BM INTELLIGENCE

B M INTELLIGENCE INTERNATIONAL LIMITED

邦盟滙駿國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("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.

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The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of B M Intelligence International Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to B M Intelligence International Limited. The directors of B M Intelligence International Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification purpose only*

The board of directors (the "Board" or the "Directors") of B M Intelligence International Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and six months ended 31 October 2008 together with the unaudited comparative figures for the corresponding period in 2007 as follows:

Unaudited condensed consolidated income statement

		Three months ended 31 October		Six months ended 31 October	
		2008	2007	**2008**	2007
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
			(Restated)		(Restated)
Continuing operations					
Revenue	3	**4,817**	4,169	**10,044**	7,394
Cost of services provided		**(3,457)**	(3,665)	**(6,570)**	(6,160)
Gross profit		**1,360**	504	**3,474**	1,234
Other income		**13,958**	1,947	**14,054**	2,094
Administrative and operating expenses		**(8,733)**	(3,872)	**(17,499)**	(8,066)
Impairment loss on financial assets at fair value through profit or loss		**(17,917)**	—	**(17,917)**	—
Operating loss		**(11,332)**	(1,421)	**(17,888)**	(4,738)
Finance costs	5	**(29)**	(52)	**(58)**	(102)
Share of results of associates		**130**	1,748	**1,701**	4,549
Gain on disposal of an associated company		**45,649**	—	**45,649**	—
Profit/(loss) before income tax	6	**34,418**	275	**29,404**	(291)
Income tax expense	7	**—**	—	**—**	—
Profit/(loss) for the period		**34,418**	275	**29,404**	(291)
Discontinued operation					
Profit for the period from discontinued operation	8	**3,452**	1,093	**3,478**	2,362
		37,870	1,368	**32,882**	2,071
Attributable to:					
Equity holders of the Company		**37,825**	1,362	**32,838**	2,070
Minority interests		**45**	6	**44**	1
Profit for the period		**37,870**	1,368	**32,882**	2,071
Dividends	9	**—**	—	**—**	—
Earnings/(loss) per share for Profit attributable to equity holders of the Company during the period	10				
From continuing and discontinued operations:					
— basic		**HK1.7 cent**	HK0.08 cent	**HK1.59 cent**	HK0.11 cent
— diluted		**HK1.45 cent**	HK0.07 cent	**HK1.38 cent**	HK0.10 cent
From continuing operations:					
— basic		**HK1.54 cent**	HK0.01 cent	**HK1.42 cent**	(HK0.02) cent
— diluted		**HK1.32 cent**	N/A	**HK1.23 cent**	N/A

Condensed consolidated balance sheet

	Notes	As at 31 October 2008 HK$'000 (Unaudited)	As at 30 April 2008 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**8,382**	5,279
Operating lease prepayments		**3,621**	3,661
Interests in associates		**—**	10,123
Goodwill	12	**198,293**	—
Available-for-sale financial assets		**1,284**	1,177
Rental deposits		**1,910**	2,486
Trademarks		**24**	—
Patents		**41,655**	—
		255,169	22,726
Current assets			
Trade receivables	13	**1,841**	2,884
Inventories		**896**	—
Deposit, prepayments and other receivables		**8,649**	7,981
Financial assets at fair value through profit or loss		**57,711**	3,951
Amount due from associates		**259**	490
Amount due from an investee company		**—**	1,005
Amount due from minority shareholders of subsidiaries		**343**	337
Cash and cash equivalents		**44,393**	34,619
		114,092	51,267
Current liabilities			
Accrued charges and other payables		**45,712**	17,316
Bank loan (secured) — due within one year	14	**146**	143
Taxation payable		**93**	279
		45,951	17,738
Net current assets		**68,141**	33,529
Total assets less current liabilities		**323,310**	56,255
Non-current liabilities			
Bank loan (secured) — due over one year	14	**3,362**	3,435
Other payables — due over one year	15	**10,061**	—
Convertible Bonds	16	**100,143**	—
Net Assets		**209,744**	52,820
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	17	**22,809**	19,009
Reserves		**175,632**	33,595
		198,441	52,604
Minority interests		**11,303**	216
Total equity		**209,744**	52,820

Unaudited condensed consolidated cash flow statement

	Six months ended 31 October 2008	Six months ended 31 October 2007
	HK$'000	*HK$'000*
Net cash (used in)/generated from operating activities	**(10,652)**	7,269
Net cash (used in)/generated from investing activities	**(73,814)**	2,977
Net cash generated from/(used in) financing activities	**94,240**	(218)
Net increase in cash and cash equivalents	**9,774**	10,028
Cash and cash equivalents at beginning of the period	**34,619**	28,427
Cash and cash equivalents at end of the period	**44,393**	38,455

