals"), a subsidiary of the Company, which is principally engaged in manufacturing, selling and distribution of pharmaceutical products. As Baiao Pharmaceuticals has been classified as a disposal group held for sale and its results have been presented as a discontinued operation *(note 7)*, for the current year the group has one reportable operating segment: the in-vitro diagnostic reagent products segment, which manufactures, sells and distributes a variety of mono/double diagnostic reagent products.

Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation of performance assessment. All of the Group's revenue from external customers and profits from continuing operations are generated from this single segment.

Information about major customers

No revenue from transactions with a single customer amounted to more than 10% of the Group's total revenue.

Geographical information

During the years ended 31 December 2010 and 2011, more than 90% of the Group's revenue was generated from customers located in Mainland China and all of the non-current assets of the Group were located in Mainland China.

4. PROFIT BEFORE TAX

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

	2011	2010
	RMB'000	*RMB'000*
		Restated
Cost of inventories sold	**77,596**	67,556
Employee benefit expense		
(including directors' and supervisors' remuneration):		
Wages, salaries and bonuses	**38,999**	37,680
Pension scheme contributions *(note i)*	**4,249**	3,363
Social welfare and other costs	**8,692**	8,188
	51,940	49,231
Research and development costs	**19,062**	14,491
Less: Government grants released	**(6,172)**	(10,184)
	12,890	4,307
Gain on disposal of items of property, plant and equipment, net	**(53)**	(9)
Minimum lease payments under operating leases in respect of land and buildings	**2,377**	608
Auditors' remuneration	**900**	900
Depreciation	**14,306**	13,796
Amortisation of prepaid land lease payments	**173**	173
Amortisation of other intangible assets	**1,209**	949
Foreign exchange differences, net	**2,132**	550

(i) Defined contribution pension scheme

All of the Group's full-time employees in Mainland China are covered by a government-regulated pension scheme and are entitled to an annual pension determined by their basic salaries upon their retirement. The PRC government is responsible for the pension liabilities to these retired employees. The Group is required to make annual contributions to the government-regulated pension scheme at 20% (2010: 20%) of the employees' basic salaries. This defined contribution pension scheme continued to be available to the Group's employees for the year. The related pension costs are expensed as incurred.

5. FINANCE COSTS

	2011	2010
	RMB'000	*RMB'000*
		Restated
Interest on bank loans wholly repayable within 5 years	**962**	31

6. INCOME TAX EXPENSE

The Company and all its subsidiaries that operate in Mainland China are subject to the statutory corporate income tax rate of 25% (2010: 25%) for the year under the income tax rules and regulations of the PRC, except that the Company and certain subsidiaries are subject to a preferential rate of 15% under the PRC Income Tax Law for a period of three years commencing 1 January 2011 or 1 January 2009 as they are assessed by relevant government authorities as High and New Technology Enterprises ("HNTE").

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries have not generated any assessable profits in Hong Kong during the year (2010: Nil).

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

	2011	2010
	RMB'000	*RMB'000*
		Restated
Group:		
Current – the PRC	**4,870**	5,159
Adjustments in respect of current tax of previous periods	**1**	180
Deferred	**(295)**	–
Total tax charge for the year	**4,576**	5,339

7. DISCONTINUED OPERATION

On 12 November 2011, the Company and Renhe (Group) Development Co., Ltd. ("Renhe Group") entered into an equity transfer agreement pursuant to which the Company agreed to sell, and Renhe Group agreed to purchase from the Company, 80% equity interest in Baiao Pharmaceuticals at a consideration of RMB78,470,560. Baiao Pharmaceuticals is principally engaged in manufacturing, selling and distribution of pharmaceutical products. The disposal has been approved by the extraordinary general meeting of the Company's shareholders held on 15 February 2012. Upon completion of the disposal, the Company will not hold any interest in Baiao Pharmaceuticals, and Baiao Pharmaceuticals h will cease to be a subsidiary of the Company. As at 31 December 2011, Baiao Pharmaceuticals was classified as a disposal group held for sale in the consolidated statement of financial position of the Group and the investment in Baiao Pharmaceuticals was classified as an asset held for sale in the statement of financial position of the Company.

