# China Bio-Med Regeneration Technology Limited
# 中國生物醫學再生科技有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8158)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2009

### 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.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**



*This announcement, for which the directors of China Bio-Med Regeneration Technology 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 China Bio-Med Regeneration Technology Limited. The directors of China Bio-Med Regeneration Technology 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.*

## FINAL RESULTS

The board of directors (the "Board") of China Bio-Med Regeneration Technology Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2009, together with the comparative figures in 2008, as follows:

## CONSOLIDATED INCOME STATEMENT

*For the year ended 30 April 2009*

| | *Notes* | **2009** *HK$'000* | 2008 *HK$'000* |
|---|---|---|---|
| **Continuing operations:** | | | |
| **Revenue** | *3* | **24,448** | 19,492 |
| Cost of services provided | | **(17,165)** | (13,240) |
| **Gross profit** | | **7,283** | 6,252 |
| Gain on financial assets at fair value through profit or loss | | **13,063** | 27 |
| Other income | | **3,137** | 1,307 |
| Administrative and operating expenses | | **(52,933)** | (21,348) |
| **Operating loss** | | **(29,450)** | (13,762) |
| Finance costs | *5* | **(6,743)** | (196) |
| Gain on disposals of interests in associates | | **45,650** | – |
| Share of results of associates | | **1,701** | 9,143 |
| **Profit/(Loss) before income tax** | *6* | **11,158** | (4,815) |
| Income tax expense | *8* | **(1,065)** | (31) |
| **Profit/(Loss) after income tax from continuing operations** | | **10,093** | (4,846) |
| **Discontinued operations:** | | | |
| Profit for the year from discontinued operations | | **3,478** | 1,389 |
| **Profit/(Loss) for the year** | | **13,571** | (3,457) |
| **Attributable to:** | | | |
| Equity holders of the Company | | **21,092** | (3,446) |
| Minority interests | | **(7,521)** | (11) |
| **Profit/(Loss) for the year** | | **13,571** | (3,457) |
| **Dividends** | *9* | **–** | – |
| **Earnings/(Loss) per share for profit/(loss) attributable to the equity holders of the Company** | *10* | | |
| **– basic (HK cents)** | | | |
| From continuing and discontinued operations | | **0.967** | (0.187) |
| From continuing operations | | **0.807** | (0.262) |
| **– diluted (HK cents)** | | | |
| From continuing and discontinued operations | | **0.591** | N/A |
| From continuing operations | | **0.512** | N/A |

## CONSOLIDATED BALANCE SHEET

*As at 30 April 2009*

| | Notes | 2009 HK$'000 | 2008 HK$'000 |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **12,571** | 5,279 |
| Land use rights and operating lease prepayments | | **8,645** | 3,661 |
| Interests in associates | | **–** | 10,123 |
| Available-for-sale financial assets | | **1,285** | 1,177 |
| Rental deposits | | **2,295** | 2,486 |
| Goodwill | *11* | **141,310** | – |
| Other intangible assets | *12* | **221,674** | – |
| | | **387,780** | 22,726 |
| **Current assets** | | | |
| Inventories | | **495** | – |
| Trade receivables | *13* | **6,602** | 2,884 |
| Deposits, prepayments and other receivables | | **10,389** | 7,981 |
| Financial assets at fair value through profit or loss | | **79,441** | 3,951 |
| Amounts due from associates | | **258** | 490 |
| Amount due from an investee company | | **–** | 1,005 |
| Amount due from a minority shareholder of a subsidiary | | **–** | 337 |
| Cash and cash equivalents | | **15,113** | 34,619 |
| | | **112,298** | 51,267 |
| **Current liabilities** | | | |
| Trade payables | *14* | **1,324** | – |
| Accrued charges and other payables | | **50,260** | 17,316 |
| Amounts due to minority shareholders of subsidiaries | | **15,623** | – |
| Bank loan (secured) – due within one year | | **152** | 143 |
| Taxation payable | | **2,091** | 279 |
| | | **69,450** | 17,738 |
| **Net current assets** | | **42,848** | 33,529 |
| **Total assets less current liabilities** | | **430,628** | 56,255 |