Unaudited consolidated statement of movement in equity

	Equity attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Special reserve HK$'000 (note)	Share option reserve HK$'000	Other reserve HK$'000	Option premium on convertible bonds HK$'000 (note 16)	Accumulated losses HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 May 2007	4,527	43,505	208	(200)	1,827	—	—	(13,107)	36,760	236	36,996
Currency translations	—	—	26	—	—	—	—	—	26	—	26
Net results recognised directly in equity	—	—	26	—	—	—	—	—	26	—	26
Profit for the period	—	—	—	—	—	—	—	2,070	2,070	1	2,071
Total recognised income and expense for the period	—	—	26	—	—	—	—	2,070	2,096	1	2,097
Decrease in minority interests as a result of acquisition and disposal of a subsidiary by the Group	—	—	—	—	—	—	—	—	—	(62)	(62)
Bonus issue	13,582	(13,582)	—	—	—	—	—	—	—	—	—
At 31 October 2007	18,109	29,923	234	(200)	1,827	—	—	(11,037)	38,856	175	39,031
At 1 May 2008	**19,009**	**47,283**	**544**	**(200)**	**1,827**	**694**	**—**	**(16,553)**	**52,604**	**216**	**52,820**
Currency translations	**—**	**—**	**(532)**	**—**	**—**	**—**	**—**	**—**	**(532)**	**—**	**(532)**
Net results recognised directly in equity	**—**	**—**	**(532)**	**—**	**—**	**—**	**—**	**—**	**(532)**	**—**	**(532)**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**32,838**	**32,838**	**44**	**32,882**
Total recognised income and expense for the period	**—**	**—**	**(532)**	**—**	**—**	**—**	**—**	**32,838**	**32,306**	**44**	**32,350**
Shares issued at a premium	**3,800**	**93,100**	**—**	**—**	**—**	**—**	**—**	**—**	**96,900**	**—**	**96,900**
Shares issue expenses	**—**	**(2,532)**	**—**	**—**	**—**	**—**	**—**	**—**	**(2,532)**	**—**	**(2,532)**
Equity component of convertible bonds	**—**	**—**	**—**	**—**	**—**	**—**	**19,857**	**—**	**19,857**	**—**	**19,857**
Decrease in share of net assets of an associate as a result of disposal by the Group	**—**	**—**	**—**	**—**	**—**	**(694)**	**—**	**—**	**(694)**	**—**	**(694)**
Increase in minority interests as a result of acquisition of subsidiaries by the Group	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**11,043**	**11,043**
At 31 October 2008	**22,809**	**137,851**	**12**	**(200)**	**1,827**	**—**	**19,857**	**16,285**	**198,441**	**11,303**	**209,744**

Note: The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for their acquisition at the time of the Group's reorganisation in 2001.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Company Information

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's head office and principle place of business in Hong Kong is located at Suite 3306–12, 33/F., Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

2. Basis of preparation and principal accounting policies

The Group's unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and interpretations and the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, and the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and equity investments, which have been measured at fair value. The unaudited consolidated results are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The principal accounting policies applied in the preparation of the unaudited condensed interim financial statements are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 30 April 2008.

In the current period, the Group has adopted a number of new and revised HKFRSs, which are effective for accounting periods beginning on or after 1 January 2008. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective, in the unaudited condensed interim financial statements. The directors of the Company anticipate that the application of these new and revised HKFRSs should not have any significant impact on the Group's results of operations and financial position.

The unaudited condensed interim financial statements have been reviewed by the audit committee of the Company.

3. Revenue

Revenue represents the net amounts received and receivable from services provided by the Group to outside customers during the three months and six months ended 31 October 2008 and 2007.

4. Business and geographical segments

Business segments

The principal activities of the Group consist of two divisions — (i) corporate services which include business, accounting and corporate development advisory services, company secretarial services, professional translation services, information technology services; and (ii) funds and wealth management services. Comparatives for the previous period have been restated to achieve a consistent presentation.