8. DIVIDENDS

	2011	2010
	RMB'000	*RMB'000*
Proposed final dividend – RMB0.1 (2010: RMB0.1) per share	**13,130**	13,130

The proposed final dividend for the year (not recognised as liability as at 31 December 2011) is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB17,956,000 (2010: RMB27,647,000) and the weighted average number of ordinary shares of 131,303,670 (2010: 102,624,707) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2011 and 2010 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

10. TRADE AND BILLS RECEIVABLES

	2011	2010
	RMB'000	*RMB'000*
Trade receivables	**35,348**	40,987
Bills receivable	**–**	2,327
	35,348	43,314
Impairment *(note (a))*	**(1,005)**	(2,645)
	34,343	40,669

Except for certain established customers of the Group who have been granted with payment terms ranging from two to four years in respect of several instalment sales, the credit periods of the Group granted to its customers generally range from 60 to 180 days. The Group closely monitors overdue balances, and impairment is made when it is considered that the amounts due may not be recovered. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are interest-free.

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

	2011	2010
	RMB'000	*RMB'000*
Within 3 months	**31,600**	35,432
4 to 6 months	**1,543**	3,292
7 to 12 months	**435**	1,933
1 to 2 years	**765**	12
	34,343	40,669

Notes:

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

	2011	2010
	RMB'000	*RMB'000*
At 1 January	**2,645**	3,062
Impairment losses reversed	**–**	(417)
Provision included in a discontinued operation	**(1,640)**	–
At 31 December	**1,005**	2,645

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB671,000 (2010: RMB936,000) with a carrying amount before provision of RMB671,000 (2010: RMB936,000).

The individually impaired trade receivable as at 31 December 2011 relates to a customer that was in financial difficulties. The Group does not hold any collateral or other credit enhancements over such balance.

11. TRADE PAYABLES

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

	2011	2010
	RMB'000	*RMB'000*
Within 3 months	**7,250**	9,884
4 to 6 months	**242**	273
7 to 12 months	**534**	202
1 to 2 years	**1,330**	17
Over 2 years	**37**	216
	9,393	10,592

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

12. MOVEMENT OF RESERVES

During the year, the Group made transfers of RMB2,781,000 (2010: RMB3,535,000) from retained profits to statutory reserves. There was also a movement of reserves of 446,000 (2010: RMB139,000) due to changes in the Company's ownership interest in subsidiaries that do not result in a loss of control.

13. EVENTS AFTER THE REPORTING PERIOD

(a) Pursuant to the resolution of the extraordinary general meeting of the Company's shareholders held on 15 February 2012, the equity transfer agreement entered into between the Company and Renhe Group in relation to the disposal of 80% equity interest in Baiao Pharmaceuticals was approved.

(b) Pursuant to the resolution of the board of directors on 6 December 2011, an investment agreement was entered into among the Company, Cangzhou Enji and Tianjin Enji on 9 January 2012 to jointly establish a joint venture, namely Zhongsheng Enji, in Tianjin, the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment

The market size of in-vitro diagnostic reagents is closely correlated with cardinal national population, medical expenditure per capita, medical insurance standard, medical technology and service standards and other factors. In recent years, with the continuous increase in medical insurance spendings and medical spending expenditure per capita, the market demand for in-vitro diagnostic reagents increases continuously in the PRC. According to the latest market report of Clinical Diagnostics in China-2011) by McEvoy & Farmer, it states that as at February 2012, the population in PRC accounts for one-fifth of the world's population but the market share of in-vitro diagnostic reagent only represents 3% globally, and the annual consumption per capita on in-vitro diagnostic reagents products is only US$1.5 in the PRC, as compared with the US$25-30 annual consumption per capita in developed countries. It is expected that China will maintain a growth rate of 15%-20% in in-vitro diagnostic reagent market in the coming years. According to the analytical forecast from the institutions like Kalorama Information and McEvoy & Farmer, the market size of in-vitro diagnostic reagent in the PRC will exceed RMB13.3 billion by 2012, and double that in 2015 to RMB20.8 billion, the market development potential is enormous. The Group's bio-chemistry diagnostic reagents will still be able to maintain a higher market share with its advantages in low costing and fast response speed. Its future development direction will be focusing on the on-going improvement in product quality of existing diagnostic projects and continuous development in new diagnostic projects. With the systemized products becoming more and more popular, it is expected that the bio-chemistry diagnostic reagents market in the PRC will show a high speed growth out-performing the industry average growth rates in coming years.