**CONSOLIDATED BALANCE SHEET** *(Continued)*
*As at 30 April 2009*

| | **2009** | 2008 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Non-current liabilities** | | |
| Bank loan (secured) – due over one year | **3,282** | 3,435 |
| Convertible bonds | **104,896** | – |
| Deferred taxation | **27,051** | – |
| | **135,229** | 3,435 |
| **Net assets** | **295,399** | 52,820 |
| **EQUITY** | | |
| **Equity attributable to equity holders of the Company** | | |
| Share capital | **24,809** | 19,009 |
| Reserves | **188,925** | 33,595 |
| | **213,734** | 52,604 |
| **Minority interests** | **81,665** | 216 |
| **Total equity** | **295,399** | 52,820 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the year ended 30 April 2009*

| | Equity attributable to equity holders of the Company | | | | | | | | | Minority interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium* | Translation reserve* | Special reserve* | Share option reserve* | Other reserve* | Convertible bonds equity reserve* | (Accumulated losses)/ Retained profits* | Total | | |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 May 2007 | 4,527 | 43,505 | 208 | (200) | 1,827 | – | – | (13,107) | 36,760 | 236 | 36,996 |
| Currency translations | – | – | 336 | – | – | – | – | – | 336 | – | 336 |
| Share of net reserves movement of an associate | – | – | – | – | – | 694 | – | – | 694 | – | 694 |
| Net results recognised directly in equity | – | – | 336 | – | – | 694 | – | – | 1,030 | – | 1,030 |
| Loss for the year | – | – | – | – | – | – | – | (3,446) | (3,446) | (11) | (3,457) |
| Total recognised income and expense for the year | – | – | 336 | – | – | 694 | – | (3,446) | (2,416) | (11) | (2,427) |
| Disposal of a subsidiary | – | – | – | – | – | – | – | – | – | (9) | (9) |
| Shares issued at premium | 900 | 17,910 | – | – | – | – | – | – | 18,810 | – | 18,810 |
| Shares issue expenses | – | (550) | – | – | – | – | – | – | (550) | – | (550) |
| Share premium transferred to share capital upon issue of bonus shares | 13,582 | (13,582) | – | – | – | – | – | – | – | – | – |
| **At 1 May 2008 and 30 April 2008** | 19,009 | 47,283 | 544 | (200) | 1,827 | 694 | – | (16,553) | 52,604 | 216 | 52,820 |
| Currency translations | – | – | 456 | – | – | – | – | – | 456 | 26 | 482 |
| Net results recognised directly in equity | – | – | 456 | – | – | – | – | – | 456 | 26 | 482 |
| Profit for the year | – | – | – | – | – | – | – | 21,092 | 21,092 | (7,521) | 13,571 |
| Total recognised income and expense for the year | – | – | 456 | – | – | – | – | 21,092 | 21,548 | (7,495) | 14,053 |
| Acquisition of subsidiaries | – | – | – | – | – | – | – | – | – | 89,027 | 89,027 |
| Disposals of subsidiaries | – | – | – | – | – | – | – | – | – | (83) | (83) |
| Issue of convertible bonds | – | – | – | – | – | – | 43,910 | – | 43,910 | – | 43,910 |
| Release of share of associates' reserve upon disposal of associates | – | – | – | – | – | (694) | – | – | (694) | – | (694) |
| Shares issued at premium | 3,800 | 93,100 | – | – | – | – | – | – | 96,900 | – | 96,900 |
| Shares issue expenses | – | (2,534) | – | – | – | – | – | – | (2,534) | – | (2,534) |
| Exercise of share options | 2,000 | 1,827 | – | – | (1,827) | – | – | – | 2,000 | – | 2,000 |
| **At 30 April 2009** | 24,809 | 139,676 | 1,000 | (200) | – | – | 43,910 | 4,539 | 213,734 | 81,665 | 295,399 |

* The aggregate amount of these balances of HK$188,925,000 (2008: HK$33,595,000) in surplus is included as reserves in the consolidated balance sheet.

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.

Other reserve represents the share of net reserves of an associate.

# NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 30 April 2009*

## 1. GENERAL INFORMATION

China Bio-Med Regeneration Technology Limited (formerly known as B M Intelligence International Limited) (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Revision 2001) of Cayman Islands on 20 April 2001. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Suites 3101-5, 31st Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are the provision of corporate services and funds and wealth management services, tissue engineering and trading of electronic parts.

Pursuant to the special resolution passed on 18 December 2008, the Company changed its name from "B M Intelligence International Limited" to "China Bio-Med Regeneration Technology Limited" with effect from 19 December 2008.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules").