	Six months ended 31 October					
	Continuing Operations		Discontinued operations			
	Corporate Services		Funds and wealth management services		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**10,044**	7,394	**19,695**	39,782	**29,739**	47,176
Segment results	**(11,223)**	(4,151)	**498**	2,289	**(10,725)**	(1,862)
Unallocated income					**13,578**	2,207
Unallocated corporate expenses					**(20,178)**	(2,721)
Operating loss					**(17,325)**	(2,376)
Finance costs					**(58)**	(102)
Share of result of associates					**1,701**	4,549
Gain on disposal of an associate					**45,649**	—
Gain on disposal of subsidiary					**2,915**	—
Profit for the period					**32,882**	2,071

Geographical segments

The Group's operations are located in Hong Kong and The People's Republic of China including Macau (the "PRC"). The following table provided an analysis of the Group's turnover by geographical market, principally determined by the locations of customers:

	Revenue by geographical market Six months ended 31 October					
	Continuing Operations		Discontinued operations		Total	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**7,473**	6,095	**19,695**	39,782	**27,168**	45,877
PRC	**2,571**	1,299	**—**	—	**2,571**	1,299
	10,044	7,394	**19,695**	39,782	**29,739**	47,176

5. Finance costs

	Six months ended 31 October	
	2008	2007
	HK$'000	*HK$'000*
Finance charge on obligations under finance leases	**—**	6
Interest on bank loan not wholly repayable within five years	**58**	96
	58	102

6. Profit before income tax

	Six months ended 31 October	
	2008	2007
	HK$'000	*HK$'000*
Profit before income tax has been arrived at after charging:		
Auditor's remuneration	**193**	115
Amortisation of operating lease prepayments	**40**	41
Depreciation of property, plant and equipment		
Owned assets	**1,001**	709
Assets held under finance leases	**—**	42
Impairment loss on financial assets at fair value through profit or loss	**17,917**	—
Loss on disposal of property, plant and equipment	**15**	1
Operating lease rentals in respect of office premises	**3,299**	1,844
Staff costs (including directors' remuneration):		
Wages and salaries	**8,728**	6,642
Pension costs — defined contribution plans	**405**	260
Others staff benefits	**73**	134
	9,206	7,036
and after crediting:		
Interest income	**167**	227
Unrealised gain on financial assets at fair value through profit or loss	**13,409**	—

7. Income tax expense

No provision for profits tax has been made in the financial statements for both period as companies comprising the Group either had tax losses brought forward which were available to set off against the assessable profit arising in the respective jurisdictions for the period or did not generate any assessable profits.

8. Discontinued operations

On 21 May 2008, the Group entered into a conditional sale and purchase agreement to the disposal of the Group's entire equity interests in its subsidiary, BMI Funds Management Limited, which carried out all of the Group's fund and wealth management service. The disposal was completed on 29 August 2008, on which date of control of BMI Funds Management Limited passed to the acquirer.

The profit for the year from the discontinued operation is analysed as follows:

	Six months ended 31 October	
	2008	2007
	HK$'000	*HK$'000*
Profit of discontinued operation for the period	**563**	2,362
Gain on disposal of discontinued operation	**2,915**	—
	3,478	2,362

The result from discontinued operation was presented as follows.

	Six months ended 31 October	
	2008	2007
	HK$'000	*HK$'000*
Revenue	**19,695**	39,782
Cost of services provided	**(14,845)**	(31,597)
Gross profit	**4,850**	8,185
Other income	**65**	447
Administrative and operating expenses	**(4,352)**	(6,270)
Profit before income tax	**563**	2,362
Income tax expense	**—**	—
Profit for the period from discontinued operation	**563**	2,362
Cash flows from discontinued operation		
Net cash flows generated from operating activities	**455**	6,865
Net cash flows generated from/(used in) investing activities	**65**	(786)
Net cash flows generated from/(used in) financing activities	**—**	—
Net cash flows	**520**	6,079

The carrying amounts of the assets and liabilities of BMI Funds Management Limited at the date of disposal are disclosed in note 18.

9. Dividends

The Directors do not recommend the payment of any interim dividends for the six months ended 31 October 2008 (2007: Nil).

10. Earnings per share

The calculation of the basic and diluted earnings per share for the current period is based on the following data:

	Three months end 31 October		Six months ended 31 October	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Profit attributable to equity holders of the Company	**37,825**	1,362	**32,838**	2,070
Number of shares:				
Weighted average number of ordinary share except bonus issue	**2,231,314,783**	452,720,000	**2,066,097,391**	452,720,000
Effect of bonus issue	**—**	1,358,160,000	**—**	1,358,160,000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,231,314,783**	1,810,880,000	**2,066,097,391**	1,810,880,000
Effect of dilutive potential shares:				
Share options	**250,281,348**	259,270,929	**250,281,348**	259,270,929
Convertible bonds	**130,434,783**	—	**65,217,391**	—
Weighted average number of share for the purpose of calculating diluted earnings per share	**2,612,030,914**	2,070,150,929	**2,381,596,130**	2,070,150,929

No diluted earnings per share has been presented for the periods ended 31 October 2007 continuing operations as the potential ordinary shares outstanding have anti-dilutive effect on the earnings per share.

