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 RESULTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2013

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 (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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 2013, together with the comparative unaudited figures for the corresponding period in 2012 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 31 October 2013

		Three months ended 31 October		**Six months ended 31 October**	
		2013	2012	**2013**	2012
	Notes	**HK$'000**	HK$'000	**HK$'000**	HK$'000
		Unaudited	*Unaudited*	***Unaudited***	*Unaudited*
Revenue	*3*	**149**	29	**196**	822
Cost of sales		**(52)**	(30)	**(76)**	(1,054)
Gross profit/(loss)		**97**	(1)	**120**	(232)
Other income		**34**	23	**107**	254
Administrative expenses		**(30,420)**	(13,575)	**(51,641)**	(27,087)
Finance costs	*5*	**(925)**	(500)	**(1,048)**	(980)
Loss before income tax	*6*	**(31,214)**	(14,053)	**(52,462)**	(28,045)
Income tax credit	*7*	**480**	483	**961**	926
Loss for the period		**(30,734)**	(13,570)	**(51,501)**	(27,119)
Other comprehensive income					
Exchange gain on translation of financial statements of foreign operations		**1,819**	1,077	**2,492**	318
Other comprehensive income for the period		**1,819**	1,077	**2,492**	318
Total comprehensive income for the period		**(28,915)**	(12,493)	**(49,009)**	(26,801)
Loss for the period attributable to:					
Owners of the Company		**(27,873)**	(11,881)	**(46,730)**	(23,584)
Non-controlling interests		**(2,861)**	(1,689)	**(4,771)**	(3,535)
		(30,734)	(13,570)	**(51,501)**	(27,119)
Total comprehensive income attributable to:					
Owners of the Company		**(25,993)**	(10,887)	**(44,145)**	(23,404)
Non-controlling interests		**(2,922)**	(1,606)	**(4,864)**	(3,397)
		(28,915)	(12,493)	**(49,009)**	(26,801)
Loss per share for loss attributable to the owners of the Company	*9*				
Basic (HK cents)		**(0.309)**	(0.163)	**(0.519)**	(0.327)
Diluted (HK cents)		**N/A**	N/A	**N/A**	N/A

Condensed Consolidated Statement of Financial Position
As at 31 October 2013

	Notes	**31 October 2013** **_HK$'000_** **_Unaudited_**	30 April 2013 *HK'000* *Audited*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*10*	**130,662**	130,577
Land use rights	*11*	**5,165**	5,162
Goodwill		**141,310**	141,310
Other intangible assets	*12*	**157,005**	164,437
Debt element of convertible bond		**4,261**	4,261
		438,403	445,747
Current assets			
Inventories		**1,044**	509
Trade receivables	*13*	**61**	26
Deposits, prepayments and other receivables	*13*	**83,317**	34,574
Options embedded in the convertible bond		**2**	2
Cash and cash equivalents		**171,272**	272,327
		255,696	307,438
Current liabilities			
Trade payables	*14*	**299**	834
Accrued charges and other payables		**53,918**	57,286
Amounts due to non-controlling interests of subsidiaries		**1,240**	6,889
Bank borrowings		**38,415**	37,980
		93,872	102,989
Net current assets		***161,824***	*204,449*
Total assets less current liabilities		***600,227***	*650,196*
Non-current liabilities			
Deferred taxation		**18,318**	19,278
Net assets		**581,909**	630,918
EQUITY			
Share capital		**90,119**	90,119
Reserves		**488,168**	532,313
Equity attributable to owners of the Company		**578,287**	622,432
Non-controlling interests		**3,622**	8,486
Total equity		**581,909**	630,918