## 2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") have applied for the first time all new and amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 May 2008. The new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

## 3. REVENUE AND TURNOVER

Revenue, which is also the Group's turnover, represents the net amounts received and receivable from services provided by the Group to outside customers during the year, and is analysed as follows:

| | **Continuing operations** | | **Discontinued operations** | | **Consolidated** | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Corporate services | **19,372** | 19,492 | **–** | – | **19,372** | 19,492 |
| Funds and wealth management services | **–** | – | **19,695** | 69,268 | **19,695** | 69,268 |
| Trading of electronic parts | **5,076** | – | **–** | – | **5,076** | – |
| | **24,448** | 19,492 | **19,695** | 69,268 | **44,143** | 88,760 |

## 4. SEGMENT INFORMATION

### Primary reporting format – business segments

For management purposes, the Group is currently organised into four operating divisions – (i) tissue engineering; (ii) corporate services which include business, accounting and corporate development advisory services, company secretarial services, translation services, information technology services; (iii) trading of electronic parts and (iv) funds and wealth management services. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

| | Continuing operations | | | | | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tissue engineering | | Corporate services | | Trading of electronic parts | | Funds and wealth management services | | | |
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Revenue | **–** | – | **19,372** | 19,492 | **5,076** | – | **19,695** | 69,268 | **44,143** | 88,760 |
| Segment results | **(17,413)** | – | **(2,589)** | (1,971) | **66** | – | **499** | 1,402 | **(19,437)** | (569) |
| Interest income | | | | | | | | | **573** | 587 |
| Gain on financial assets at fair value through profit or loss | | | | | | | | | **13,063** | 27 |
| Gain on disposals of subsidiaries | | | | | | | | | **2,967** | 1 |
| Unallocated corporate expenses | | | | | | | | | **(23,138)** | (12,230) |
| Operating loss | | | | | | | | | **(25,972)** | (12,184) |
| Finance costs | | | | | | | | | **(6,743)** | (199) |
| Gain on disposals of interests in associates | | | | | | | | | **45,650** | – |
| Share of results of associates | | | | | | | | | **1,701** | 9,143 |
| Profit /(Loss) before income tax | | | | | | | | | **14,636** | (3,240) |
| Income tax expense | | | | | | | | | **(1,065)** | (217) |
| Profit/(Loss) for the year | | | | | | | | | **13,571** | (3,457) |

## 4. SEGMENT INFORMATION (CONTINUED)

### Primary reporting format – business segments (Continued)

| | Continuing operations | | | | | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tissue engineering | | Corporate services | | Trading of electronic parts | | Funds and wealth management services | | | |
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **ASSETS** | | | | | | | | | | |
| Segment assets | **386,315** | – | **13,650** | 31,408 | **11,070** | – | **–** | 15,206 | **411,035** | 46,614 |
| Interests in associates | | | | | | | | | **–** | 10,123 |
| Unallocated corporate assets | | | | | | | | | **89,043** | 17,256 |
| Consolidated total assets | | | | | | | | | **500,078** | 73,993 |
| **LIABILITIES** | | | | | | | | | | |
| Segment liabilities | **61,347** | – | **4,355** | 2,093 | **1,500** | – | **–** | 14,077 | **67,202** | 16,170 |
| Unallocated corporate liabilities | | | | | | | | | **137,477** | 5,003 |
| Consolidated total liabilities | | | | | | | | | **204,679** | 21,173 |
| **OTHER INFORMATION** | | | | | | | | | | |
| Capital expenditure | **241,143** | – | **2,248** | 819 | **–** | – | **–** | 1,011 | **243,391** | 1,830 |
| Depreciation and amortisation | **7,532** | – | **1,830** | 1,087 | **–** | – | **189** | 589 | **9,551** | 1,676 |
| Bad debts written off and impairment of receivables (written back)/made, net | **–** | – | **40** | (755) | **–** | – | **–** | – | **40** | (755) |
| Write off/Loss on disposal of property, plant and equipment | **3** | – | **16** | 7 | **–** | – | **–** | 62 | **19** | 69 |

### Secondary reporting format – geographical segments

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

| | Continuing operations | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Hong Kong | **20,349** | 15,074 | **19,695** | 69,268 | **40,044** | 84,342 |
| The PRC | **4,099** | 4,418 | **–** | – | **4,099** | 4,418 |
| | **24,448** | 19,492 | **19,695** | 69,268 | **44,143** | 88,760 |

## 4. SEGMENT INFORMATION (CONTINUED)

**Secondary reporting format – geographical segments (Continued)**

The following is an analysis of the carrying amount of segment assets, and capital expenditure, analysed by the geographical area in which the assets are located:

| | Segment assets | | Capital expenditure | |
|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Hong Kong | **111,638** | 64,260 | **7,248** | 1,340 |
| The PRC | **388,440** | 9,733 | **236,143** | 490 |
| | **500,078** | 73,993 | **243,391** | 1,830 |