11. Property, plant and equipment

The movements of property, plant and equipment of the Group were as follows:

	At 31 October 2008	At 30 April 2008
	HK$'000	*HK$'000*
Net book value, beginning of period/year	**5,279**	5,168
Exchange realignment	**(2)**	23
Acquisitions of subsidiaries	**2,661**	—
Additions	**2,178**	1,830
Disposals	**(12)**	(69)
Disposal of a subsidiary	**(721)**	(79)
Depreciation	**(1,001)**	(1,594)
Net book value, end of period/year	**8,382**	5,279

12. Goodwill

Goodwill and acquisition of a subsidiary

Movement of goodwill

	2008	2007
	HK$'000	*HK$'000*
Cost		
At 1 May	**—**	—
Acquired on an acquisition	**198,293**	—
Additions	**—**	—
At 31 October	**198,293**	—
Accumulated impairment losses		
As at 1 May and 31 October	**—**	—
Carrying amount		
As at 1 May	**—**	—
As at 31 October	**198,293**	—

Acquisition of subsidiary

During the period, the Group completed to acquire the entire equity interest of subsidiary for an aggregate consideration of HK$190,000,000. The transaction has been accounted for by applying the purchase method.

	HK$'000
Net assets and liabilities acquired:	
Cash	1,025
Inventories	896
Deposits, prepayments and other receivables	7,209
Property, plant and equipment	2,661
Goodwill	198,293
Trademarks	24
Patents	41,656
Accrued charges and other payables	(40,660)
Other payables — non current liabilities	(10,061)
Minority interest	(11,043)
Total purchase price	190,000
Satisfied by:	
Issue of zero coupon rate convertible bonds	120,000
cash consideration	70,000
	190,000
Net cash outflow in respect of acquisition of FD(H) Investments Limited and its subsidiaries:	
Cash consideration	70,000
Deposit paid in prior period	(6,000)
	64,000
Cash inflow when acquired the subsidiary	(1,025)
Net cash outflow during the period	62,975

13. Trade receivables

The Group allows an average credit period of 60 days to its customers. The following is an aged analysis of trade receivable at the balance sheet date:

	At 31 October 2008 *HK$'000*	At 30 April 2008 *HK$'000*
0 – 60 days	**1,363**	2,474
60 – 90 days	**379**	173
Over 90 days	**99**	237
	1,841	2,884

14. Bank Loans (secured)

	At 31 October 2008 *HK$'000*	At 30 April 2008 *HK$'000*
Bank loan was repayable as follows:		
Within one year	**146**	143
In the second year	**151**	148
In the third to fifth year	**482**	475
Wholly repayable within five years	**779**	766
After the fifth year	**2,729**	2,812
	3,508	3,578
Less: Current portion due within one year included under current liabilities	**(146)**	(143)
Non-current portion included under non-current liabilities	**3,362**	3,435

The bank loan was secured by operating lease prepayments and buildings held by the Group.

15. Other payables — due over one year

The amount represents the funding received from the PRC government for the Group's research projects.

16. Convertible bonds

On 29 October 2008, the Company issued convertible bonds with a nominal value of HK$120 million to All Favour Holdings Limited for a term of two years with zero coupon rate. The convertible bonds are convertible into shares of the Company at the initial conversion price of HK$0.03 per conversion share at any time after the date of issue of the convertible bonds and ending on the date that falls on the fifth day immediately before the maturity date, both dates inclusive.

The fair value of the liability component and the equity conversion component were calculated by using the discounted cash flow method at a discount rate of 9.466% p.a.

