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)

INTERIM RESULT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

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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This announcement, for which the directors (the "Director(s)") 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, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors (the "Board") of China Bio-Med Regeneration Technology Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and six months ended 31 October 2011, together with the comparative unaudited figures for the corresponding periods in 2010 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three and six months ended 31 October 2011

		Three months ended 31 October		**Six months ended 31 October**	
		2011	2010	**2011**	2010
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
			(Restated)		(Restated)
Revenue	*3*	**14**	15	**124**	43
Cost of sales		**(7)**	(14)	**(80)**	(30)
Gross profit		**7**	1	**44**	13
Other income/(expenses)		**(1)**	9	**1,508**	18
Administrative expenses		**(15,556)**	(12,376)	**(27,722)**	(22,557)
Operating loss		**(15,550)**	(12,366)	**(26,170)**	(22,526)
Finance costs	*5*	**(256)**	(864)	**(884)**	(2,071)
Loss before income tax	*6*	**(15,806)**	(13,230)	**(27,054)**	(24,597)
Income tax credit		**483**	1,150	**968**	1,150
Loss for the period		**(15,323)**	(12,080)	**(26,086)**	(23,447)
Other comprehensive income					
Exchange gain on translation of financial statements of foreign operations		**1,021**	2,132	**1,230**	1,956
Other comprehensive income for the period		**1,021**	2,132	**1,230**	1,956
Total comprehensive income for the period		**(14,302)**	(9,948)	**(24,856)**	(21,491)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

		Three months ended 31 October		Six months ended 31 October	
		2011	2010	**2011**	2010
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
			(Restated)		(Restated)
Loss for the period attributable to:					
Owners of the Company		**(13,120)**	(11,745)	**(23,117)**	(19,813)
Non-controlling interests		**(2,203)**	(335)	**(2,969)**	(3,634)
		(15,323)	(12,080)	**(26,086)**	(23,447)
Total comprehensive income attributable to:					
Owners of the Company		**(12,121)**	(13,268)	**(21,931)**	(21,512)
Non-controlling interests		**(2,181)**	3,320	**(2,925)**	21
		(14,302)	(9,948)	**(24,856)**	(21,491)
Loss per share for loss attributable to the owners of the Company	*9*				
– basic and diluted (HK cents)		**(0.186)**	(0.187)	**(0.328)**	(0.324)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	(Unaudited) 31 October 2011 HK$'000	(Audited) 30 April 2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*10*	**81,370**	65,683
Land use rights and operating lease prepayments	*11*	**5,177**	5,132
Goodwill	*12*	**145,408**	141,310
Other intangible assets		**186,828**	192,723
		418,783	404,848
Current assets			
Inventories		**499**	221
Trade receivables	*13*	**3,340**	3,142
Deposits, prepayments and other receivables		**28,451**	71,615
Cash and cash equivalents		**48,827**	37,959
		81,117	112,937
Current liabilities			
Trade payables	*14*	**2,292**	1,602
Accrued charges and other payables		**58,991**	54,034
Amounts due to non-controlling interests of subsidiaries		**6,792**	20,344
Bank loan (secured) – due within one year		**18,438**	–
		86,513	75,980
Net current (liabilities)/assets		**(5,396)**	36,957
Total assets less current liabilities		**413,387**	441,805
Non-current liabilities			
Deferred taxation		**22,175**	23,143
		22,175	23,143
Net assets		**391,212**	418,662
EQUITY			
Share capital	*15*	**70,569**	70,569
Reserves		**300,488**	322,419
Equity attributable to owners of the Company		**371,057**	392,988
Non-controlling interests		**20,155**	25,674
Total equity		**391,212**	418,662

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 October 2011

	Six months ended 31 October 2011	2010
	HK$'000	*HK$'000*
Net cash generated from/(used in) operating activities	**15,512**	(36,576)
Net cash used in investing activities	**(4,170)**	(10,076)
Net cash (used in)/generated from financing activities	**(474)**	4,878
Net increase/(decrease) in cash and cash equivalents	**10,868**	(41,774)
Cash and cash equivalents at beginning of the period	**37,959**	162,499
Cash and cash equivalents at end of the period	**48,827**	120,725

