SECURITIES & EXCHANGE COMMISSION EDGAR FILING

VASO Corp

Form: 8-K/A

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: September 4, 2011
(Date of earliest event reported)

VASOMEDICAL, INC.

(Exact name of registrant as specified in charter)

Delaware	0-18105	11-2871434
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

180 Linden Avenue, Westbury, New York	11590
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (516) 997-4600

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement to communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

This Current Report on Form 8-K/A amends the Current Report on Form 8-K of Vasomedical, Inc. (the "Company") filed with the Securities and Exchange Commission on September 12, 2011 (the "Original Report") related to the completion of the Company's purchase of all the outstanding capital stock of privately held Fast Growth Enterprises Limited ("FGE"), a British Virgin Islands company that owns Life Enhancement Technology Limited and Biox Instruments Co. Ltd., pursuant to a Stock Purchase Agreement dated as of August 19, 2011. In response to parts (a) and (b) of Item 9.01of the Original Report, the Company stated that it would file the required financial statements of businesses acquired and pro forma financial information by amendment, as permitted by Items 9.01(a)(4) and (b)(2) of Form 8-K. This Form 8-K/A amends the Original Report to include the financial statements of businesses acquired and the pro forma financial information required by Items 9.01 (a)(1) and (b)(1) of Form 8-K.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired. The audited financial statements for the year ended December 31, 2010 and the unaudited financial statements for the six months ended June 30, 2011 of each of the businesses acquired are attached hereto as Exhibit 99.1 and incorporated herein by reference.

(b) Pro Forma Financial Information. The unaudited pro forma combined balance sheet as of August 31, 2011 and unaudited pro forma combined statements of operations for the three months ended August 31, 2011 and the twelve months ended May 31, 2011, in each case giving effect to the acquisition of FGE, is attached hereto as Exhibit 99.2 and incorporated herein by reference.

(d) Exhibits

Exhibit Number	Exhibit Title
99.1	Audited Financial Statements listed in Item 9.01(a).
99.2	Unaudited Pro Forma Financial Information listed in Item 9.01(b).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VASOMEDICAL, INC.

By: /s/ Jun Ma
Jun Ma
President and Chief Executive Officer

Date: November 11, 2011

WUXI TAIHU CERTIFIED PUBLIC ACCOUNTANTS CO.,LTD
No.155 Fuxing Road
Wuxi China,P.R
Tel:(0510)80211885 (0510)82491512
Fax:(0510)82491512 214001

Audit Report

BIOX INSTRUMENTS CO.,LTD

We have audited the accompanying consolidated balance sheet of BIOX INSTRUMENTS CO., LTD, (the "Company") at December 31, 2009 and 2010.

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises. This responsibility includes: (i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (ii) selecting and applying appropriate accounting policies; and (iii) making accounting estimates that are reasonable in the circumstances. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards of China. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

1 Basic summary of the Company

Registered Capital: RMB Five Hundred Thousand yuan
Paid-In Capital: RMB Five Hundred Thousand yuan
The company was invested by the natural persons of Shen Qiuming, Wu Qun and Zhang Zemin. Shen Qiuming invested RMB 200 thousand,40% of the registered capital; Wu Qun invested RMB 200 thousand,40% of the registered capital; Zhang Zemin invested RMB 100 thousand,20% of the registered capital.
Date of Establishment: May 24,1996
Registration No.: 320211000072852
Residence: Room A of the fourth floor No. 45-1,Liangxi Road, Wuxi
Legal Representative: Shen Qiuming

Scope of Business:

- Licensed operation items:
  - Medical equipment production
  - Class II 6821 medical electronic instrumentation
  - Medical equipment sales in accordance with the items listed in medical equipment operating enterprise's permit
- General operation items:
  - Development and technical advisory services of instruments, automated control equipment, office automation equipment and computer hardware/software
  - Sales of self-produced products
  - Sales and service of computers and accessories, office automation equipment, and electrical parts and components
  - Production, sales, and service of instruments, automation and automatic control equipment
  - Service of medical equipment
  - Import and export of self-produced and represented products and technology, except products and technology restricted or prohibited by the laws.

2. Opinion.

Unit RMB

Project	Jan.1,2009	Dec.31,2009	Dec.31,2010
Total Assets	1,784,775.98	3,510,315.85	3,768,612.25
Total Liabilities	102,102.69	1,208,299.65	1,752,571.25
Total Owner's Equity	1,682,673.29	2,302,016.20	2,016,041.00

3. Others

(i) The beginning balance of consolidated balance sheet of 2009 was not audited.

(ii) Confirmation of the company's tax related items by the relevant tax authority shall be final.

(iii) The consolidated balance sheet of the company included assets out of accounts.

(iv) The consequences caused by the client or other third party's improper use of this report is independent of the auditors and accounting firm.

Attachment:

1. Financial Statements of the Year 2010 of BIOX INSTRUMENTS CO., LTD,

Wuxi Taihu Certified Public ACCOUNTANTS CO.,LTD

No.155 Fuxing Road,Wuxi China,P.R.

Jan.30,2011

BALANCE SHEET

12/31/2010
As Of Dec.31,2010 (FORM AFI-01)

MONETARY UNIT:RMB

ASSETS	Dec. 31, 2009	Dec. 31, 2010
CURRENT ASSETS:		
Cash	2,415,537.71	1,287,377.63
Short-term investments		
Notes receivable		
Dividends receivable		
Interest receivable		
Accounts receivable	299,254.04	515,835.45
Other receivables	77,806.26	515,945.21
Advanced to suppliers	75,620.65	117,769.90
cover cost		
Subsidy receivable		
tax refunds on export receivables		
Inventories	530,606.78	1,202,502.49
inventory of raw materials on hand		
merchandise inventory		
Prepaid expenses		
Long-term debt investment within one year		
Other current assets		
TOTAL CURRENT ASSETS	3,398,825.44	3,639,430.68
LONG-TERM INVESTMENTS		
Long-term equity investments		
Long-term debt investments		
Equity investment difference		
TOTAL LONG-TERM INVESTMENTS	-	-
FIXED ASSETS:		
Fixed assets original cost	322,603.64	390,301.31
Less:Accumulated depreciation	211,113.23	261,119.74
Fixed assets--net value	111,490.41	129,181.57
Less:Fixed assets impairment provision	-	-
Fixed assets--net book value	111,490.41	129,181.57
Construction supplies		
Construction in process		
Fixed assets pending disposal		
TOTAL FIXED ASSETS	111,490.41	129,181.57
INTANGIBLE ASSETS AND OTHERS		
Intangible assets		
Long-term prepaid assets		
Other long-term assets		
Including:Exchange loss to be written off		
TOTAL INTANGIBLE &. OTHER ASSETS	-	-
Deferred taxes		
Deferred tax debits		
TOTAL ASSETS	3,510,315.85	3,768,612.25