	HK$'000
Nominal value of convertible bonds, at the date of issue	120,000
Liability component at date of issue	(100,143)
Equity component	19,857

17. Share capital

	At 31 October 2008		At 30 April 2008	
	No. of shares	***Amount HK$'000***	*No. of shares*	*Amount HK$'000*
Authorised capital:				
Ordinary shares of HK$0.01 each	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid capital:				
At beginning of the period	**1,900,880,000**	**19,009**	452,720,000	4,527
Bonus issue	**—**	**—**	1,358,160,000	13,582
Shares issued in placing arrangement *(note)*	**380,000,000**	**3,800**	90,000,000	900
At the end of period	**2,280,880,000**	**22,809**	1,900,880,000	19,009

Note: On 4 December 2007, pursuant to a placing agreement between the Company and a placing agent, the Company issued an aggregate of 90,000,000 new ordinary shares of HK$0.01 each at a price of HK$0.209 per share to independent third parties.

On 13 August 2008, pursuant to a placing agreement between the Company and a placing agent, the Company issued an aggregate of 380,000,000 new ordinary share of HK$0.01 each at a price of HK$0.255 per share to independent third parties.

18. Disposal of a subsidiary

As refer to note 8, on 29 August 2008 the Group discontinued its fund and wealth management service at the time of the disposal of its subsidiary, BMI Funds Management Limited.

The net assets of BMI Funds Management Limited at the date of disposal and at 30 April 2008 were as follows:

	At 29 August 2008	At 30 April 2008
	HK$'000	*HK$'000*
Property, plant and equipments	**721**	910
Trade receivables	**117**	78
Deposits, prepayments and other receivables	**636**	1,115
Amount due from related companies	**2,008**	2,080
Cash and cash equivalents	**13,623**	13,103
Accrued charges and other payables	**(13,515)**	(14,077)
Taxation payable	**(186)**	(186)
	3,404	3,023
Net gain on disposal	**2,915**	
Total consideration	**6,319**	
Satisfied by:		
Cash	**6,319**	
Net cash outflow arising on disposal:		
Cash consideration received	**6,319**	
Cash and cash equivalents disposed of	**(13,515)**	
	(7,196)	

The impact of BMI Funds Management Limited on the Group's results and cash flows in the current and prior periods is disclosed in note 8.

19. Commitment

(a) Operating lease commitment

At the balance sheet date, the Group had future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31 October 2008 *HK$'000*	At 30 April 2008 *HK$'000*
Within one year	**3,994**	5,812
In the second to fifth year inclusive	**4,176**	6,327
	8,170	12,139

The Group leases a number of properties under operating leases. The lease run for an initial period of one to three years.

(b) Capital commitment

At the balance sheet date, the Group had the following capital commitments:

	At 31 October 2008 *HK$'000*	At 30 April 2008 *HK$'000*
Contracted but not provided for		
— Leasehold land	**1,925**	—

During the period, the Company contracted to purchase an industrial land in Xian, PRC with fifty years land use rights.

20. Post Balance Sheet Event

Upon the passing of a special resolution by the shareholders of the BM Intelligence International Limited at the forthcoming extraordinary general meeting held on 18 December 2008 and the approval of the Registrar of the Companies in Cayman Islands, the name of the Company would be changed from "B M Intelligence International Limited" to "China Bio-Med Regeneration Technology Limited 中國生物醫學再生科技有限公司", and the existing Chinese name of the Company, "邦盟滙駿國際有限公司", will no longer be used.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 31 October 2008, the Group recorded a total revenue of approximately HK$29,739,000 and a profit attributable to equity holders of the Company approximately HK$32,838,000, as compared to a revenue of approximately HK$47,176,000 and a profit attributable to equity holders of the Company approximately HK$2,070,000 for the corresponding period last year.

Operations Review

Corporate Services

Professional Translation Services

BMI Professional Translation Services Limited ("BMI Translation"), the Group's wholly-owned subsidiary, specializes in providing fast, accurate and competitively priced translation services to meet the ever diversified needs of the market.

Blessed with a team of enthusiastic in-house translators in Hong Kong, BMI Translation can well demonstrate its distinction, enabling it to explore every business opportunity in Hong Kong as well as in Mainland China. We realize that our translation staff is the key to our success, therefore, we provide continuous professional on-the-job training to our young and dynamic team.

Looking forward, in cope with the global financial crisis, we will, on one hand, continue to enhance our service quality to secure our existing clients, and one the other hand, we will deploy more resources to marketing initiatives, aiming at expanding our customer base, in a bid to further strengthen our position in this highly competitive market.

Company Secretarial Services

BMI Corporate Services Limited ("BMI Corporate Services"), the Group's wholly-owned subsidiary providing full range, timely and accurate company secretarial services to listed companies as well as private companies, maintained a steady growth in its turnover and profit as compared to that of the last corresponding period. During the period under review, BMI Corporate Services has continued to provide corporate governance assessments for our clients. Nowadays, the awareness of the corporate governance is increased and which is a benefit for the Company in the long run.