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2011

	Equity attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Translation reserve	Special reserve	Convertible bonds equity reserve	Other reserve	Accumulated profit/(loss)	Total		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(note 1)*	*HK$'000*	*HK$'000* *(note 2)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 May 2010 (Audited)	54,769	334,998	1,179	(200)	16,466	–	(60,030)	347,182	66,874	414,056
Deemed acquisition of non-controlling interests	–	–	–	–	–	36,255	–	36,255	(36,255)	–
Conversion of convertible bonds	15,000	45,703	–	–	(16,466)	–	–	44,237	–	44,237
Exercise of share option	800	4,100	–	–	–	–	–	4,900	–	4,900
Loss for the period	–	–	–	–	–	–	(19,813)	(19,813)	(3,634)	(23,447)
Other comprehensive income:										
Exchange gain on translation of financial statements of foreign operations	–	–	1,935	–	–	–	–	1,935	21	1,956
At 31 October 2010 (Unaudited)	70,569	384,801	3,114	(200)	–	36,255	(79,843)	414,696	27,006	441,702
At 1 May 2011 (Audited)	70,569	384,801	6,740	(200)	–	33,169	(102,091)	392,988	25,674	418,662
Loss for the period	–	–	–	–	–	–	(23,117)	(23,117)	(2,969)	(26,086)
Acquisition of subsidiary	–	–	–	–	–	–	–	–	(2,594)	(2,594)
Other comprehensive income:										
Exchange gain on translation of financial statements of foreign operations	–	–	1,186	–	–	–	–	1,186	44	1,230
At 31 October 2011 (Unaudited)	70,569	384,801	7,926	(200)	–	33,169	(125,208)	371,057	20,155	391,212

Notes:

(1) 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 reorganization in 2001.

(2) The other reserve represents the difference between the fair value of consideration paid to increase the shareholding in a subsidiary, Shaanxi Aierfu Activitissue Engineering Company Limited, and the amount of adjustment to non-controlling interests during the year ended 30 April 2011.

Notes:

1. GENERAL INFORMATION

China Bio-Med Regeneration Technology 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, South Church Street, George Town, 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 GEM of the Stock Exchange.

The Company is an investment holding company. The principal activities of its subsidiaries are the provision of tissue engineering products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 31 October 2011 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with applicable disclosure provisions of the Rules Governing The Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated interim financial statements for the six months ended 31 October 2011 have been prepared under historical cost convention and the principal accounting policies used in the preparation of the unaudited condensed consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 30 April 2011. In the current period, the Group had applied, for the first time, a number of new or revised Hong Kong Financial Reporting Standards and Interpretations ("HKFRSs") issued by the HKICPA that are relevant to the Group and effective from the current period. The new or revised HKFRSs did not have any significant effect on the financial position or performance of the Group.

The unaudited consolidated results have been reviewed by the audit committee of the Company.

3. REVENUE

The Group's revenue represents the net amounts received and receivable from sales of goods provided by the Group to outside customers and invoiced value during the six months ended 31 October 2011.

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Sales of tissue engineering products	**124**	43
	124	43

4. SEGMENT INFORMATION

The executive directors of the Group has identified tissue engineering – production and sale of tissue engineering products as an operating segment. The operating segment is monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Tissue engineering Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Revenue		
– From external customers	**124**	43
Reportable segment revenue	**124**	43
Reportable segment loss	**(19,510)**	(15,962)
Amortisation of land use rights and operating lease prepayments	**54**	51
Amortisation of other intangible assets	**7,670**	6,516
Depreciation	**567**	429
Interest income	**1,505**	8
Reportable segment assets		
Additions to non-current segment assets during the period	**15,218**	9,961
Reportable segment liabilities	**85,383**	73,973

The totals presented for the Group's operating segment reconcile to the Group's key financial figures as presented in the financial statements as follows:

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Reportable segment revenue	**124**	43
Group revenue	**124**	43
Reportable segment loss	**(19,510)**	(15,962)
Unallocated corporate income	**2**	9
Unallocated corporate expenses	**(6,662)**	(6,573)
Finance costs	**(884)**	(2,071)
Loss before income tax	**(27,054)**	(24,597)