## 5. FINANCE COSTS

| | Continuing operations | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Interest on bank loans, other payables and amounts due to minority shareholders of subsidiaries: | | | | | | |
| Wholly repayable within five years | **1,880** | – | **–** | – | **1,880** | – |
| Not wholly repayable within five years | **110** | 175 | **–** | – | **110** | 175 |
| Interest on bank overdrafts | **–** | – | **–** | 3 | **–** | 3 |
| Finance charge on obligations under finance leases | **–** | 21 | **–** | – | **–** | 21 |
| Imputed interest on convertible bonds | **4,753** | – | **–** | – | **4,753** | – |
| | **6,743** | 196 | **–** | 3 | **6,743** | 199 |

## 6. PROFIT/(LOSS) BEFORE INCOME TAX

| | Continuing operations | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Profit/(Loss) before income tax has been arrived at after charging/(crediting): | | | | | | |
| Auditors' remuneration | | | | | | |
| Audit services | **405** | 416 | **–** | 5 | **405** | 421 |
| Other services | **450** | – | **–** | – | **450** | – |
| Amortisation of land use rights and operating lease prepayments | **81** | 82 | **–** | – | **81** | 82 |
| Amortisation of other intangible assets | **7,357** | – | **–** | – | **7,357** | – |
| Depreciation | **1,924** | 1,005 | **189** | 589 | **2,113** | 1,594 |
| Exchange difference, net | **(494)** | 251 | **3** | 3 | **(491)** | 254 |
| Impairment of receivables | **97** | 101 | **–** | – | **97** | 101 |
| Impairment loss on available-for-sale financial assets | **–** | 1,278 | **–** | – | **–** | 1,278 |
| Write off of property, plant and equipment | **19** | 69 | **–** | – | **19** | 69 |
| Operating lease rentals in respect of office premises | **6,103** | 2,539 | **475** | 1,393 | **6,578** | 3,932 |
| Provision for inventories | **678** | – | **–** | – | **678** | – |
| Research and development costs | **3,075** | – | **155** | 372 | **3,230** | 372 |
| Employee benefit expense (including directors' emoluments) | **21,669** | 14,673 | **2,682** | 6,649 | **24,351** | 21,322 |
| Dividend income from equity investments | **(70)** | (38) | **–** | – | **(70)** | (38) |
| Impairment of receivables written back | **(57)** | (856) | **–** | – | **(57)** | (856) |
| Gain on disposals of subsidiaries | **(52)** | (1) | **(2,915)** | – | **(2,967)** | (1) |
| Interest income | **(508)** | (407) | **(65)** | (180) | **(573)** | (587) |

## 7. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

| | Continuing operations | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Wages and salaries | **20,121** | 13,633 | **2,578** | 6,415 | **22,699** | 20,048 |
| Pension costs – defined contribution plans | **887** | 628 | **104** | 230 | **991** | 858 |
| Other staff benefits | **661** | 412 | **–** | 4 | **661** | 416 |
| | **21,669** | 14,673 | **2,682** | 6,649 | **24,351** | 21,322 |

## 8. INCOME TAX EXPENSES

| | Continuing operations | | Discontinued operations | | Consolidated | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Hong Kong Profits Tax | | | | | | |
| Current year | **2,000** | 32 | **–** | 186 | **2,000** | 218 |
| Over provision in prior years | **(2)** | (1) | **–** | – | **(2)** | (1) |
| | **1,998** | 31 | **–** | 186 | **1,998** | 217 |
| Deferred taxation | **(933)** | – | **–** | – | **(933)** | – |
| | **1,065** | 31 | **–** | 186 | **1,065** | 217 |

Hong Kong Profits Tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the year. No taxation on overseas profits has been provided in the financial statements as the overseas subsidiaries did not generate any assessable profits for the year (2008 : Nil).

The Hong Kong SAR Government enacted a reduction in the Profits Tax Rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Accordingly, the relevant current and deferred tax liabilities have been calculated using the new tax rate of 16.5%.

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rates:

| | **2009** | 2008 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Profit/(Loss) before income tax** | | |
| Continuing operations | **11,158** | (4,815) |
| Discontinued operations | **3,478** | 1,575 |
| | **14,636** | (3,240) |
| Tax at Hong Kong profits tax rate of 16.5% (2008: 17.5%) | **2,415** | (567) |
| Effect of different tax rates of subsidiaries operating in the PRC | **542** | (66) |
| Tax effect of expenses not deductible for tax purpose | **12,867** | 2,342 |
| Tax effect of income not taxable for tax purpose | **(15,866)** | (1,734) |
| Tax effect of prior year unrecognised tax losses utilised | **(18)** | (150) |
| Tax effect of current year tax losses not recognised | **1,071** | 347 |
| Tax effect of temporary difference not recognised | **56** | 46 |
| Over provision in prior years | **(2)** | (1) |
| **Income tax expense** | **1,065** | 217 |

## 9. DIVIDENDS

The Directors do not recommend the payment of a dividend for the year (2008: Nil).