Business Review

Revenue

During 2011, as affected by industry competitors, the growth in operating revenue was unable to reach its expected target, which was mainly due to the substantial decrease in revenue of pharmaceutical products. The Group actively adjusted its corresponding strategies to enable other business segments of the Group to maintain their stable performance.

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

Revenue from in-vitro diagnostic reagent business increased by 9.5% to RMB184 million, a slight increase when compared with last year. In addition, Beijing Zhongsheng Jinyu Diagnostic Technology Co., Ltd.*（北京中生金域診斷技術有限公司）, a subsidiary of the Group, recorded an increase in revenue of 15%.

Research and Development Cost

During the reporting period, the systemic assessment on rapid diagnostic project for deafness genes was completed. The relevant approval application for the cooperation project with Abbott was also completed and applications for registration for one invention patent and two trademarks were made. Biosino-AgiAccu Bio-Technology Co., Ltd.* (北京中生朗捷生物技術有限公司), a subsidiary, was the first company to obtain the product registration for drug-taking detection by saliva in PRC and probably around the world. Total research and development expenses for the year amounted to RMB19.06 million, representing an increase of 31.5% as compared to that of last year.

Profit Attributable to Owners of the Parent

During the reporting period, the profit attributable to owners of the parent was RMB17.96 million, representing a decrease of 35% from that of last year.

Production Facilities

The Group commenced the construction of "No.2 Plant Complex of Biosino Bio-Technology and Science Incorporation" project in 2010 with the approval of relevant government authorities. The project covers a total area of 24,783 square meters with a gross floor area of 5,000 square meters (with five storeys above the ground), which will house the production facilities for diagnostic reagents, comprising warehouse, workshops, laboratories and offices. The project is basically completed, and currently under internal layout decoration and will commence operation soon.

Prospects and Future Outlook

With China's economy continues to develop and the establishment of universal medical insurance system, the increase in government spending on medical industry and the escalating demand in healthcare by people will promote the pharmaceutical industry into a new development period in the long run. Up to this year, the operating atmosphere and market sentiment of the industry was further improved, coupled with the substantive benefits in the pharmaceutical sector from the launching and implementation of new medical reform policies, the pharmaceutical industry will still be one of the fast growing industries in the PRC.

The Board is confident in turning the Group into a leading enterprise engaging in the health enhancing protein business with enforceable intellectual property rights and international competitive edges, and sincerely hopes that the Group can achieve an excellent business performance and maximize the returns for all shareholders.

With more and more market participants, market competition for the in-vitro diagnostic reagent sector is becoming more and more intense. Enterprises are also facing on-going challenges in product quality enhancement and product mix optimization. Under such environment, the Company introduced incentive measures to continue intensifying its marketing efforts, accelerate the progress in research and development, and strive to adapt new market changes. In 2012, the Group established its yearly working target of corporate culture in "**Learning to Become an Innovative Enterprise**" to continue promoting and deepening enterprise performance culture, and increase the momentum in marketing efforts. Through solidifying its business foundation and adjusting its operation directives, the Group is striving to forge ahead under adverse conditions to allow the Company to achieve new progresses in terms of production, operation and culture construction.

Capital Structure

As at 31 December 2011, the issued capital and capital reserves of the Company has no significant change as compared to that of last year.

Liquidity and Financial Position

Cashflow and Financial Position

	2011	2010
	RMB million	*RMB million*
Cash	**133**	203
Short-term loans	**30**	–
Long-term loans	**–**	–
Net cash	**103**	203
Net debt equity ratio	**0.1**	N/A

The Group generally financed its operations with internally generated cash flows, capital contributions from shareholders and bank borrowings. Cash balance decreased by approximately RMB70 million, which was mainly due to the deconsolidation of Baiao Pharmaceuticals and investment in Suzhou Otian Medical Limited*（蘇州奧潤醫療科技有限公司）("Suzhou Otian") in the year.