4. **SEGMENT INFORMATION** *(Continued)*

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Reportable segment assets	**320,994**	376,080
Other corporate assets	**178,906**	164,660
Group assets	**499,900**	540,740
Reportable segment liabilities	**85,383**	73,973
Deferred taxation	**22,175**	23,941
Other corporate liabilities	**1,130**	1,124
Group liabilities	**108,688**	99,038

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Six months ended 31 October		Six months ended 31 October	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**164,676**	129,883
The PRC (domicile)	**124**	43	**254,107**	264,198
	124	43	**418,783**	394,081

The geographical location of customers are based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset. The Company is an investment holding company where the Group has majority of its operation and workforce in the PRC, and therefore, the PRC is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

5. **FINANCE COSTS**

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans, other payables and amounts due to minority shareholders of subsidiaries:		
Wholly repayable within five years	**884**	874
Imputed interest on convertible bonds	**–**	1,175
Interest on bank overdrafts	**–**	22
	884	2,071

6. LOSS BEFORE INCOME TAX

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging/(crediting):		
Amortisation of land use rights and operating lease prepayments	**54**	51
Amortisation of other intangible assets	**7,670**	6,516
Depreciation	**959**	712
Operating lease rentals in respect of office premises	**2,039**	1,889
Employee benefit expenses (including directors' emoluments)		
Salaries, wages and other benefit	**7251**	5,234
Retirement benefit scheme contributions	**579**	290
Interest income	**(1,507)**	(17)

7. INCOME TAX EXPENSES

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
Hong Kong Profits tax		
Current period	**–**	–
Over provision in prior periods	**–**	–
	–	–
Income tax credit	**968**	1,150
	968	1,150

No provision for profits tax has been made in the financial statements for the current period as companies comprising the Group had no assessable profits.

8. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 31 October 2011 (2010: Nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Three months ended 31 October		Six months ended 31 October	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the period attributable to owners of the Company	**13,120**	11,745	**23,117**	19,813

	Three months ended 31 October		Six months ended 31 October	
	2011	2010	**2011**	2010
	'000	*'000*	***'000***	*'000*
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic loss per share	**7,056,880**	6,265,576	**7,056,880**	6,107,641

No diluted loss per share attributable to owners of the Company was presented for the period ended 31 October 2010 as the potential ordinary shares had anti-dilutive effect.

10. PROPERTY, PLANT AND EQUIPMENT

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

	At 31 October 2011	At 30 April 2011
	HK$'000	*HK$'000*
Net book value, beginning of period/year	**65,683**	37,139
Exchange realignment	**1,237**	1,917
Additions	**15,218**	28,208
Acquisition of subsidiary	**191**	–
Depreciation	**(959)**	(1,581)
Net book value, end of period/year	**81,370**	65,683

11. LAND USE RIGHTS AND OPERATING LEASE PREPAYMENTS

	At 31 October 2011	At 30 April 2011
	HK$'000	*HK$'000*
Opening net carrying amount	**5,132**	4,962
Exchange differences	**99**	277
Annual charges of prepaid lease payment	**(54)**	(107)
Net book value, end of period/year	**5,177**	5,132

12. GOODWILL

The net carrying amount of goodwill is analyzed as follows:

	At 31 October 2011 *HK$'000*	At 30 April 2011 *HK$'000*
Net carrying amount at beginning of the period/year	**141,310**	141,310
Acquisition of subsidiaries	**4,098**	–
Accumulated impairment	**–**	–
Net carrying amount at end of the period/year	**145,408**	141,310

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 2011 *HK$'000*	At 30 April 2011 *HK$'000*
0-60 days	**–**	3,118
61-90 days	**15**	–
Over 90 days	**3,325**	24
	3,340	3,142

14. TRADE PAYABLES

As at 31 October 2011, aging analysis of trade payables based on invoice date is as follows:

	At 31 October 2011 *HK$'000*	At 30 April 2011 *HK$'000*
0-30 days	**288**	259
31-60 days	**564**	63
Over 60 days but less than 1 year	**1,440**	1,280
	2,292	1,602

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

15. SHARE CAPITAL

	At 31 October 2011		At 30 April 2011	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'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	**7,056,880,000**	**70,569**	5,476,880,000	54,769
Conversion of convertible bond *(note i)*	**–**	**–**	1,500,000,000	15,000
Shares issued on exercise of share options *(note ii)*	**–**	**–**	80,000,000	800
At the end of period	**7,056,880,000**	**70,569**	7,056,880,000	70,569

Notes:

(i) During the year, the convertible bonds with an aggregate principal amount of HK$45,000,000 were converted into 1,500,000,000 ordinary shares of HK$0.01 each at a conversion price of HK$0.03 per share.