## 10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the equity holders of the Company is based on the following data:

### (a) From continuing and discontinued operations

| | **2009** | 2008 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Profit/(Loss) for the year attributable to the equity holders of the Company for the purpose of basic earnings/(loss) per share | **21,092** | (3,446) |
| Effect of dilutive potential ordinary shares: | | |
| Imputed interest on convertible bonds | **4,753** | – |
| Profit/(Loss) for the year attributable to the equity holders of the Company for the purpose of diluted earnings/(loss) per share | **25,845** | (3,446) |

| | **2009** | 2008 |
|---|---|---|
| | ***'000*** | *'000* |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share | **2,181,921** | 1,847,519 |
| Effect of dilutive potential ordinary shares: | | |
| Share options issued by the Company | **171,467** | 256,123 |
| Convertible bonds | **2,016,438** | – |
| Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share | **4,369,826** | 2,103,642 |

No diluted loss per share attributable to the equity holders of the Company was presented for the year ended 30 April 2008 as the potential ordinary shares had anti-dilutive effect.

## 10. EARNINGS/(LOSS) PER SHARE (CONTINUED)

### (b) From continuing operations

The calculation of the basic and diluted earnings/(loss) per share from continuing operations attributable to the equity holders of the Company is based on the following data and the denominators detailed in (a) above:

| | **2009** | 2008 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Profit/(Loss) for the year attributable to the equity holders of the Company for the purpose of basic earnings/(loss) per share | **21,092** | (3,446) |
| Less: Profit for the year attributable to the equity holders of the Company from discontinued operations | **3,478** | 1,389 |
| Profit/(Loss) for the year attributable to the equity holders of the Company for the purpose of basic earnings/(loss) per share from continuing operations | **17,614** | (4,835) |
| Effect of dilutive potential ordinary shares: | | |
| Imputed interest on convertible bonds | **4,753** | – |
| Profit/(Loss) for the purpose of diluted earnings/(loss) per share attributable to the equity holders of the Company from continuing operations | **22,367** | (4,835) |

No diluted loss per share from continuing operations attributable to the equity holders of the Company was presented for the year ended 30 April 2008 as the potential ordinary shares had anti-dilutive effect.

### (c) From discontinued operations

Basic earnings per share attributable to the equity holders of the Company from the discontinued operations was HK0.159 cents per share (2008: HK0.075 cents per share), based on the profit for the year ended 30 April 2009 attributable to the equity holders of the Company from discontinued operations of HK$3,478,000 (2008: HK$1,389,000) and the denominators detailed in(a) above.

Diluted earnings per share attributable to the equity holders of the Company from the discontinued operations was HK0.080 cents per share (2008: HK0.066 cents per share), based on the profit for the year ended 30 April 2009 attributable to the equity holders of the Company from discontinued operations of HK$3,478,000 (2008: HK$1,389,000) and the denominators detailed in(a) above.

## 11. GOODWILL

The main changes in the carrying amounts of goodwill resulting from the acquisition of FD(H) Investments Limited and its subsidiaries during the year ended 30 April 2009. The net carrying amount of goodwill can be analysed as follows:

| | **2009** |
|---|---|
| | *HK$'000* |
| At beginning of the year | |
| Gross carrying amount | – |
| Accumulated impairment | – |
| | – |
| Net carrying amount at beginning of the year | – |
| Acquisition of subsidiaries | 141,310 |
| Net carrying amount at end of the year | 141,310 |
| At end of the year | |
| Gross carrying amount | 141,310 |
| Accumulated impairment | – |
| Net carrying amount | 141,310 |

## 12. OTHER INTANGIBLE ASSETS

| | **Trademark** | **Patent** | **Total** |
|---|---|---|---|
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** |
| **Year ended 30 April 2009** | | | |
| Acquisition of subsidiaries | 79,983 | 148,253 | 228,236 |
| Exchange differences | – | 795 | 795 |
| Amortisation | (2,665) | (4,692) | (7,357) |
| Closing net book amount | 77,318 | 144,356 | 221,674 |
| **At 30 April 2009** | | | |
| Cost | 79,983 | 149,050 | 229,033 |
| Accumulated amortisation | (2,665) | (4,694) | (7,359) |
| **Net book amount** | **77,318** | **144,356** | **221,674** |

## 13. TRADE RECEIVABLES

| | 2009 | 2008 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Trade receivables from third parties | **6,671** | 2,185 |
| Trade receivables from a related company | **–** | 800 |
| *Less:* Impairment of receivables | **(69)** | (101) |
| Trade receivables – net | **6,602** | 2,884 |

Ageing analysis of trade receivables as at 30 April 2009, based on sales invoice date and net of provisions, is as follows:

| | 2009 | 2008 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| 0 – 60 days | **6,400** | 2,474 |
| 61 – 90 days | **154** | 173 |
| Over 90 days | **48** | 237 |
| | **6,602** | 2,884 |

The Group allows an average credit period of 60 days to its customers.