Foreign Currency Risk

The Group's businesses are located in the PRC and all transactions are conducted in RMB, except that the Group occasionally purchases equipment and some in-vitro diagnostic reagent products from overseas countries for resale in the PRC. Certain bank accounts denominated in Hong Kong dollars are placed in Hong Kong for payments of H share dividends and miscellaneous expenses such as professional fees incurred in Hong Kong.

Pledge of Assets of the Group

As at 31 December 2011, the Group's buildings and land use right with the carrying amounts of RMB24,118,000 and RMB3,216,000 respectively were pledged to an independent third party in respect of the debt financing for Baiao Pharmaceuticals.

CONTINGENT LIABILITIES

As at 31 December 2011, the Group did not have any significant contingent liabilities.

EMPLOYEES

As at 31 December 2011, the Group had a total of 718 full-time employees (2010: 705 employees) based in Hong Kong and China. The total staff costs of the Group (including the directors' remunerations) for the year ended 31 December 2011 amounted to approximately RMB51.94 million (2010: RMB49.23 million). The Group fixes and reviews the emoluments of its staff and Directors based on their qualification, experience, performance and market rates, so as to maintain the remuneration of its staff and Directors at a competitive level. The Group participates in various defined contribution retirement plans and insurance schemes in compliance with its statutory obligations under the law and regulations of China and Hong Kong. The Directors believe that employees are one of the most valuable assets of the Group which contributed significantly to the success of the Group. The Group recognises the importance of staff training and hence provides regular training for the Group's staff members to enhance their technical and product knowledge. Other than the company secretary and the qualified accountant, the employees of the Group are all stationed in China.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES

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

OTHER INFORMATION

Directors' and supervisors' interests in shares and underlying shares

As at 31 December 2011, the interests of the Directors or supervisors of the Company (the "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)*	3,500,878	5.22%	2.67%
Mr. Hou Quanmin *(note)*	300,000	0.45%	0.23%
Dr. Wang Lin *(note)*	200,000	0.30%	0.15%

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

Save as disclosed above, as at 31 December 2011, 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

As at 31 December 2011, as far as is known to any Directors and Supervisors, other than the interest of the Directors or Supervisors as disclosed under the section headed "Directors' and supervisors' interests in shares and underlying shares" above, the following persons had interests in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise nonified to the Company and the Stock Exchange:

Long positions in shares of the Company

Name	Capacity and nature of interest	Number of the Company's shares held		Percentage of the Company's respective type of shares		Percentage of the Company's total registered capital
		domestic Shares	H Shares	Domestic Shares	H Shares	
IBP	Directly beneficially owned	31,308,576	–	46.72%	0.00%	23.84%
Shanghai Fosun Pingyao Investment Management Company Limited#	Directly beneficially owned	24,506,143	–	36.57%	0.00%	18.66%
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Shanghai Fosun High Technology (Group) Co., Ltd.#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Limited#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun Holdings Limited#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun International Holdings Ltd.#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Guo Guangchang#	Through controlled corporations	24,506,143	6,780,000	36.57%	10.55%	23.83%
Fosun Industrial Co., Limited#	Directly beneficially owned	–	6,780,000	0.00%	10.55%	5.16%
Beijing Enterprises Holdings Limited^	Directly beneficially owned	–	27,256,143	0.00%	42.40%	20.76%
Beijing Enterprises Group Company Limited	Through controlled corporations	–	27,256,143	0.00%	42.40%	20.76%

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

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

Save as disclosed above, as far as is known to any Directors or Supervisors, as at 31 December 2011, no person, other than the Directors or Supervisors, whose interests are set out in the section "directors' and supervisors' interests in shares and underlying shares" above, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registrar required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE

The Company 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 2011 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' INTERESTS IN A COMPETING BUSINESS

None of the Directors, the Supervisors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has an interest in any business that competes or may compete, either directly or indirectly, with the business of the Group, nor any conflicts of interest which has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for the year ended 31 December 2011.