BALANCE SHEET

12/31/2010

As Of Dec.31,2010

(FORM AFI-01)

MONETARY UNIT:RMB

LIABILITIES AND OWNERS' EQUITY		
CURRENT LIABILITIES		
Short-term loans		
Notes payable		
Accounts payable	280.00	5,614.00
Accounts advanced from customers	907,425.00	1,202,340.00
Accrued payroll		
Welfare benefits payable		
Including :Staff and worker's bonus and welfare		
Dividends payable		
interest payable		
Taxes payable	215,889.06	480,597.91
Other levies payable	8,647.08	19,342.92
Other payables	76,058.51	44,676.42
Accrued expenses		
Provisions for foreseeable liabilities		
Deferred revenue		
Long-term liabilities maturing within one year		
Other current liabilities		
TOTAL CURRENT LIABILITIES	1,208,299.65	1,752,571.25
LONG-TERM LIABILITIES		
Long-term loans		
Debentures payable		
Payables due after one year		
Government grants payables		
Other long -term payables		
Including:Exchange loss to be charged		
TOTAL LONG-TERM LIABILITIES	-	-
Deferred taxes		
Deferred taxes credits		
TOTAL LIABILITIES	1,208,299.65	1,752,571.25
Minority interest		
OWNERS' EQUITY		
Registered capital	500,000.00	500,000.00
	500,000.00	500,000.00
Less:Returned investment		
Registered capital--net book value	500,000.00	500,000.00
Capital surplus		
Surplus reserve	-	-
Including:statutory accumulation reserve		
statutory welfare reserve		
discretionary accumulation		
Reserved funds		
Enterprise expension funds		
Profits capitalised on return of investments		
Uncertained investment loss		
Undistributed profits	1,802,016.20	1,516,041.00
currency exchange difference		
TOTAL OWNERS' EQUITY	2,302,016.20	2,016,041.00
TOTAL LIABILITIES &.OWNERS' EQUITY	3,510,315.85	3,768,612.25

BIOX INSTRUMENTS CO., LTD.

INCOME AND PROFIT APPROPRIATION STATEMENT

2010

For the period ended 2010

FORM AFI-02

MONETARY UNIT:RMB

	December 31, 2009	December 31, 2010
SALES OF MAIN OPERATIONS	5,700,611.97	6,761,956.32
Includes: Export sales		
Less:cost of main operations	1,397,682.97	1,819,628.41
Includes: Cost of export sales		
Sales tax and additions	87,456.48	97,343.52
GROSS PROFIT	4,215,472.52	4,844,984.39
Add: Income from other operations		
Less: Selling expenses	1,443,331.68	2,179,447.37
General and administrative expenses	1,268,384.73	1,361,050.44
Entertainment expenses		
Research and development expenses		
Financial expenses	3,593.22	-25,718.83
Interest expense		
Interest income		
Exchange loss(less exchange gain)		
OPERATING INCOME	1,500,162.89	1,330,205.41
Investment income(loss expressed with)		
Futures income(loss expressed with)		
Subsidiary revenue		
Non-operating income	368,810.54	440,486.35
Less:Non-operating expenses	33,777.88	59,769.10
Donations Contributed		
INCOME BEFORE TAX (LOSS EXPRESSED WITH "-")	1,835,195.55	1,710,922.66
Less: Income tax	74,988.33	85,302.06
Minority interest		
Uncertained investment loss		
NET INCOME (LOSS EXPRESSED WITH "-")	1,760,207.22	1,625,620.60
SUPPLEMENT INFORMATION		
1 Profits from sale, disposal of a business		
2 Loss due to natural disaster		
3.Increase/(decrease) in total profit/(loss)		
4.Increase/(decrease) in total profit/(loss)		
5.Losses from debt restructuring		
6.Other		

BIOX INSTRUMENTS CO., LTD.

INCOME AND PROFIT APPROPRIATION STATEMENT

2010
For the period ended 2010

FORM AFI-02

MONETARY UNIT:RMB

NET INCOME (LOSS EXPRESSED WITH "-")	1,760,207.22	1,625,620.60
Add:Undistributed profits at beginning of year	1,182,673.29	1,802,016.20
Other turned in	-30,864.31	353,674.78
PROFIT AVAILABLE FOR DISTRIBUTION	2,912,016.20	3,781,311.58
Less: Statutory accumulation reserve		
Statutory accumulation reserve		
Staff and workers' bonus and welfare		
Reserve fund		
Enterprise expansion fund		
Profits capitalized on return of investment		
PROFIT AVAILABLE FOR DISTRIBUTION TO INVESTORS	2,912,016.20	3,781,311.58
Preferred dividends payable		
Discretionary accumulation reserve		
Common dividends payable	1,110,000.00	2,265,270.58
Chinese dividends payable	1,110,000.00	2,265,270.58
Foreign dividends payable		
Common dividends turn to capital		
Chinese dividends turn capital		
Foreign dividends turn capital		
UNDISTRIBUTED PROFIT	1,802,016.20	1,516,041.00

BIOX INSTRUMENTS CO., LTD.

CASH FLOW STATEMENT

2010
For the period ended 2010

03
From AFJ-03

MONETARY UNIT:RMB

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from sale of goods or rendering of services	7,820,458.73
Refund of tax and levies	312,713.86
Other cash received relating to operating activities	59,525.40
Sub-total of cash inflows	8,192,697.99
Cash paid for goods and services	2,006,812.28
Cash paid to and on behalf of employees	1,894,952.60
Payments of all types of taxes	883,215.35
Other cash paid relating to operating activites	2,182,786.59
Sub-total of cash outflows	6,967,766.82
Net cash flows from operating activities	1,224,931.17
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash received from disposal of investments	
Cash received from returns on investments	
Net cash received from disposal of fixed assets ,intangible assets and other long-term assets	
Other cash received relating to investing activities	
Sub-total of cash inflows	-
Cash paid to acquire fixed assets,intangible assets and other long-term assets	67,697.67
Cash paid to acquire investments	
Other cash payments relating to investing activities	
Sub-total of cash outflows	67,697.67
Net cash flows from investing activities	-67,697.67
CASH FLOWS FROM FINANCING ACTIVITIES:	
Cash received from capital contribution	
Cash reveived from borrowings	
Other cash received relating to financing activities	
Sub-total of cash inflows	-
Cash repayments of amounts borrowed	
Cash payments for interest expenses, distribution of dividends or profit	2,265,270.58
Other cash payments relating to financing activities	
Sub-total of cash outflows	2,265,270.58
Net cash flows from financing activities	-2,265,270.58
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	-20,123.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-1,128,160.08