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 October 2013

	Attributable to owners of the Company							Non-controlling interest	Total
	Share capital	Share premium	Translation reserve	Special reserve	Other reserve	Accumulated losses	Sub-total		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (note 1)	*HK$'000* (note 2)	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 May 2013 (Audited)	90,119	707,390	12,506	(200)	33,137	(220,520)	622,432	8,486	630,918
Loss for the period	-	-	-	-	-	(46,730)	(46,730)	(4,771)	(51,501)
Other comprehensive income:									
Exchange gain/(loss) on translation of financial statements of foreign operations	-	-	2,585	-	-	-	2,585	(93)	2,492
Total comprehensive income for the period	-	-	2,585	-	-	(46,730)	(44,145)	(4,864)	(49,009)
At 31 October 2013 (Unaudited)	90,119	707,390	15,091	(200)	33,137	(267,250)	578,287	3,622	581,909
At 1 May 2012 (Audited)	70,569	384,801	8,798	(200)	33,169	(159,200)	337,937	14,721	352,658
Loss for the period	-	-	-	-	-	(23,584)	(23,584)	(3,535)	(27,119)
Other comprehensive income:									
Exchange gain on translation of financial statements of foreign operations	-	-	180	-	-	-	180	138	318
Total comprehensive income for the period	-	-	180	-	-	(23,584)	(23,404)	(3,397)	(26,801)
Deemed acquisition of non-controlling interests	-	-	-	-	(89)	-	(89)	89	-
Share issued at premium	4,550	95,550	-	-	-	-	100,100	-	100,100
Share issue expenses	-	(3,268)	-	-	-	-	(3,268)	-	(3,268)
At 31 October 2012 (Unaudited)	75,119	477,083	8,978	(200)	33,080	(182,784)	411,276	11,413	422,689

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 share issued for their acquisition at the time of the Group's reorganisation 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 Activtissue Engineering Company Limited ("Shaanxi Aierfu"), and the amount of adjustment to non-controlling interests during the year ended 30 April 2011and 2013.*

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 October 2013

	Six months ended 31 October	
	2013	2012
	HK$'000	*HK'000*
	Unaudited	*Unaudited*
Net cash used in operating activities	**(93,828)**	(19,542)
Net cash used in investing activities	**(1,056)**	(9,103)
Net cash (used in)/generated from financing activities	**(6,171)**	95,063
Net (decrease)/increase in cash and cash equivalents	**(101,055)**	66,418
Cash and cash equivalents at beginning of the period	**272,327**	39,700
Cash and cash equivalents at end of the period	**171,272**	106,118

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 October 2013

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 P.O. Box 309, Ugland House, Grand Cayman, Cayman Islands KY1-1104 and its principal place of business is Suites 3101-5, 31 Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong. The Company's shares are listed on the Growth Enterprises 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 the production and sales of tissue engineering products, and sales and distribution of medical products and equipment.

2. BASIS OF PREPARATION

The unaudited consolidated interim financial statements for the six months ended 31 October 2013 have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and the Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations), issued by the Hong Kong Institute of Certified Public Accountants, and with applicable disclosure requirements of the Rules Governing The Listing of Securities on the GEM and the Hong Kong Companies Ordinance.

The unaudited consolidated interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 30 April 2013. The accounting policies and basis of preparation adopted in the preparation of the consolidated interim financial statements are the same as those used in the Group's annual financial statements for the year ended 30 April 2013, except in relation to the following new and revised HKFRSs that are adopted for the first time in the current period:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of these new HKFRSs had no material effect on the results of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in this unaudited consolidated interim financial statements. However, the Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial statements.

The unaudited consolidated interim financial statements have been reviewed by the Audit Committee of the Company.

3. REVENUE

The Group's turnover represents revenue from its principal activities, measured at the net invoiced value of goods sold, after allowances for returns and trade discounts during the periods presented.

4. SEGMENT INFORMATION

The executive directors of the Group have 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	
	2013	2012
	HK$'000	*HK$'000*
	Unaudited	*Unaudited*
Revenue		
-From external customers	**196**	822
Reportable segment revenue	**196**	822
Reportable segment loss	**(38,584)**	(20,325)
Amortisation of land use rights	**56**	55
Amortisation of other intangible assets	**7,712**	7,752
Depreciation	**2,527**	1,316
Interest income	**56**	164
Reportable segment assets		
Additions to non-current segment assets during the period	**1,163**	4,507
Reportable segment liabilities	**53,838**	124,702