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. John Wong Yik Chung. The Group's audited results for the year ended 31 December 2011 have been reviewed by the audit committee of the Company.

MATERIAL ACQUISITIONS AND DISPOSAL

On 13 May 2011, the Company, Shanghai Shenjia Medical Co., Ltd.（上海申家醫療器械有限公司）("Shanghai Shenjia"), Jean-Edouard Robert, Philippe Daire and Suzhou Otian entered into a capital increase agreement, pursuant to which the Company agreed to make a capital contribution in the amount of RMB30 million in cash to the registered capital of Suzhou Otian while Shanghai Shenjia, Jean-Edouard Robert and Philippe Daire agreed to make capital contribution to the registered capital of Suzhou Otian by way of injection of certain intangible assets in the amount of RMB51.71 million. Upon completion of the aforesaid capital contributions, Suzhou Otian has a registered capital of RMB85.71 million which is owned by the Company, Shanghai Shenjia, Jean-Edouard Robert and Philippe Daire as to 35%, 21.8%, 21.6% and 21.6%, respectively. Suzhou Otian is classified as a jointly controlled entity of the Company in the Group's financial statements.

On 12 November 2011, the Company and Renhe (Group) Development Co., Ltd.（仁和（集團）發展有限公司）("Renhe Group") entered into an equity transfer agreement pursuant to which the Company agreed to sell, and Renhe Group agreed to purchase from the Company, 80% equity interest in Baiao Pharmaceuticals at a consideration of RMB78,470,560. Baiao Pharmaceuticals is principally engaged in manufacturing, selling and distribution of pharmaceutical products. The disposal has been approved by the shareholders of the Company at the extraordinary general meeting held on 15 February 2012. Upon completion of the disposal, the Company will not hold any interest in Baiao Pharmaceuticals, and Baiao Pharmaceuticals will cease to be a subsidiary of the Company. As at 31 December 2011, Baiao Pharmaceuticals was classified as a disposal group held for sale in the consolidated statement of financial position of the Group and the investment in Baiao Pharmaceuticals was classified as a non-current asset held for sale in the statement of financial position of the Company.

EVENTS AFTER REPORTING PERIOD

On 9 January 2012, the Company, Cangzhou Enji Bioproduct Co., Ltd.（滄州恩際生物製品有限公司）("Cangzhou Enji") and Guoen (Tianjin) Technology Development Company Limited（國恩（天津）科技發展有限公司）("Tianjin Enji") entered into an investment agreement (the "Investment Agreement"), pursuant to which the parties agreed to jointly establish Zhongsheng Enji (Tianjin) Medical Food Company Limited（中生思際（天津）醫用食品有限公司）("Zhongsheng Enji") in Tianjin, the PRC. Zhongsheng Enji will be principally engaged in research and development, production and sale of medical, healthcare, organic and clinical food products. Pursuant to the Investment Agreement, the Company, Cangzhou Enji and Tianjin Enji agreed to contribute RMB24 million, RMB20 million and RMB6 million respectively to the registered capital of Zhongsheng Enji. Upon establishment of Zhongsheng Enji, it will have a registered capital of RMB50 million which is owned by the Company, Cangzhou Enji and Tianjin Enji as to 48%, 40% and 12% respectively.

(II) CLOSURE OF REGISTER OF MEMBERS

Annual General Meeting

The registers of members of the Company will be closed from 2 May 2012 to 22 May 2012 (both days inclusive) in order to determine the entitlement to attend the annual general meeting (the "AGM"). All properly completed H Shares transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 30 April 2012, for registration.

Entitlement to Final Dividend

The Board has recommended the payment of a final dividend of RMB0.1 per share in respect of the year ended 31 December 2011. Subject to the approval of shareholders at the forthcoming AGM, the dividend cum-date and ex-date will be 24 May 2012 and 25 May 2012 respectively. The register of members of the Company will be closed from 29 May 2012 to 31 May 2012 (both days inclusive) in order to determine the entitlement to final dividend. All properly completed H shares transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 28 May 2012, for registration. The final dividend will be payable on or about 20 July 2012.