CASH FLOW STATEMENT

2010

For the period ended 2010

03
From AFJ-03

MONETARY UNIT:RMB

Reconciliation of net profit /(loss) to cash flows from operating activities	
Net profit	1,619,930.20
Add: Provision for asset impairment	
Depreciation of fixed assets	50,006.51
Amortization of intangible assets	
Amortization of long-term prepaid expenses	
Decrease in prepaid expenses (deduct:increase)	-
Increase in accrued expenses (deduct:decrease)	
Losses on disposal of fixed assets, intangible assets and other long-term assets (deduct:gain)	
Losses on disposal of fixed assets	
Financial expenses	
Losses arising from investments (deduct:gains)	
Deferred tax credit(deduct:debit)	
Decrease in inventories(deduct:increase)	-671,895.71
Decrease in operating receivable(deduct:increase)	-422,970.76
Increase in operating payables(deduct:decrease)	373,152.28
Others	276,708.65
Net cash flows from operating activities	1,224,931.17
Investing and financing activities that do not involve cash receipts and payments	
Conversion of debt into capital	
Reclassification of convertible bonds expiring within one year as current liability	
Fixed assets acquired under finance leases	
Others	
Net increase /(decrease)in cash and cash equivalents	
Cash at end of year	1,287,377.63
Less: cash at beginning of year	2,415,537.71
Plus: Cash equivalents at end of year	
Less: Cash equivalents at beginning of year	
Net increase/(decrease)in cash and cash equivalents	-1,128,160.08

PEACE JOY MANAGEMENT LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

PEACE JOY MANAGEMENT LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

CONTENTS

DIRECTOR'S REPORT

The director has pleasure in presenting his report with the audited financial statements of the Company and its subsidiary (collectively the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITY

The Group continues to engage in the manufacturing of medical devices.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 5 to the financial statements. The director does not recommend the payment of any dividend.

FIXED ASSETS

Details of movements in the plant and equipment during the year are shown in note 12 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 17 to the financial statements.

DIRECTOR

The sole director of the Company during the year and up to the date of this report was:

LI Xichang

The sole director should continue in office.

The Company did not enter into any agreement, other than the contracts of service with the director, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

DIRECTOR'S REPORT

DIRECTOR'S SHARE AND DEBENTURE OPTIONS

At no time during the year was the Company or its subsidiary a party to any arrangements to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTOR'S INTERESTS IN CONTRACTS

Other than as disclosed in note 20 to the financial statements concerning related party transactions, there has been no contract of significance to which the Company or its subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, at the end of the year or at any time during the year.

AUDITOR

The financial statements have been audited by G Tong & Co., Certified Public Accountants.

On behalf of the Board

/s/ Li Xichang

SOLE DIRECTOR
9 March 2011

G TONG & CO.

Certified Public Accountants
Management Consultants

Unit 1411 14/F. LippoSun Plaza.
2B Cantor Road. Tsim Sha Tsui,
Kowloon, Hong Kong
Ter : (852) 2420 4006
Fax : (852) 2892 1856
E-mail : holistic@gtongcpa.com.hk

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PEACE JOY MANAGEMENT LIMITED

(Incorporated in the British Virgin Islands with limited liability)

We have audited the consolidated financial statements of PEACE JOY MANAGEMENT LIMITED (the "Company") and its subsidiary (together the "Group") set out on pages 5 to 21, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the financial statements

The director of the Company is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the director determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error,

Auditor's responsibility

Our responsibility is to express ati opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in the coming general meeting of the Company, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

G TONG & CO.

Certified Public Accountants
Managefnent Consultants

Unit 1411,14/F, Lippo Sun Plaza
28 Canton Road. Tsim Sha Tsui.
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PEACE JOY MANAGEMENT LIMITED
(Incorporated in the British Virgin Islands with limited liability)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities.

/s/
G TONG & CO.
Certified Public Accountant
Hong Kong, 9 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	2010 US$	2009 US$
Revenue	4	572,S36	925,380
Cost of sales		(299,068)	(424,660)
Gross profit		273,768	500,720
Other income	5	180	168
Distribution costs		(10,135)	(22.653)
Administrative expenses		(98,499)	(89.246)
Other expenses		(35,992)	(32,987)
Finance costs	6	(12,479)	(22,849)
Profit before tax	7	116,843	333,153
Income tax expense	8	.	.
PROFIT FOR THE YEAR		116,843	333,153
Other comprehensive income		.	.
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		116,843	333,153
Profit for the year and total comprehensive income attributable to owners of the Group		116,843	333,153

The accompanying notes form an integral part of these financial statements.

PEACE JOY MANAGEMENT LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	NOTES	2010 US$	2009 US$
ASSETS			
Current Assets			
Trade receivables		192,649	213,306
Other receivables and deposits		31,870	6,873
Amounts due from related companies	10	60,885	1,933
Inventories	11	261,992	247.930
Bank balances and cash		130,403	70,661
Non-Current Assets			
Plant and equipment	12	9,832	12,385
Total Assets		687,631	553,088
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables		230,539	104,338
Other payables and accrued charges		30,912	32,629
Amount due to a related company	14	-	74,208
Amount due to director	15	146,965	146,954
Loans	16	315,683	348,270
		724,099	706,399
Equity			
Share capital	17	3,000	3,000
Reserves	18	(39,468)	(156,311)
		(36,468)	(153,311)
Total Liabilities and Equity		687,631	553,088

The financial statements on pages 5 to 21 were approved by the Board of Director on 9 March 2011 and are signed on its behalf by:

/s/ Li Xichang
SOLE DIRECTOR

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	NOTES	2010 US$	2009 US$
ASSETS			
Current Assets			
Trade receivables		192,649	200.529
Other receivables and deposits		23,002	
Amount due from a related company	10	53,300	1,933
Bank balances and cash		817	4.243
		269,768	206,705
Non-Current Assets			
Interests in subsidiary	13	133,000	133,000
Total Assets		402,768	339,705
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables		175,000	65,698
Other payables and accrued charges		5,128	13,145
Amount due to a related company	14	-	74,208
Amount due to director	15	147,000	147,000
		327,128	300,051
Equity	17	3.000	3,000
Share capital	18	72,640	36.654
Reserves		75,640	39,654
Total Liabilities and Equity		402,768	339,705