IBC Corporate Services Limited ("IBC Corporate Services"), the Group's wholly-owned subsidiary providing offshore company formation and administration services which also maintained a steady growth in its turnover and client base. IBC Corporate Services has developed in the PRC market and being a trusted offshore company services provider.

The division's scope of service was further extended through the totalling approximately 14.42% acquisition in the capital of Union Services and Registrars Inc. ("Union Registrars"). Union Registrars is one of the premier share registration service provider in Hong Kong, whose clientele comprises of companies listed on the Stock Exchange. The Directors believes that the further acquisition will further enhance its one-stop integrated and comprehensive service to our clients.

The synergies among BMI Corporate Services, IBC Corporate Services and Union Registrars shall continue to benefit the division and the Group as a whole, strengthening the positive momentum for further expansion and growth.

Business, Accounting and Corporate Development Advisory Services

The provision of business, accounting and corporate development advisory services is provided through BMI Consultants Limited, BMI Consultant (Shenzhen) Limited and BMI Corporate Advisory (Shanghai) Limited whose importance to the Group's businesses has continued to diminish. Nevertheless, the division's turnover stood at same level as compared with that of the last corresponding period.

Business outlook

The Group, as always, recognised the importance of professionalism and continued its united vision to be a pre-eminent service provider offering uniquely integrated and customized corporate consultancy solutions to mid-size listed companies and private companies as well as high net worth individuals in the Greater China Region and acting as their one-stop solution provider to grow their businesses. However, in view of the continuous deterioration of market conditions as a result of the sub-prime mortgage crisis and the globalisation in the financial markets, Hong Kong's financial markets will also be affected because of its openness nature. Subsequent to the disposals of the asset valuation services business and wealth and fund management services business on 29 August 2008 and acquisition of the entire issued share capital of FD(H) Investments Limited on 29 October 2008, the Group will focus in implementing an effective cost control with a view to bring up a better return to its shareholders. The principal subsidiary of FD(H) Investments Limited, Shaanxi Aierfu Activtissue Engineering Company Limited, has been in the process of setting up new production facilities in Xian to increase production of its products. The Board will proactively seek potential investment opportunities that can enhance value to the shareholders.

We believe the start of a new era will accelerate the Group's growth. The Group is well-prepared to take up the new challenges ahead and committed to strive for better financial performance.

GROUP CAPITAL RESOURCES AND LIQUIDITY

Shareholders' Funds

The shareholders' equity of the Group as at 31 October 2008 increased to approximately HK$209,744,000 (30 April 2008: HK$52,820,000).

Liquidity, Financial Resources and Capital Structure

As at 31 October 2008, the Group had net current assets of approximately HK$68,141,000. The current assets mainly comprised trade receivables of approximately HK$1,841,000, deposits, prepayments and other receivables of approximately HK$8,649,000, financial assets at fair value through profit or loss of approximately HK$57,711,000, inventories of approximately HK$896,000 and cash and cash equivalents of approximately HK$44,393,000. The Company intends to finance the Group's future operations, capital expenditure and other capital requirements with the existing bank balances available. The current liabilities comprised accrued charges and other payables of approximately HK$45,712,000, bank loan of approximately HK$146,000 and provision for taxation of approximately HK$93,000.

Working Capital and Gearing Ratio

As at 31 October 2008, the Group's working capital ratio (current assets to current liabilities) was 2.48 (30 April 2008: 2.89); and its gearing ratio (net debt to shareholders' funds) was 0.54 (30 April 2008: 0.068).

Capital Structure

On 17 July 2008, the placing agreement was entered into between the Company and the placing manager, CCB International Capital Limited, pursuant to which the Company has conditionally agreed to place, through the placing manager on a best effort basis 380,000,000 placing shares at a price of HK$0.255 per placing share to the placees and completed on 13 August 2008.

As a result, the number of issued shares of the Company is 2,280,880,000 as at the date of this announcement.

CAPITAL COMMITMENTS

Capital commitment of the Group is HK$1,925,000 (30 April 2008: Nil) and the details is set out in note 19(b).

MATERIAL ACQUISITIONS/DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 27 May 2008, the Group had entered into conditional sale and purchase agreements dated 21 May 2008 with purchasers, which are legally and beneficially owned by Mr. Lo Wah Wai, a former director of the Company who resigned on 27 May 2008, in relation to the disposals of entire equity interests in its subsidiary, BMI Funds Management Limited at the consideration of HK$6.4 million and 45% equity interest in its associate, Fu Teng Limited at the consideration of HK$57.5 million. Both disposals were completed on 29 August 2008.