(ii) The increase in share capital represented the shares issued on exercise of share options, granted under the Company's share option scheme.

16. COMMITMENT

(a) Operating lease commitment

At the reporting date, the total future minimum lease payments under non-cancellable operating lease in respect of its office premises are payable by the Group as follows:

	At 31 October 2011	At 30 April 2011
	HK$'000	*HK$'000*
Within one year	**4,264**	4,359
In the second to fifth year inclusive	**5,410**	7,292
	9,674	11,651

(b) Capital commitment

At the balance sheet date, the Group had capital expenditure commitments in relation to the purchase of property, plant and equipment contracted but not provided for, net of deposit paid, amounted to approximately HK$10,728,000 (2010: approximately HK$34,037,000).

17. ACQUISITION OF SUBSIDIARY

On 31 May 2011, an indirect non-wholly owned subsidiary of the Company, entered into the share transfer agreements with an independent third party and the close relative of Mr. Yang Zhengguo, an executive director of the Companys to acquire 100% equity interest of 深圳艾尼爾角膜工程有限公司 at the total consideration of RMB2,000,000 (equivalent to approximately HK$2,380,000). The transaction was completed on 3 June 2011.

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities:	
Property, plant and equipments	191
Deposits, prepayments and other receivables	95
Cash and cash equivalents	11,916
Accrued charges and other payables	(16,894)
Total identifiable net liabilities	(4,692)
Goodwill	7,072
Purchase consideration	2,380
Inflow of cash to acquire business, net of cash acquired	
cash consideration	2,380
cash and cash equivalents in subsidiary acquired	11,916
Cash inflow on acquisition	9,536

18. PLEDGE OF ASSETS

At 31 October 2011, the Group had pledged the leasehold buildings of the Group with carrying value of approximately HK$60,110,000 to secure the bank loan.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 31 October 2011, the Group recorded a total revenue of approximately HK$124,000 and a loss attributable to owners of the Company approximately HK$23,117,000, as compared to a revenue of approximately HK$43,000 and a loss attributable to owners of the Company approximately HK$19,813,000 for the corresponding period last year.

OPERATIONS REVIEW

In response to the industrialization of tissue engineering skin, Shaanxi Aierfu Activtissue has designed and developed a series of tissue engineering skin large-scale production equipments, including large collagen extraction tanks, production robots and skin plants, ensuring the equipment supply for mass production of the skin. Patent application of the production lines and equipments at the new plant will be made to protect the intellectual property of the Company. The equipments and production system of the new plant have been received and properly installed. Our team for industrialized management has been devoted to deal with the problems in respect of the plant. The system adjustment of the new plant has been commenced, and the related technicians have been provided with professional training. It is expected that the new plant will commence its trial production in December.

On 31 May 2011, the Group has acquired 100% equity interest of 深圳艾尼爾角膜工程有限公司 (hereinafter referred to as “Shenzhen Cornea Company”), a company established in Shenzhen, through its subsidiary (Shaanxi AiNear Cornea Engineering Company Limited*). Shenzhen Cornea Company received the financial support for the plant and equipments from Shenzhen government. Meanwhile, for the plant of Shenzhen Cornea Company, the management team of Aierfu company was preparing the necessary equipments. The plant will commence operation as soon as practicable upon the completion of clinical trial and receipt of the relevant licenses for production.