The financial statements on pages 5 to 21 were approved by the Board of Director on 9 March 2011 and are signed on its behalf by:

/s/ Li Xichang
SOLE DIRECTOR

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Share capital US$	Accumulated losses US$	Total US$
At 31 December 2009	3,000	(156,311)	(153,311)
Profit for the year	-	116,843	116.843
At 31 December 2010	3,000	(39,468)	(36,468)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 US$	2009 US$
Cash inflows from operating activities		
Profit before taxation	116,843	333,153
Depreciation	5,003	12,477
Interest income	(180)	(168)
Operating profit before working capital changes	121,666	345,462
Decrease (increase) in trade receivables	20,657	(175,597)
(Increase) decrease In other receivables and deposits	(24,997)	237,617
(Decrease) increase in amounts due from related companies	(58,952)	69,494
(Increase) decrease in inventories	(14,062)	81J14
Increase (decrease) in trade payables	126,201	(162,142)
Increase (decrease) in other payables and accrued charges	(1,717)	(211,712)
Decrease in amount due to a related company	(74,208)	(25,524)
Increase in amount due to director	11	66
Net cash generated from operating activities	94,599	158,778
Cash flows from investing activities		
Purchase of equipment	(2,450)	(700)
Net cash used in investing activities	(2,450)	(700)
Cash flows from financing activities		
Interest received	180	168
Repayment of loan principal	(122,646)	(161,150)
New loan principal raised	75,850	-
Increase in loans interest accrual	14,209	22,849
Net cash used in financing activities	(32,407)	(138,133)
Increase in cash and cash equivalents	59,742	19,945
Cash and cash equivalents at beginning of the year	70,661	50,716
Cash and cash equivalents at end of the year		
Represented by bank balances and cash	130,403	70,661

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. GENERAL

The Company is a private limited company incorporated in the British Virgin Islands. Its registered office is locatcd at Akara Building, 24 De Castro Street, Wickhanis Cay I, Road Town, Tortola, British Virgin Islands

The Group continues to engage in the manufacturing of medical devices.

The consolidated financial statements are presented in United States Dollars ("US$"), the functional currency of the Group.

2. ADOPTION OF NEW HONG KONG FINANCIAL REPORTING STANDARD FOR PRIVATE ENTITIES

In the current year, the Group has taken the option to apply, for the first time, a number of the new Hong Kong Financial Reporting Standard for Private Entities ("HKFRS - Private Entities"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Group does not produce financial staternents available for public use.

The adoption of the new HKFRS - Private Entities has not resulted in a material change to the accounting policies and also has no material effect on how the results for the current or prior accounting periods are prepared. Accordingly, no prior year adjustment has been required.

The HKICPA has also issued the following standards and interpretations that are not yet effective, which the Company has considered these options but does not expect they will have a material effect on how the results of operations and financial position of the Company and the Group are prepared and present.

HKFRSs (Amendments)	Improvements to HKFRSs 2010	Effective for accounting periods beginning on or after 1 July 2010 or 1 January 2011
HK (IFRJC)-INT 17	Classification of Rights Issues	February 2010
HK (IFR1C)-INT I9	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
HKAS 24 (Revised)	Related Party Disclosure	1 January 2011
HKAS 12 (Amendments)	Income Taxes	1 January 2012
HKFRS 9	Financial Instruments	1 January 2013

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with HKFRS - Private Entities issued by HKICPA and accounting principles generally accepted in Hong Kong.

At the reporting date, the Group has a net current liahilities of US$46,300 (2009: US$165,696) and net liabilities of US$36,468 (2009: US$153,311). However, the Company's director has strong confidence to obtain adequate financial supports to enable the Group to meet its liabilities as and when they fall due so that the Group can continue its business in the foreseeable future. Consequently, the director has prepared the financial statements of the Group on a going concern basis.

The principal accounting policies adopted are set out below.

Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary. A subsidiary is an entity (including special purpose entity) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-consolidated from the date that control ceases.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. There is no difference in the reporting date of the financial statements of the Company and its subsidiary used in the preparation of the consolidated financial statements.

In the statement of financial position of the Company, investment in subsidiary is stated at cost less provision for impairment loss. The results of the subsidiary are accounted by the Company on the basis of dividend received and receivable.

Revenue recognition

Revenue during the year represents sales of goods, which are recognized when goods are delivered and title has been passed.

Interest income is recognized as it accrues using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residue values (10% of cost) over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of plant and equipment.

Machinery	18%
Furniture and equipment	18%
Motor vehicles	18%

If there is an indication that has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Impairmeat of non-financial assets, other than inventories

At each reporting date, the Group reviews the carrying amounts of plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affectcd asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recovered amount, and an impairment loss is recognized immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior year. A reversal of an impairment loss is recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAH ENDED 31 DECEMBER 2010

3. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Borrowings
Borrowings are recognized initially at the transaction price and arc subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

Interest expense is recognized on the basis of the effective interest method and is included in finance cost.

Trade receivables
Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Inventories
Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the average cost method. The cost of finished goods and work in progress is comprised of packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment and the carrying amount is reduced to its selling price less cost to complete and sell with the impairment loss recognized immediately in profit and loss.

Operating lease
Rental payable under operating lease is charged to profit and loss on a straight-line basis over the term of the relevant lease.

Trade payables
Trade payables are recognized initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Foreign currencies translation
The financial statements are presented in United State Dollars, which is the functional and presentation currency of the Group.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the reporting sheet date are recognized in the profit and loss account.

3. SIGNIFICANT ACCOUNTING POLICIES -cont'd

Related parties
For the purpose of these financial statements, related party includes a person and entity as defined below;

(a) A person or a close member of that person's family is related to the Company if that person:

(i) is a member of the key management personnel of the Company or of a parent of the Company;

(ii) has control over the Company; or
(iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) either entity is an associate or joint venture of other entity (or a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of a third entity.
(iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
(vi) the entity is controlled or jointly controlled by a person identified in (a).
(vii) a person identified in (a) has significant voting power in the entity.

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable and deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

3. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Taxation - cont'd

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such deferred assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognized in profit or loss, expect when it relates to items that are recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Cash equivalents

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

Employee benefit obligations

Salaries, wages, bonuses, paid leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold during the year.