On 25 June 2008, Million Profit Group Limited, a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement with an independent third party, in relation to the acquisition of the entire issued share capital of FD(H) Investments Limited at a consideration of HK$190 million, which will be financed partially by cash and partially by issue of convertible bonds in the principle amount of HK$120 million with the conversion price of HK$0.03 per conversion share. This acquisition is completed on 29 October 2008.

Save as disclosed above, there were no acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 31 October 2008.

SEGMENTAL INFORMATION

Segmental information of the Group is set out in note 4 to the financial statements.

EMPLOYEE INFORMATION

As at 31 October 2008, the Group had 207 (2007: 92) employees located in Hong Kong and Mainland China. As an equal opportunity employer, the Group's remuneration and bonus policies are determined with reference to the performance and experience of individual employees. The total amount of employee remuneration (including that of the Directors and retirement benefits scheme contributions) of the Group for the period was reviewed and approved by the Board, which was approximately HK$9,206,000 (2007: HK$7,036,000).

In addition, the Group may offer options to reward employees who exhibit that they have offered significant contributions to the Group. In order to enhance customer service standard, the Group not only encourages employees to receive training and further education, but also sponsors senior executives for higher education programs.

CHARGES ON GROUP'S ASSETS

As at 31 October 2008, operating lease prepayments and building with respective carrying values of approximately HK$3,621,000 (30 April 2008: HK$3,661,000) and HK$1,676,000 (30 April 2008: HK$1,712,000) were pledged with banks in order to secure the Group's banking facilities.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the Management Discussion and Analysis, the Directors do not have any future plans for material investment or capital assets.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs cost in Hong Kong dollars and Renminbi. The Directors consider the impact of foreign exchange exposure of the Group is minimal.

CONTINGENT LIABILITIES

As at 31 October 2008, the Group did not have any contingent liabilities (2007: Nil).

DIRECTORS' INTERESTS IN SECURITIES

As at 31 October 2008, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") adopted by the Company, or to be notified to the Company and the Stock Exchange, were as follows:

Interests in the shares and underlying shares of the Company

Name of Directors	Capacity	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital
Wong Sai Hung, Oscar	Beneficial owner	30,000,000	1.32%

Save as disclosed above, as at 31 October 2008, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed the following section headed "Share Options", at no time during the six months ended 31 October 2008 were rights to acquire benefits by means of the acquisition of shares in the Company or any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTIONS

A share option scheme was adopted by the Company on 29 August 2002 (the "2002 Share Option Scheme") for the primary purpose of providing incentives to directors and eligible employees.

The Company has made adjustment to the outstanding share options in accordance with the Bonus Issue. Details of the movements in the share options granted and exercised during the six months ended 31 October 2008 under the 2002 Share Option Scheme are as follows:

Name or category of participant	**Date of grant**	**Outstanding as at 1 May 2008**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**Outstanding as at 31 October 2008**	**Exercisable period**	**Subscription price per share of the Company** *HK$*
Employees, and ex-employees	29 August 2002	80,000,000	—	—	—	80,000,000	29 August 2002 – 28 August 2012	0.06125
	30 August 2006	200,000,000	—	—	—	200,000,000	30 August 2006 – 29 August 2016	0.01000
		280,000,000	—	—	—	280,000,000		

SUBSTANTIAL SHAREHOLDERS

As at 31 October 2008, other than the interests and short positions of the directors or chief executives of the Company disclosed above, persons or companies who had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital
One Express Group Limited *(Note 1)*	Corporate	515,200,000	22.59%
All Favour Holdings Limited *(Note 2)*	Corporate	4,000,000,000	175.37%
Lo Wah Wai *(Note 3)*	Beneficial owner	140,000,000	6.14%
Ip Yu Chak *(Note 4)*	Beneficial owner	140,000,000	6.14%

Notes:

1. One Express Group Limited is wholly-owned by PME Group Limited (Stock Code 379), a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange. By virtue of the SFO, PME Group Limited is deemed to have interest of the Shares held by One Express Group Limited.