The carrying value of trade receivables is considered as reasonable approximation of their fair value. 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 the receivables. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that the trade receivable is impaired. All of the Group's trade receivables have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers of the Group that encounter financial difficulties and full provision for impairment was made.

The movements in allowance for impairment of trade receivables are as follows:

| | 2009 | 2008 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| At beginning of the year | **101** | 856 |
| Allowance made | **97** | 101 |
| Written off | **(44)** | – |
| Written back | **(57)** | (856) |
| Disposals of subsidiaries | **(28)** | – |
| At end of the year | **69** | 101 |

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

## 13. TRADE RECEIVABLES (CONTINUED)

In addition, some of the unimpaired trade receivables are past due as at the reporting date. Ageing analysis of trade receivables not impaired is as follows:

| | 2009 | 2008 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Neither past due nor impaired | **591** | 1,616 |
| 1 – 60 days past due | **5,809** | 944 |
| 61 – 90 days past due | **154** | 151 |
| Over 90 days past due but less than one year | **48** | 173 |
| | **6,011** | 1,268 |
| | **6,602** | 2,884 |

Trade receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customer that had a good track record of credit with the Group. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

## 14. TRADE PAYABLES

As at 30 April 2009, ageing analysis of trade payables based on invoice date is as follows:

| | 2009 | 2008 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| 0 – 30 days | **85** | – |
| 31 – 60 days | **59** | – |
| Over 60 days but less than 1 year | **1,180** | – |
| | **1,324** | – |

General credit terms granted by suppliers are 30 days to 60 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 30 April 2009, the revenue of the Group was approximately HK$44,143,000, representing a decrease of 50% compared to that of the last year (2008: approximately HK$88,760,000). The decrease in revenue was mainly due to the business segment of Funds and Wealth Management Services had been disposed in August 2008. The Group has recorded a profit attributable to the equity holders of approximately HK$21,092,000 (2008: loss of approximately HK$3,446,000) mainly due to the gain on financial assets at fair value through profit or loss and gain on disposals of interests in associates.

## OPERATIONS REVIEW

### Corporate Services

During the year under review, the corporate services segment recorded approximately 1% decrease in revenue to approximately HK$19,372,000 (2008: approximately HK$19,492,000).

***Professional Translation Services***

BMI Professional Translation Services Limited, 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.

***Company Secretarial Services***

BMI Corporate Services Limited, the Group's wholly-owned subsidiary providing full range, timely and accurate company secretarial services to listed companies as well as private companies.

IBC Corporate Services Limited, the Group's wholly-owned subsidiary providing offshore company formation and administration services.

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 providers in Hong Kong, whose clientele comprises of companies listed on the Stock Exchange.

***Business, Accounting and Corporate Development Advisory Services***

The provision of business, accounting and corporate development advisory services is provided through BMI Consultants Limited, BMI Consultants (Shenzhen) Limited and BMI Corporate Advisory (Shanghai) Limited whose importance to the Group's businesses has continued to diminish.

***Trading of Electronic Parts***

The Group has started the business of trading of electronic parts during the year under review and will continue to allocate resources to this business sector. The Board expects that the trading business will generate steady income and diversify the revenue source of the Group under the current global economic conditions.

*Tissue Engineering Skin*

The Group completed its acquisition of the entire issued share capital of FD(H) Investments Limited on 29 October 2008 and has taken over 51% shareholding 陝西艾爾膚組織工程有限公司 (Shaanxi Aierfu Activtissue Engineering Company Limited) (hereinafter referred to as " Shaanxi Aierfu Activtissue"), a subsidiary of FD(H), and all of its operations to develop the new investment segment of the Group.

Shaanxi Aierfu Activtissue is interested in 51% shareholding of three of its subsidiaries, namely 陝西艾美雅生物科技有限公司 (Shaanxi Aimeiya Bio-Technology Company Limited*), 陝西艾博生生物工程有限公司 (Shaanxi AiBosin Bio-Engineering Company Limited*) and 陝西艾尼爾角膜工程有限公司 (Shaanxi AiNear Cornea Engineering Company Limited*) respectively. Its business includes medical engineering, biological engineering and tissue engineering that specialized in the research and development of medical regeneration engineering, of which the research and development of tissue engineering products is designated as one of the pivotal projects of "863 High-Tech Program" launched by the Ministry of Science & Technology of China.