5. OTHER INCOME

	2010 US$	2009 US$
Bank interest income	180	168

6. FINANCE COSTS

	2010 US$	2009 US$
Interest on loans wholly repayable within five years	12,479	22,849

7. PROFIT BEFORE TAX

	2010 US$	2009 US$
Profit from continuing operations before taxation has been arrived at after charging (crediting) :		
Audit fee	2,564	2,564
Depreciation	5,003	12,477
Director's remuneration	16,997	10,987
Exchange differences	9,031	(5,689)
Operating lease rentals for factory premise	13,654	10,632
Staff costs (excluded director's remuneration)	73,216	49,442

Staff costs above include social insurance contribution in the People's Republic of China amounted to US$ 11,456 (2009: US$8,569).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

8. INCOME TAX EXPENSE

No provision for income tax has been made in the financial statements as neither the Company nor its subsidiary has assessable profit.

At the reporting date, insignificant deferred tax has not been provided in the financial statements.

9. NET PROFIT FOR THE YEAR

Of the consolidated profit of US$ 116,843 (2009: US$333,153) a net profit of US$35,986 (2009: US$142,799) has been recognized within the financial statements of the Company,

10. AMOUNTS DUE FROM RELATED COMPANIES

	Maximum outstanding balance during the year US$	Balance at 31.12.2010 US$	Balance at 31.12.2009 US$
The Group			
Fast Growth Enterprise Limited	53,300	53,300	1,933
Other	7,585	7,585	-
		60,885	1,933
The Company			
Fast Growth Enterprise Limited	53,300	53,300	1,933

The amounts due from related companies are interest-free, unsecured and have no fixed terms of repayment. The Company's director is a director and shareholder of the above related companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

13. INVENTORIES

	2010	2009
	US$	US$
The Group		
Raw materials	120,362	110,561
Work-in-progress	88,918	70,882
Finished goods	52,712	66,487
	261,992	247,930

12, PLANT AND EQUIPMENT

	Furniture & Equipment	Machinery	Motor Vehicles	Total
The Group	US$	US$	US$	US$
Cost				
At 1.1.2010	27,723	19,660	21,294	68,677
Additions	2,031	419	-	2,450
At 31.12.2010	29,754	20,079	21,294	71,127
Accumulated Depreciation				
At 1.1.2010	22,944	12,179	21,169	56,292
Charge for The year	2,005	2,873	125	5,003
At 31.12.2010	24,949	15,052	21,294	61,295
Carrying Amount				
At 31.12.2010	4,805	5,027	-	9,832
At 31,12,2009	4,779	7,481	125	12,385

13. INTERESTS IN SUBSIDIARY

	2010	2009
	US$	US$
Contributed capital	120,000	120,000
Amount due from subsidiary	13,000	13,000
	133,000	133,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

13. INTERESTS IN SUBSIDIARY - cont'd

Particulars of the subsidiary dirctly held by the Company at the reporting date.

Name	Country of Incorporation	Paid-up registered Capital	Percentage holding	Principal Activity
Life Enhancement Technology Limited	People's Republic of China	US$120,000	100%	Manufacturing of medical device

Amount due from subsidiary is unsecured, interest free and has no fixed term of repayment.

14. AMOUNT DUE TO A RELATED COMPANY

Amount due to Nature Way Technology Limited was unsecured, interest free and had been fully repaid during the year. The Company's director is a director and shareholder of Nature Way Technology Limited.

15. AMOUNT DUE TO DIRECTOR

Amount due to director is unsecured, interest free and has no fixed term of repayment.

16. LOANS

	2010 US$	2009 US$
Loans		
Principals	258,858	305,654
Interest accruals	56,825	42,616
	315,683	348.270

The loan raised by the subsidiary in previous years is unsecured, interest-bearing at the bank lending rate and repayable within one year. During the current reporting period, the subsidiary has also obtained another unsecured loan, interest-bearing at 3.65% per annum and repayable within one year. According to the Company's director , concerned parties are not related parties to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

17. SHARE CAPITAL

	2010	2009
	US$	US$
Authorized		
50,000 shares of US$1 each	50.000	50,000
Issued and fully paid		
3,000 shares of US$1 each	3,000	3,000

18. RESERVES

	Retained Earnings (Accumulated Losses) US$
The Group	
At 31 December 2009	(156,311)
Profit for the year	116,843
At 31 December 2010	(39,468)
The Company	
At 31 December 2009	36,654
Profit for the year	35,986
At 31 December 2010	72,640

19. OPERATING LEASE COMMITMENTS

At the reporting date, the Group had commitments payable regarding the total of future minimum lease payments under non-cancellable operating leases with respect to rented factory premises as follows:

	2010	2009
	US$	US$
Within one year	14,970	3,544
Later than one year but within five years	18,712	-
	33,682	3,544

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

20. RELATED PARTY TRANSACTIONS

Details of significant related party transactions during the year as at the reporting date are as follows:

	2010 US$	2009 US$
Amount due from;		
Fast Growth Enterprise Limited	53,300	1,933
Other	7.585	-
Amount due to:		
Nature Way Technology Limited	-	74.208
LI Xichang	146,965	146,954

Li Xichang is the Company's director, who is also director and shareholder of the above related companies. All the above concerned amounts are unsecured, interest free and have no fixed terms of repayment.

The Company's director is of the opinion that the above transactions have been entered into on normal commercial terms.

The remuneration of the Company's director set out in note 7 to the financial statements will be reviewed in the coming general meeting of the Company.

21. FAIR VALUE

The Company's director considers that the carrying amounts of the financial instruments approximate their fair values at the reporting date.

BIOX INSTRUMENTS CO.,LTD
PROFIT AND LOSS STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010

ITEMS	LINE	2011.1~2011.6 RMB	2010.1~2010.6 RMB
Sales	1	4,236,574.53	3,515,004.45
Including: Export sales	2		
Less: Sales discounts and allowances	3		
Net sales	4	4,236,574.53	3,515,004.45
Less: Sales tax	5	65,679.26	50,097.75
Cost of sales	6	825,884.87	943,781.43
Including: Cost of export sales	7		
Gross profit on sales	8	3,345,010.40	2,521,125.27
Less: Selling expenses	9	1,008,887.56	1,186,542.67
General and administrative expenses	10	569,547.72	558,315.42
Financial expenses	11	(4,531.99)	(25,188.30)
Including : Interest expenses (less interest income)	12		
Exchange loss (less exchange gains)	13		
Profit on sales	14	1,771,107.11	801,455.48
Add: Income from other operations	15		
Operating profit	16	1,771,107.11	801,455.48
Add: Investing gains	17		
Non-operating income	18	138,166.54	
Less: Non-operating expenses	19	69,586.58	8,749.19
Add: Profit and loss adjustment for previous years	20		
TOTAL PROFIT	21	1,839,687.07	792,706.29
Less: Income tax	22	52,957.17	
NET PROFIT	23	1,786,729.90	792,706.29