(III) WITHHOLDING AND PAYMENT OF INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS AND NON-RESIDENT INDIVIDUAL SHAREHOLDERS IN RESPECT OF THE PROPOSED 2011 FINAL DIVIDEND

Non-resident Corporate Shareholders

Pursuant to the Law on Corporate Income Tax of the PRC and the relevant implementing regulations, which came into force on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident corporate shareholders whose names appear on the H Share register of members on 31 May 2012. The Company will distribute the final dividend to such non-resident corporate shareholders after withholding a 10% income tax. In order to determine the list of holders of H Shares who are entitled to receive the final dividend, the H Share register of members of the Company will be closed from 29 May 2012 to 31 May 2012, both days inclusive, during which period no transfer of the Company's H Shares will be effected. In order for holders of H Shares to be qualified for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 28 May 2012, for registration.

Non-resident Individual Shareholders

Pursuant to the regulation promulgated by the State General Administration of Taxation of the PRC (Guo Shui Han [2011] No.348), the Company is required to withhold and pay the non-resident individual income tax for the non-resident individual H shareholders and the non-resident individual H shareholders are entitled to certain tax preferential treatments according to the double tax treaties between those countries where the non-resident individual H shareholders are residents and China and the provisions in respect of double tax treaties between the China and Hong Kong or Macau. The Company would withhold and pay the individual income tax at the tax rates of 10% on behalf of the non-resident individual H shareholders who are Hong Kong residents, Macau residents or residents of those countries having double tax treaties with China for personal income tax rates in respect of dividend of 10%. For non-resident individual H shareholders who are residents of those countries having agreements with China for personal income tax rates in respect of dividend of lower than 10%, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124)(《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)). For non-resident individual H shareholders who are residents of those countries having double tax treaties with China for personal income tax rates in respect of dividend of higher than 10% but lower than 20%, the Company would withhold the individual income tax at the agreed-upon effective tax rate. For non-resident individual H shareholders who are residents of those countries without any double tax treaties with China or having double tax treaties with China for personal income tax in respect of dividend of 20% and other situations, the Company would withhold the individual income tax at a tax rate of 20%.

In order to determine the list of holders of H shares of the Company who are entitled to receive the final dividend, the H share register of members of the Company will be closed from 29 May 2012 to 31 May 2012, both days inclusive, during which period no transfer of the Company's H shares will be effected.

The Company will determine the country of domicile of the individual H shareholders based on the registered address as recorded in the register of members of the Company (the "Registered Address") on 31 May 2012 and will withhold and pay the individual income tax based on the register of members of the Company as at 31 May 2012. If the country of domicile of the individual H shareholder is not the same as the Registered Address, the individual H shareholder shall notify the Company's H share registrar and provide relevant supporting documents Company's H share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 28 May 2012, for registration. If the individual H shareholders do not provide the relevant supporting documents to the share registrar of the Company's H shares within the time period stated above, the Company will determine the country of domicile of the individual H shareholders based on the recorded Registered Address on 31 May 2012.

The Company will strictly comply with the relevant PRC tax laws and regulations to withhold for payment such appropriate income tax and the final dividend will only be payable to the shareholders whose names appear on the Company's H share register of members on 31 May 2012.

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

(IV) ESTABLISHMENT OF NOMINATION COMMITTEE

The Board further announces that a nomination committee (the "Nomination Committee") has been established by the Board with written terms of reference with effect from 20 March 2012.

The members of the Nomination Committee shall comprise such Directors as appointed by the Board. The Board has appointed Mr. Wu Lebin, the Chairman and an executive Director, and three independent non-executive Directors, Dr. Rao Yi, Dr. Hu Canwu Kevin and Mr. John Wong Yik Chung, as members of the Nomination Committee, of which Dr. Hu Canwu Kevin shall act as the chairman of the Nomination Committee.

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

Beijing, the PRC, 20 March 2012

* *For identification purposes only*

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

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

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

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

Non-executive Directors
Mr. Yao Fang（姚方先生）, Mr. Zuo Zhihui（左志輝先生）and Mr. Wang Fu Gen（王福根先生）

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

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