The Tissue Engineering Skin "安體膚" (ActivSkin) (the "ActivSkin") is the major product of Shaanxi Aierfu Activtissue, as well as the achievement of the collaboration between Shaanxi Aierfu Activtissue and the Fourth Military Medical University. ActivSkin can be widely used to cure injuries due to accidents or diseases occurring from infection, ulcer, burn, complication of surgeries or cutaneous wounds caused by congenital abnormalities. It is easy to use and has slight rejection to immunity, and can effectively reduce the formation of scars. More importantly, it can remove the pain caused by traditional surgical treatment for the patients. Adding to its affordable price as well as its huge potential market, ActivSkin will undoubtedly generate a handsome profit to the Group. This product has been granted the Registration Certificate for Medical Device issued by the State Food and Drug Administration of the PRC on 13 November 2007, and it is allowed for production and sale. This is the first manufacturing license granted to tissue engineering products while Shaanxi Aierfu Activtissue is the first enterprise in China to have received such a license. In order to achieve the requirements of the above manufacturing license, Shaanxi Aierfu Activtissue has conducted 3 clinical trials on ActivSkin with over 300 clinical cases. Currently, ActivSkin has successfully applied for 4 patents. The research and development of ActivSkin has received full support, both technically and financially, from the state and provincial government. Apart from ActivSkin, Shaanxi Aierfu Activtissue is now developing other products, including Acellular Cornea, Selective Acellular Porcine Skin, and bioactive cosmetics factors and it is expected to complete the clinical stage in 2009. The Group anticipates that the development of new products would facilitate the diversified development of Shaanxi Aierfu Activtissue in other areas of tissue engineering.

* *For identification only*

### *Investment In Securities and Financial Instrument*

The Group has made investment in listed securities and unlisted financial instrument including convertible bonds and warrants of companies in Hong Kong. The investments are for the purpose of improving returns on unutilized funds of the Group.

On 31 March 2009, Asia First Consultants Limited, a wholly-owned subsidiary of the Company, had entered into a placing agreement with a placing agent regarding the placing of a basket of listed shares and equity linked instrument comprising of listed shares and non-listed warrants of a listed company at a cash consideration of HK$17,000,000.

On 29 April 2009, Full Century International Limited, a wholly-owned subsidiary of the Company, had entered into a placing agreement with a placing agent regarding the placing of investment in HK$30,000,000 convertible bonds issued by China Sciences Conservational Power Limited.

The placing of both investments was completed on 22 May 2009.

## PROSPECT

The Company completed its acquisition of the entire issued share capital of FD(H) Investments Limited on 29 October 2008. 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. To cope with the future mass production, a new factory with a foundation laying ceremony held on 8 January 2009, the construction is now in progress. On the other hand, Shaanxi Aierfu Activtissue is now actively training its professional production technicians as well as adding new equipments. The construction of the new factory is expected to complete in September 2009 and commence the operation in October of this year, if it is undergone smoothly. The Board expects the above acts to tap into the biopharmaceutical and biocosmetic industries and to increase the value of the Company.

In view of the downturn of the global economic conditions, and the decrease of competitiveness of the corporate services segment, on 23 June 2009, the Company announced the disposal of the corporate services segment. The Group will concentrate on the business development of the Tissue Engineering Skin.

To take up the new challenges ahead, the Group is well-prepared and committed to strive for better financial performance in the coming years.

## GROUP CAPITAL RESOURCES AND LIQUIDITY

### Shareholders' Funds

The Group's total shareholders' funds is approximately HK$295,399,000 which was increased compared to approximately HK$52,820,000 in the previous year.

### Liquidity and Financial Resources

As at 30 April 2009, the Group had net current assets of approximately HK$42,848,000 (2008: approximately HK$33,529,000). The current assets mainly comprised inventories of approximately HK$495,000 (2008: Nil), trade receivables of approximately HK$6,602,000 (2008: approximately HK$2,884,000), deposits, prepayments and other receivables of approximately HK$10,389,000 (2008: approximately HK$7,981,000), financial assets at fair value through profit or loss of approximately HK$79,441,000 (2008: approximately HK$3,951,000) and cash and cash equivalents of approximately HK$15,113,000 (2008: approximately HK$34,619,000). The Company intends to finance the Group's future operations, capital expenditure and other capital requirements with the bank balances available. The current liabilities mainly comprised trade payable of approximately HK$1,324,000 (2008: Nil), accrued charges and other payables of approximately HK$50,260,000 (2008: approximately HK$17,316,000), bank loan due within one year of approximately HK$152,000 (2008: approximately HK$143,000), amounts due to minority shareholders of subsidiaries of approximately HK$15,623,000 (2008: Nil) and taxation payable of approximately HK$2,091,000 (2008: approximately HK$279,000).