BIOX INSTRUMENTS CO.,LTD
BALANCE SHEET

2011-06-30

ASSETS	LINE	Bal.E/P(RMB)	**LIABILITIES AND OWNERS'EQUITY**	LINE	ER@2011.6.30 Bal.E/P(RMB)
CURRENT ASSETS	1		CURRENT LIABILITIES	1	
Cash on hand	2	14,362.58	Short term loans	2	
Cash in bank	3	2,873,681.50	Notes payable	3	
Marketable securities	4		Accounts payable	4	89,903.74
Notes receivable	5		Accrued payroll	5	
Accounts receivable	6	477,349.45	Taxes payable	6	578,994.60
Less:Allowance for bad debts	7		Dividends payable	7	
Etrust bank to make collections	8		Advances received	8	2,148,650.00
Advances to suppliers	9		Other payables	9	125,580.03
Other receivables	10	584,492.77	Accured expenses	10	(100,000.00)
Prepaid and deferred expenses	11		Bonus and welfare funds for staff and workers	11	
Inventories	12	1,928,165.89	Long term liabilities payable at maturity within a year	12	
Less:Allowance for loss on realization of stock	13		Other current liabilities	13	
Long term investment recovery due within a year	14			14	
Other current assets	15			15	
Total current assets	16	5,878,052.19	**Total current liabilities**	16	2,843,128.37
LONG TERM INVESTMENT	17		LONG TERM LIABILITIES	17	
Long term investment	18		Long term loans	18	
Receivables over a year	19		Bond payable	19	
FIXED ASSETS	20		Premium(discount) on bond payable	20	
Fixed assets-cost	21	390,301.31	Payable over a year	21	
Less:accumulated depreciation	22	293,329.88	OTHER LIABILITIES	22	
Fixed assets-net value	23	96,971.43	Exchange gain during preparation period	23	
Disposal of fixed assets	24		Deferred investment income	24	
CONSTRUCTION WORK IN PROCESS	25		Deferred lease income	25	
Construction work in process	26		Credit item of deferred tax	26	
INTANGIBLE ASSETS	27		Other deferred credits	27	
Right to the use of site	28		Exchange gain to be written off	28	
Industrial property and proprietary technology	29		**Total liabilities**	29	2,843,128.37
Other intangible assets	30		OWNER'S EQUITY	30	
Total intangible assets	31	0		31	
OTHER ASSETS	32		Paid in capital	32	500,000.00
Organization expenses	33		Including: Foreign investment	33	
Exchange loss during preparation period	34		Less:repayment of investment	34	
Deferred investment losses	35		Translation reserve	35	
Debit item of deferred tax	36		Reserve fund	36	
Other deferred expenses	37		Expansion fund	37	
Exchange loss to be writton off	38		Repayment of investment by profit	38	
	39		Current year profit	39	2,446,029.77
	40		Retained earnings	40	185,865.48
Total other assets	41	0	**Total owners' equity**	41	3,131,895.25
TOTAL ASSETS	42	5,975,023.62	**TOTAL LIABILITIES AND OWNERS' EQUITY**	42	5,975,023.62

Life Enhancement Technology Ltd.
Statement of Operations
For the Six Months Ended June 30, 2011 and 2010

ITEMS	SIX MONTHS ENDED JUNE 30, 2011 RMB	SIX MONTHS ENDED JUNE 30, 2010 RMB
Sales	2,637,222.72	581,517.04
Including: Export sales		
Less: Sales discounts and allowances		
Net sales	2,637,222.72	581,517.04
Less: Sales tax	40,264.95	219.77
Cost of sales	1,083,724.37	368,730.28
Including: Cost of export sales		
Gross profit on sales	1,513,233.40	212,566.99
Less: Selling expenses	60,563.40	18,376.94
General and administrative expenses	531,647.69	392,129.22
Financial expenses	31,777.12	6.84
Including : Interest expenses (less interest income)	30,462.12	
Exchange loss (less exchange gains)		
Profit on sales	889,245.19	(197,946.01)
Add: Income from other operations		
Operating profit	889,245.19	(197,946.01)
Add: Investing gains		
Non-operating income		
Less: Non-operating expenses		-
Add: Profit and loss adjustment for previous years		
TOTAL PROFIT	889,245.19	(197,946.01)
Less: Income tax	111,155.65	
NET PROFIT	778,089.54	(197,946.01)

Life Enhancement Technology Ltd.
Balance Sheet
At June 30, 2011

ASSETS	Bal.E/P(RMB)	LIABILITIES AND OWNERS'EQUITY	Bal.E/P(RMB)
CURRENT ASSETS		CURRENT LIABILITIES	
Cash on hand	891.64	Short term loans	
Cash in bank	504,162.70	Notes payable	
Marketable securities		Accounts payable	239,737.01
Notes receivable		Accrued payroll	
Accounts receivable		Taxes payable	93,822.80
Less:Allowance for bad debts		Dividends payable	
Etrust bank to make collections		Advances received	24,013.60
Advances to suppliers	36,133.03	Other payables	1,228,381.27
Other receivables	448,806.52	Accured expenses	32,029.33
Prepaid and deferred expenses		Bonus and welfare funds for staff and workers	
Inventories	2,119,986.62	Long term liabilities payable at maturity within a year	
Less:Allowance for loss on realization of stock			
Long term investment recovery due within a year			
Other current assets			
Total current assets	3,109,980.51	**Total current liabilities**	1,617,984.01
LONG TERM INVESTMENT		LONG TERM LIABILITIES	
Long term investment		Long term loans	
Receivables over a year		Bond payable	
FIXED ASSETS		Premium(discount) on bond payable	
Fixed assets-cost	577,729.99	Payable over a year	
Less:accumulated depreciation	515,720.27	OTHER LIABILITIES	
Fixed assets-net value	62,009.72	Exchange gain during preparation period	
Disposal of fixed assets		Deferred investment income	
CONSTRUCTION WORK IN PROCESS		Deferred lease income	
Construction work in process		Credit item of deferred tax	
INTANGIBLE ASSETS		Other deferred credits	
Right to the use of site		Exchange gain to be written off	
Industrial property and proprietary technology			1,617,984.01
Other intangible assets		OWNER'S EQUITY	
Total intangible assets			
OTHER ASSETS		Paid in capital	993,234.00
Organization expenses		Including: Foreign investment	993,234.00
Exchange loss during preparation period			
Deferred investment losses		Translation reserve	
Debit item of deferred tax		Reserve fund	
Other deferred expenses		Expansion fund	
Exchange loss to be written off		Repayment of investment by profit	
		Current year profit	1,686,466.06
		Retained earnings	(1,125,693.84)
Total other assets		**Total owners' equity**	1,554,006.22
TOTAL ASSETS	3,171,990.23	**TOTAL LIABILITIES AND OWNERS' EQUITY**	3,171,990.23