Clinical R&D Programs of Shaanxi Aierfu Activtissue

The tissue engineering skin “安體膚” (the “ActivSkin”) is the major product of Shaanxi Aierfu Activtissue, as well as the main product manufactured by the new plant. Although the “ActivSkin” could be put into commercial production, in order to widen its applications on indications, especially during the recovery stage of diabetic foot treatment. As of late October 2011, Shaanxi Aierfu Activtissue enrolled 67 cases with four hospitals, including Air Force General Hospital, PLA (中國人民解放軍空軍總醫院) for “clinical trial for increase indication” (增加適應症). The clinical department of Shaanxi Aierfu Activtissue strives to complete 30 to 60 cases (total: 120 cases) by December 2011 and wishes to complete the clinical trials in December 2012. Application materials will be submitted to the State Food and Drug Administration for registration in the first half of 2013.

"Acellular Cornea"（脱細胞眼角膜）researched and developed by Shaanxi AiNear Cornea Engineering Company Limited, a subsidiary of Shaanxi Aierfu Activtissue, is fully access to clinical stage. As of late October 2011, it enrolled 79 cases, striving to complete the enrollment of all cases (total: 120 cases) in December 2011. It is expected to complete the clinical trial in June 2012. Application materials will be submitted to the State Food and Drug Administration for registration in 2012.

Selective Acellular Porcine Skin mainly used for large-area burns and ulcers researched and developed by 陝西艾博生生物工程有限公司 (Shaanxi AiBosin Bio-Engineering Company Limited*), another subsidiary of Aierfu Activtissue, is also access to the clinical stage, currently enrolling a total of 19 cases. Meanwhile, the clinical trial of re-constructuring human acellular dermal tissue has already enrolled a total of 10 cases.

BUSINESS OUTLOOK

Bio-technology is generally acknowledged as one of the technologies with the highest potential in the 21st century, which grows rapidly, particularly in tissue engineering. Currently, many countries are striving to conduct relevant research, expecting to be a leading country in biomedicine of next century. Our country also assign "biomedicine tissue engineering" to be key projects.

Currently, an overarching priority of the Group is to realize industrialization during the year, launch the research and development results undertook by Shaanxi Aierfu over the past years to market and also accelerate the clinical progress in respect of other products, particularly the clinical trial of Acellular Cornea. This could not only bring revenue to the Group, but also made a breakthrough in traditional treatment, making contributions to human health and creating significant economic and social benefits.

In order to prepare for the marketing before commercial production of the new plant, the Group is also proactively seeking external appropriate customers through its subsidiary 陝西中經豐德經貿發展有限公司.

To develop regeneration technology is the primary business of the Group. The Group has an initial development cooperation intention with Shaanxi Reshine Biotech Co,. Ltd (hereinafter referred to as "Reshine Biotech"), and both parties have entered into a framework agreement, in order to expand the business scope of the Group and benefit for occupying an important position in the area of bio-technology. Reshine Biotech is a company specialized in research and development of tissue engineering series product for tissue defects recovery and cosmetic reconstruction. As the tissue engineering project of Reshine Biotech is not mature, it is ensured that the Group has a pre-emption right of tissue engineering projects of Reshine Biotech under the framework agreement mentioned above, and we will gradually take-over following tissue engineering projects based on their development progress:

Product (1) : Tissue engineering cornea with stem cell

Product (2) : Bioactive skin

Product (3) : Tissue engineering bioactive bone (has accessed into clinical stage)

Product (4) : Tissue engineering stem cell slice

Product (5) : Small intestinal submucosa defect patches (has accessed into clinical stage)

Product (6) : Product of amniotic membranes soft tissue materials for reconstruction and filling (整形充填用羊膜軟組織填充材料產品)

Product (7) : Acellular tires leather products used for cosmetic (整形充填用脱細胞胎牛皮產品)

Product (8) : Injectable extracellular amniotic membrane tiny powder product for cosmetology (美容用可注射脱細胞羊膜微粒產品)

The Group has always been actively investigating and developing new technologies and keeping eyes on the business market in order to achieve a better financial performance.

GROUP CAPITAL RESOURCES AND LIQUIDITY

Shareholders' funds

The shareholders' equity of the Group as at 31 October 2011 decreased to approximately HK$391,212,000 (30 April 2011: approximately HK$418,662,000).