### 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.

On 17 April 2009, 200,000,000 shares of the Company were issued upon exercise of share options at an exercise price of HK$0.01 per share by directors of subsidiaries of the Company.

As a result, the number of issued shares of the Company is 2,480,880,000 as at 30 April 2009.

### Working Capital and Gearing Ratio

As at 30 April 2009, the Group had current assets of approximately HK$112,298,000 (2008: approximately HK$51,267,000), while its current liabilities stood at approximately HK$69,450,000 (2008: approximately HK$17,738,000). Other than the bank loan of approximately HK$3,434,000 (2008: approximately HK$3,578,000) and convertible bonds of approximately HK$104,896,000 (2008: Nil), the Group did not have any outstanding indebtedness as at 30 April 2009, and its shareholders' funds amounted to approximately HK$295,399,000 (2008: approximately HK$52,820,000). In this respect, the Group had a net cash position, its working capital ratio (current assets to current liabilities) was 1.62 (2008: 2.89); and its gearing ratio (net debt to shareholders' funds) was 0.367 (2008: 0.068).

## SIGNIFICANT INVESTMENT

As at 30 April 2009, the Group has financial assets at fair value through profit or loss of approximately HK$79,441,000 (2008: HK$3,951,000).

## CAPITAL COMMITMENTS

Capital commitment of the Group as at 30 April 2009 is HK$39,035,000 (2008: Nil). It is related to the purchase of property, plant and equipment contracted but not provided for net of deposit paid amount.

## MATERIAL ACQUISITIONS/DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 27 May 2008, the Group announced that it 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 is 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 was completed on 29 October 2008.

Save as disclosed above, the Group had no material acquisitions/disposal of subsidiaries and associated corporation during the year under review.

## SEGMENTAL INFORMATION

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

## EMPLOYEE INFORMATION AND REMUNERATION POLICIES

As at 30 April 2009, the Group had 220 (2008: 128) 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 year was approximately HK$24,351,000 (2008: approximately HK$21,322,000).

In addition, the Group may offer options to reward employees who exhibit that they have offered significant contributions to the Group.

## CHARGES ON GROUP'S ASSETS

As at 30 April 2009, operating lease prepayments and building with respective carrying values of approximately HK$3,580,000 (2008: approximately HK$3,661,000) and HK$1,639,000 (2008: approximately HK$1,712,000) respectively 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 above and in this section of "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 30 April 2009, the Group did not have any contingent liabilities (2008: Nil).

## CHANGE OF COMPANY NAME

The change of the Company name from "B M Intelligence International Limited (邦盟滙駿國際有限公司 which was adopted for identification purpose only)" to "China Bio-Med Regeneration Technology Limited 中國生物醫學再生科技有限公司" was approved by the shareholders at the annual general meeting of the Company held on 18 December 2008.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

## CORPORATE GOVERNANCE PRACTICE

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 year ended 30 April 2009 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 have 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 2009 annual report.

## AUDIT COMMITTEE

The Company set up an audit committee on 4 July 2001 with written terms of reference for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee currently comprises of Mr. Lui Tin Nang, Mr. Cheung Siu Chung and Mr. Orr Joseph Wai Shing. The audit committee has reviewed and discussed with the management and the external auditors financial reporting matters including the annual results for the year ended 30 April 2009.

## 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 year ended 30 April 2009.

## APPRECIATION

On behalf of the Board, I wish to extend my appreciation to our valuable shareholders, clients, business partners and alliances for their ongoing support, and to every staff and management for their hard work and dedication throughout the year.

By order of the Board
**Gao Gunter**
*Chairman*

*As at the date of this announcement, the executive directors of the Company are Ms. Yeung Sau Han, Agnes, Ms. Yu Sai Lai, Mr. Tin Ka Pak, Mr. Dai Yumin, Mr. Luo Xian Ping and Dr. Gao Gunter; the non-executive directors of the Company are Mr. Wong Sai Hung, Oscar and Mr. Xu Jifeng; the independent non-executive directors of the Company are Mr. Lui Tin Nang, Mr. Cheung Siu Chung and Mr. Orr Joseph Wai Shing.*

Hong Kong, 24 July 2009

*This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of this announcement and the Company's website at www.bmregeneration.com.*