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

On September 2, 2011, Vasomedical, Inc. ("Vasomedical") completed the purchase (the "Acquisition") of all the outstanding capital stock of privately held Fast Growth Enterprises Limited, a British Virgin Islands company that owns Peace Joy Management Ltd. ("PJM"), which owns Life Enhancement Technology Limited ("LET"), and Biox Instruments Co. Ltd. ("Biox"), as per the stock purchase agreement reported on August 23, 2011. The consideration of this acquisition includes a cash payment of $1 million, issuance of 5,000,000 shares of common stock of Vasomedical, as well as the issuance of warrants to purchase 1,500,000 shares of Vasomedical common stock and up to 1,900,000 additional common shares to be issued contingent on the acquired entities meeting certain performance goals.

LET, based in Foshan, Guangdong, China, has been Vasomedical's supplier for its proprietary Enhanced External Counterpulsation (EECP ®) systems, including certain Lumenair systems and all AngioNew ® systems. Biox, a leading developer and manufacturer of ambulatory monitoring devices in China, is located in Wuxi, Jiangsu, China, and has been Vasomedical's manufacturer of the Biox series ECG Holter recorder and analysis software as well as ambulatory blood pressure monitoring systems for distribution in the United States. Vasomedical has obtained FDA clearance to market these products in the United States.

The Unaudited Pro Forma Financial Information gives effect to the Acquisition using the acquisition method of accounting, after giving effect to the pro forma adjustments discussed in the accompanying notes. This financial information has been prepared from, and should be read in conjunction with, the historical consolidated financial statements and notes thereto of Vasomedical, PJM and Biox included elsewhere in this report.

The financial periods required to be presented in this Form 8K/A are based on our fiscal periods. Vasomedical, PJM and Biox have different fiscal year ends. For the purpose of presenting these pro forma financial statements, we used the financial statements for our fiscal year ended May 31, 2011, as filed with the Securities and Exchange Commission ("SEC") in our most recent Annual Report on Form 10-K, and the financial statements for the three months ended August 31, 2011, in our most recent Quarterly Report on Form 10-Q. To meet the SEC's pro forma requirements of combining operating results for PJM and Biox for an annual period that ends within 93 days of the end of our latest annual fiscal period as filed with the SEC, we combined PJM's and Biox's twelve months ended June 30, 2011 with our fiscal year ended May 31, 2011. For the operating results for the three months ended August 31, 2011 we combined PJM's and Biox's three months ended June 30, 2011 with our three months ended August 31, 2011.

The Pro Forma Combined Balance Sheet gives effect to the Acquisition as if it had occurred on August 31, 2011, combining the historical balance sheet of Vasomedical as of that date with the balance sheets of PJM and Biox as of June 30, 2011. The Pro Forma Statements of Operations for the twelve month period ending May 31, 2011 and for the three month period ended August 31, 2011 gives effect to the Acquisition as if it had occurred at the beginning of the respective periods.

The consolidated financial statements of Vasomedical presented in the Pro Forma Financial information utilize United States Generally Accepted Accounting Principles ("US GAAP"). These statements therefore reflect the impact of US GAAP adjustments made to th historical financial statements of PJM and Biox. The financial statements were translated from Chinese Yuan to US dollars using the following exchange rates of Yuan per US Dollar: 6.47 with respect to the Balance Sheet at August 31, 2011; 6.63 with respect to the Statement of Operations for the twelve months ended May 31, 2011; and 6.51 for the statement of operations for the 3 months ended August 31, 2011.

The Pro Forma Combined Financial Information is unaudited, and is not necessarily indicative of the consolidated results that actually would have occurred if the Acquisition had been consummated at the beginning of the periods presented, nor does it purport to present the future financial position and results of operations for future periods.

Exhibit 99.2.1

PRO-FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED MAY 31, 2011

	Vasomedical, Inc.	Fast Growth Enterprises, Ltd. BIOX Instruments Co. Ltd.	Fast Growth Enterprises, Ltd. Peace Joy Management Ltd.	Consolidation Adjustments		Combined Profo
Revenues						
Equipment sales	$ 3,029,177	$ 1,111,923	$ 978,849	$ (926,673)	(4)	$ 4
Equipment rentals and services	2,231,114	-	-			2
Commissions	11,113,133	-	-			11
Total revenues	16,373,424	1,111,923	978,849			17
Cost of revenues						
Cost of sales, equipment	1,937,903	256,722	431,390	$ (926,673)	(4)	1
Cost of equipment rentals and services	909,044	-	-			
Cost of commissions	2,613,625	-	-			2
Total cost of revenues	5,460,572	256,722	431,390			5
Gross profit	10,912,852	855,201	547,459			12
		76.9 %	55.9 %			
Operating expenses						
Selling, general and administrative	14,383,380	509,010	167,466			15
Research and development	462,110	-	-			
Total operating expenses	14,845,490	509,010	167,466			15
Operating loss (income)	(3,932,638)	346,191	379,993			(3
Other income (expenses)						
Interest and financing costs	(32,220)	763	(5,282)			
Interest and other income, net	27,839	35,750	352			
Amortization of deferred gain on sale-leaseback of building	53,245	-	-			
Total other income, net	48,864	36,513	(4,930)			
Loss (income) before income taxes	(3,883,774)	382,704	375,063			(3
Income tax benefit/(expense), net	(6,755)	(13,698)	(27,327)			
Net loss (income)	(3,890,529)	369,006	347,736			(3
Preferred stock dividends	(428,603)	-	-			
Net loss applicable to common stockholders	$ (4,319,132)	$ 369,006	$ 347,736			$ (3
Loss per common share						
- basic	$ (0.04)					$
-diluted	$ (0.04)					$
Weighted average common shares outstanding						
- basic	111,978,478			5,000,000	(1)	116
-diluted	111,978,478			5,000,000	(1)	116