Liquidity, financial resources and capital structure

As at 31 October 2011, the Group had net current liabilities of approximately HK$5,396,000. The current assets mainly comprised inventories of approximately HK$499,000, trade receivables of approximately HK$3,340,000, deposits, prepayments and other receivables of approximately HK$28,451,000 and cash and cash equivalents of approximately HK$48,827,000. The current liabilities comprised trade payables of approximately HK$2,292,000, accrued charges and other payables of approximately HK$58,991,000, amounts due to non-controlling interest of the subsidiaries of approximately HK$6,792,000 and secured bank loan of approximately HK$18,438,000.

Working capital and gearing ratio

As at 31 October 2011, the Group's working capital ratio (current assets to current liabilities) was 0.94 (30 April 2011: 1.49); and its gearing ratio (net debt to shareholders's funds) was 0.047 (30 April 2011: nil).

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as the acquisition of 100% of equity interest of Shenzhen AiNear Cornea Engineering Company Limited at the total consideration of RMB2,000,000 (equivalent to approximately HK$2,380,000) by Shaanxi AiNear Cornea Engineering Company Limited from an independent third party and the close relative of Mr. Yang Zhengguo, an executive Director of the Company, there were no other acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 31 October 2011.

SEGMENTAL INFORMATION

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

EMPLOYEE INFORMATION

As at 31 October 2011, the Group had 183 (2010: 164) 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$7,830,000 (2010: approximately HK$5,524,000).

CHARGES ON GROUP'S ASSETS

At 31 October 2011, the Group had pledged the leasehold buildings of the Group with carrying value of approximately HK$60,110,000 to secure the bank loan.

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 2011, the Group did not have any contingent liabilities (2010: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 31 October 2011, the interests and short positions of the Directors, the chief executive of the Company and their respective associates 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, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Interests in the shares and underlying shares of the Company

Name of Directors	Capacity	Aggregate long position in the shares	Approximate percentage of the issued share capital	Aggregate underlying shares
Dai Yumin	Held by controlled corporation *(Note 1)*	1,368,968,927 (L)*	19.40%	–
	Held by Spouse *(Note 2)*	172,620,000	2.45%	–
Gao Gunter *(Note 3)*	Held by controlled corporation	420,000,000 (L)*	5.95%	–
Wong Sai Hung, Oscar	Beneficial owner	30,000,000 (L)*	0.43%	–

* L – Long Position

Notes:

(1) All Favour Holdings Limited is beneficially owned as to 40% by Forerunner Technology Limited which is wholly owned by Mr. Dai Yumin; as to 40% by Plenty Best Investments Limited which is wholly owned by Ms. Wan Fangli; and as to 20% by Honour Top Holdings Limited which is beneficially owned as to 66.67% by Forerunner Technology Limited and as to 33.33% by Mr. Liu Chunping, respectively. By virtue of the SFO, Mr. Dai Yumin, an executive Director and Ms. Wan Fangli are deemed to be interested in 1,368,968,927 shares of the Company held by All Favour Holdings Limited.

(2) Mr. Dai Yumin was deemed to be interested in 172,620,000 shares of the Company owned by his spouse, Ms. Deng Shu Fen, pursuant to Part XV of the SFO.

(3) Vital-Gain Global Limited ("Vital-Gain") is beneficially owned as to 71.43% by Good Favour Limited ("Good Favour"). Good Favour is wholly owned by Big Global Holdings Limited which is wholly owned by Dr. Gao Gunter. By virtue of the SFO, Dr. Gao Gunter is deemed to be interested in the 420,000,000 shares held by Vital-Gain.

Save as disclosed above, as at 31 October 2011, none of the Directors or chief executive of the Company nor their respective associates (as defined in the GEM Listing Rules) 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) which would have to be 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 to be 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 under the heading "DIRECTORS' AND CHIEF EXECUTIVES' INTEREST" above and the following section headed "SHARE OPTIONS", at no time during the six months ended 31 October 2011 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

On 14 September 2011, the share option scheme which was adopted by the Company on 29 August 2002 (the "2002 Share Option Scheme") was terminated and a new share option scheme (the "2011 Share Option Scheme") was adopted for the primary purpose of providing incentives to directors and eligible employees of the Company.