2. On 25 June 2008, Million Profit Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company has entered into an agreement (the "Agreement") with All Favour Holdings Limited in relation to the acquisition of the entire issued share capital of FD(H) Investments Limited. All Favour Holdings Limited is a company incorporated in the British Virgin Islands with limited liabilities and beneficially owned by Mr. Woo Hing Keung Lawrence (50%), Ms. Wan Fang Li (45%) and Mr. Lin Hoi Kwong (5%). 4,000,000,000 Convertible Bonds has been issued to All Favour Holdings Limited on 29 October 2008. By virtue of the SFO, Mr. Woo Hing Keung Lawrence and Ms. Wan Fang Li are deemed to have interest of the Shares held by All Favour Holdings Limited.

3. Option to subscribe for a total of 140,000,000 shares of the Company were granted to Mr. Lo Wah Wai. The Company has made adjustment to the outstanding share options in accordance with the bonus issue approved by the shareholders at the Company on 29 August 2007 (the "Bonus Issue").

4. Option to subscribe for a total of 140,000,000 shares of the Company were granted to Mr. Ip Yu Chak. The Company has made adjustment to the outstanding share options in accordance with the Bonus Issue.

Save as disclosed above, the directors or chief executives of the Company are not aware of any persons or corporations who, as at 31 October 2008, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

CONNECTED TRANSACTIONS

No contracts of significance to which the Company or its subsidiaries, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the six months ended or at any time during the six months ended 31 October 2008.

COMPETING INTERESTS

None of the directors or the management shareholders or the substantial shareholders of the Company, or any of their respective associates, (as defined under the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") to the Appendix 15 of the GEM Listing Rules throughout the six months ended 31 October 2008 except for the deviation that the post of chairman and chief executive officer has been vacant since the resignation of Mr. Lo Wah Wai and Mr. Wong Wai Tung as chairman and chief executive officer of the Company on 27 May 2008 respectively, while Mr. Wong Sai Hung, Oscar and Ms. Yeung Sau Han, Agnes has been appointed as the chairman and chief executive officer of the Company on 23 June 2008 respectively. The details of our compliance may be found in corporate governance report contained in the Company's 2008 annual report.

Audit Committee

The Company set up an audit committee (the "Audit Committee") on 4 July 2001 with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The Audit Committee currently comprises four independent non-executive directors being Mr. Lui Tin Nang, Mr. Cheung Siu Chung, Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung.

The Audit Committee has reviewed with the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 31 October 2008. The terms of reference of the Audit Committee are available on the Company's website.

Nomination Committee

The Company set up a nomination committee (the "Nomination Committee") on 22 July 2005 with terms of reference in compliance with the provisions set out in the CG Code. The primary role of the Nomination Committee is to ensure that there is a formal and transparent procedure adopted by the Company for the nomination of directors of the Company. The Nomination Committee comprises a majority of independent non-executive directors of the Company and schedules to meet at least once a year. The Nomination Committee is chaired by Ms. Yu Sau Lai and comprises four other members, namely Mr. Lui Tin Nang, Mr. Cheung Siu Chung, Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung. The terms of reference of the Nomination Committee are available on the Company's website.

Remuneration Committee

The Company set up a remuneration committee (the "Remuneration Committee") on 22 July 2005 with terms of reference in compliance with the provisions set out in the CG Code. The primary role of the Remuneration Committee is to ensure that there is a formal and transparent procedure adopted by the Company for developing policies on, and for overseeing, the remuneration packages of all the directors of the Company. The Remuneration Committee comprises a majority of independent non-executive directors of the Company and schedules to meet at least once a year. It is chaired by Ms. Yu Sau Lai and comprises other four members, namely Mr. Lui Tin Nang, Mr. Cheung Siu Chung, Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung. The terms of reference of the Remuneration Committee are available on the Company's website.

Securities Dealing Code

Having made specific enquiry of all Directors, the Company has confirmed that the Directors have fully complied with the required standards of dealings regarding securities transaction by the directors as set out on GEM Listing Rules throughout the six months ended 31 October 2008.

Board Practices and Procedures

During the six months ended 31 October 2008, the Company was in compliance with the Board Practices and Procedures as set out in Rules 5.34 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 31 October 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
B M Intelligence International Limited
Wong Sai Hung Oscar
Chairman

Hong Kong, 8 December 2008

As at the date of this announcement, the executive directors of the Company are Ms. Yeung Sau Han, Agnes, Ms. Yu Sau Lai and Mr. Tin Ka Pak; the non-executive director is Mr. Wong Sai Hung, Oscar; the independent non-executive directors are Mr. Lui Tin Nang, Mr. Cheung Siu Chung, Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days and the Company's website at www.bmintelligence.com from the date of its posting.