Exhibit 99.2.2

PRO-FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED AUGUST 31, 2011

		Fast Growth Enterprises, Ltd.				
	Vasomedical, Inc.	BIOX Instruments Co. Ltd.	Peace Joy Management Ltd.	Consolidation Adjustments		Combined Proform
Revenues						
Equipment sales	$ 274,960	$ 398,420	$ 317,347	(126,564)	(4)	$ 86
Equipment rentals and services	486,988	-	-			48
Commissions	3,566,488	-	-			3,5
Total revenues	4,328,436	398,420	317,347			4,9
Cost of revenues						
Cost of sales, equipment	160,954	77,886	124,100	(126,564)	(4)	23
Cost of equipment rentals and services	238,847	-	-			23
Cost of commissions	1,102,108	-	-			1,1
Total cost of revenues	1,501,909	77,886	124,100			1,5
Gross profit	2,826,527	320,534	193,247			3,3
		80.5 %	60.9 %			
Operating expenses						
Selling, general and administrative	4,374,885	103,046	52,676			4,5
Research and development	135,129	-	-			13
Total operating expenses	4,510,014	103,046	52,676			4,6
Operating loss (income)	(1,683,487)	217,488	140,571			(1,3
Other income (expenses)						
Interest and financing costs	(2,260)	217	(4,854)			
Interest and other income, net	21,185	7,365	115			2
Amortization of deferred gain on sale-leaseback of building	13,311	-	-			
Total other income, net	32,236	7,582	(4,739)			3
Loss (income) before income taxes	(1,651,251)	225,070	135,832			(1,2
Income tax benefit/(expense), net	(1,800)	(5,062)	(11,993)			(
Net loss (income)	(1,653,051)	220,008	123,839			(1,3
Preferred stock dividends	(85,493)	-	-			(8
Net loss applicable to common stockholders	$ (1,738,544)	$ 220,008	$ 123,839			$ (1,3
Loss per common share						
- basic	$ (0.01)					$
-diluted	$ (0.01)					$
Weighted average common shares outstanding						
- basic	116,986,095			5,000,000	(1)	121,9
-diluted	116,986,095			5,000,000	(1)	121,9

Exhibit 99.2.3

PRO-FORMA COMBINED BALANCE SHEET
August 31, 2011

ASSETS	Vasomedical, Inc.	Fast Growth Enterprises, Ltd. — BIOX Instruments Co. Ltd.	Fast Growth Enterprises, Ltd. — Peace Joy Management Ltd.	Acquisition adjustments		Pro-forma Balance
CURRENT ASSETS						
Cash and cash equivalents	$ 6,274,740	446,264	92,088	(1,000,000)	(1)	$
Short-term investments	110,148					
Accounts and other receivables, net of allowance for doubtful accounts	4,451,658	164,077	451,838	(45,869)	(3)	
Inventories, net	1,941,223	297,943	277,118	(189,966)	(2)	
Financing receivables, net	18,821					
Deferred commission expense	2,855,776					
Deferred related party consulting expense	510,000					
Other current assets	316,938					
Total current assets	16,479,304	908,284	821,044	(1,235,835)		
PROPERTY AND EQUIPMENT, net of accumulated depreciation	383,335	14,984	9,582			
FINANCING RECEIVABLES, net	22,277					
DEFERRED RELATED PARTY CONSULTING EXPENSE	255,000					
GOODWILL				3,190,708	(1)	
OTHER ASSETS	300,066					
TOTAL ASSETS	$ 17,439,982	923,268	830,626	1,954,873		$
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts payable	$ 324,294	13,892	87,937	(45,869)	(3)	
Accrued commissions	2,165,054					
Accrued expenses and other liabilities	974,594	425,432	251,530			
Sales tax payable	164,226		186,411			
Deferred revenue - current portion	10,999,294					
Deferred gain on sale-leaseback of building	48,808					
Accrued professional fees	143,443					
Trade payable due to related party	3,359					
	14,823,072	439,324	525,878	(45,869)		
LONG-TERM LIABILITIES						
Deferred revenue	1,129,068					
Other long-term liabilities	151,385					
Total long-term liabilites	1,280,453	-	-	-		
TOTAL LIABILITIES	16,103,525	439,324	525,878	(45,869)		
COMMITMENTS AND CONTINGENCIES						
STOCKHOLDERS' EQUITY						
Preferred stock, $.01 par value, 1,000,000 shares authorized, 299,024 issued and outstanding	2,990					
Common stock, $.001 par value, 250,000,000 shares authorized, 117,253,704 shares issued and outstanding before acquistion, 122,253,704 shares issued and outstanding after acquisition	117,253	120,000	3,000	(118,000)	(1)	
Additional paid in capital	55,910,342			2,974,400	(1)	
Accumulated deficit and comprehensive income	(54,694,128)	363,944	301,748	(855,658)	(1), (2)	
Total stockholders'equity	1,336,457	483,944	304,748	2,000,742		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 17,439,982	$ 923,268	$ 830,626	$ 1,954,873		$

NOTES TO PRO-FORMA COMBINED FINANCIAL STATEMENTS (unaudited)

The pro-forma adjustments are preliminary and are based on our estimate of the fair values and useful lives of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the acquisition.

In accordance with Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"), the total purchase consideration is allocated to the net tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of September 2, 2011 (the acquisition date). The purchase price was allocated based on the information currently available, and may be adjusted after obtaining more information regarding, among other things, asset valuations, liabilities assumed, and revisions of preliminary estimates.

The following notes explain the adjustments made.

1. To reflect the acquisition of Fast Growth Enterprises ("FGE") and its subsidiaries Peace Joy Management, Ltd. and BIOX Instruments Company, Ltd. and the allocation of the purchase price on the basis of the fair values of the assets acquired and the liabilities assumed, the components of the purchase price and allocation to the assets and liabilities are as follows:

Components of the purchase price:

Vasomedical, Inc. common stock	$ 2,100,000
Vasomedical, Inc. warrants to purchase common stock	304,000
Vasomedical common stock to be contingently issued	575,400
Cash	1,000,000
Total purchase price	$ 3,979,400
Preliminary allocation of purchase price:	
Cash and cash equivalents	$ 538,352
Accounts receivable and other current assets	615,915
Inventories	575,061
Property and equipment	24,566
Goodwill	3,190,708
Accounts payable and other current liabilities	(965,202)
Net assets acquired	$ 3,979,400

The fair value of the common shares issued and the contingently issuable common shares was based on the closing price of the shares on September 2, 2011 as quoted on the Nasdaq OTC. pink sheets which was $0.42.
The fair value of the warrants issued was computed using the Black-Scholes option pricing model, using the following assumptions: expected term of 2 years which is the contractual term of the warrants; risk free rate of .2%; expected dividend yield of $0.0; expected volatility of 101.0%; exercise price of $0.50; and the stock price of $0.42.

2. To eliminate the inter-company profit in inventory

3. To eliminate inter-company receivables and payables between Vasomedical and the acquired entities.

4. To eliminate intercompany sales by the acquired entities to Vasomedical.