No share options under the 2002 Share Option Scheme and 2011 Share Option Scheme were granted, outstanding, lapsed, cancelled or exercised at any time during the six months ended 31 October 2011.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 October 2011, other than the interests and short positions of the Directors or chief executive 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:

Long positions in the shares and underlying shares of the Company

Name of Shareholders	Capacity	Aggregate long position in the Shares	Approximate percentage of the issued share capital	Aggregate underlying shares
All Favour Holdings Limited *(Note 1 above)*	Corporate	1,368,968,927 (L)*	19.40%	–
Vital-Gain Global Limited *(Note 3 above)*	Corporate	420,000,000 (L)*	5.95%	–

* L – Long Position

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 October 2011, 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.

CONNECTED TRANSACTIONS

Save as disclosed in this announcement, no contracts of significance to which the Company or its subsidiaries, was a party and in which a Director 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 2011.

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 PRACTICES

The Board are committed to maintaining a high standard of corporate governance practices. The Group believes that high standard of corporate governance provides a framework and solid foundation for achieving, attracting and retaining the high standard and quality of the Group's management, promoting high standards of sound internal control, accountability and transparency to all shareholders and also meeting the expectations of the Group's various stakeholders.

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 2011 except the code provision A.5.4 of the CG Code disclosed below:

Code provision A.5.4 specifies that the directors must comply with their obligations under the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. While Mr. Dai Yumin, the executive director of the Company, has breached rule 5.56 of the GEM Listing Rules as to the spouse of Mr. Dai has acquired a total of 52,620,000 shares of the Company during the blackout periods from 17 February 2011 to 23 February 2011 and from 21 June 2011 to 28 June 2011 for the purpose of fulfilling the migration requirements but she has not notified Mr. Dai or the chairman of the Company. When Mr. Dai was aware of the above acquisitions of shares, he has notified the Company and the Stock Exchange immediately.

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 three independent non-executive Directors being Mr. Lui Tin Nang, Mr. Sze Chin Hung and Mr. Chan Wing Hang.

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 2011. 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 the Directors. The Nomination Committee comprises a majority of independent non-executive Directors and schedules to meet at least once a year. The Nomination Committee is currently chaired by Mr. Gao Gunter and comprises three other members, namely Mr. Lui Tin Nang, Mr. Sze Chin Hung and Mr. Chan Wing Hang. 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. The Remuneration Committee comprises a majority of independent non-executive Directors and schedules to meet at least once a year. It is currently chaired by Mr. Gao Gunter and comprises other three members, namely Mr. Lui Tin Nang, Mr. Sze Chin Hung and Mr. Chan Wing Hang. The terms of reference of the Remuneration Committee are available on the Company's website.

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to rule 17.50A(1) of the GEM Listing Rules, the changes of information on the Directors are as follows:

Mr. Lui Tin Nang resigned as an independent non-executive director of Vital Pharmaceutical Holdings Limited, now known as Vital Group Holdings Limited (Stock Code: 1164) on 18 August 2011.

Mr. Wong Sai Hung, Oscar resigned as a CEO on 7 December 2011 and currently serves as a consultant of ICBC (Asia) Investment Management Company Limited.

SECURITIES DEALING CODE

The Company has adopted a code of conduct regarding Directors' securities transactions as set out in GEM Listing Rules as the required standard for securities transactions by the Directors. Having made specific enquiry of all Directors, each of the Directors, except Mr. Dai Yumin as disclosed under the section of "Corporate Governance Practices", has confirmed that they have fully complied with the required standards of dealings regarding securities transaction by the Directors as set out on GEM Listing Rules at any time during the six months ended 31 October 2011.

BOARD PRACTICES AND PROCEDURES

During the six months ended 31 October 2011, 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 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board of
China Bio-Med Regeneration Technology Limited
Gao Gunter
Chairman

Hong Kong, 13 December 2011

As at the date of this announcement, the executive Directors are Dr. Gao Gunter, Mr. Dai Yumin, Mr. Luo Xian Ping and Mr. Yang Zheng Guo; the non-executive Directors are Mr. Wong Sai Hung, Oscar, Mr. Sze Cheung Pang and Mr. Ma Long; the independent non-executive Directors are Mr. Lui Tin Nang, Mr. Sze Chin Hung and Mr. Chan Wing Hang.

This announcement will remain on the "Latest Company Announcement" 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.

* *for identification purpose only*