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	
	2013	2012
	HK$'000	*HK$'000*
	Unaudited	*Unaudited*
Reportable segment revenue	**196**	822
Group Revenue	**196**	822
Reportable segment loss	**(38,584)**	(20,325)
Unallocated corporate income	**51**	5
Unallocated corporate expenses	**(12,881)**	(6,745)
Finance costs	**(1,048)**	(980)
Loss before income tax	**(52,462)**	(28,045)

	31 October	30 April
	2013	2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
Reportable segment assets	**493,248**	496,617
Cash and cash equivalents	**171,272**	248,292
Other corporate assets	**29,579**	8,276
Group assets	**694,099**	753,185

5. FINANCE COSTS

	Six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
	Unaudited	*Unaudited*
Interest on bank borrowings, other payables and amounts due to non-controlling interests of subsidiaries, wholly repayable within one years	**1,048**	2,720
Less: Amount capitalised (note)	**-**	(1,740)
	1,048	980

Note:

Borrowing costs capitalised during the period ended 31 October 2012 arose from the bank borrowings specifically for the construction of the factory building in the PRC. Such amount was capitalised in the construction in progress during the period.

6. LOSS BEFORE INCOME TAX

	Six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
	Unaudited	*Unaudited*
Loss before income tax has been arrived at after charging/(crediting):		
Amortisation of land use rights	**56**	55
Amortisation of other intangible assets	**7,712**	7,752
Depreciation	**2,527**	1,317
Operating lease rentals in respect of office premises	**3,744**	1,974
Research and development costs	**19,794**	4,892
Employee benefit expenses (including directors' emoluments)		
Salaries, wages and other benefit	**11,768**	5,677
Retirement benefit scheme contributions	**635**	725
Interest income	**(107)**	(169)

7. INCOME TAX CREDIT

	Six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
	Unaudited	*Unaudited*
Profits tax for the period		
Hong Kong	**-**	-
The PRC	**-**	-
	-	-
Deferred taxation	**961**	926
	961	926

No provision for profits tax has been made in the unaudited consolidated interim financial statements for the six months ended 31 October 2013 (2012: Nil) as the Group had no assessable profits.

8. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 31 October 2013 (2012: 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:

Unaudited	Three months ended 31 October		Six months ended 31 October	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the period attributable to owners of the Company	**27,873**	11,881	**46,730**	23,584
Number of shares:	***'000***	*'000*	***'000***	*'000*
Weighted average number of ordinary shares in issue	**9,011,880**	7,297,967	**9,011,880**	7,217,534

Diluted loss per share for the period ended 31 October 2013 and 31 October 2012 were not presented as there was no potential ordinary shares in issue during the respective periods.

10. PROPERTY, PLANT AND EQUIPMENT

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

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
Net book value, beginning of period/year	**130,577**	118,089
Exchange realignment	**1,449**	1,997
Additions	**1,163**	14,155
Depreciation	**(2,527)**	(3,135)
Disposal	**-**	(529)
Net book value, end of period/year	**130,662**	130,577

11. LAND USE RIGHTS

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
Net book value, beginning of period/year	**5,162**	5,157
Exchange differences	**59**	115
Amortisation	**(56)**	(110)
Net book value, end of period/year	5,165	5,162

12. OTHER INTANGIBLE ASSETS

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
Net book value, beginning of period/year	**164,437**	179,247
Exchange differences	**280**	585
Amortisation	**(7,712)**	(15,395)
Net book value, end of period/year	**157,005**	164,437

13. TRADE RECEIVABLE, DEPOSITS, PREPAYMENTS AND OTHER 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 reporting date:

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
0-60 days	**34**	-
61-90 days	**-**	-
Over 90 days past due but less than 1 year	**18**	18
Over 1 year	**9**	8
	61	26

Deposit, prepayments and other receivable mainly includes rental deposit and prepayment for office premises of approximately HK$14 million, and prepayment for research and development activities of approximately HK$25 million.

14. TRADE PAYABLE

As at the reporting date, aging analysis of trade payables based on invoice date is as follows:

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
0-30 days	**64**	42
31-60 days	**-**	71
Over 60 days but less than 1 year	**30**	206
Over 1 year	**205**	515
	299	834

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

15. OPERATING LEASE COMMITMENTS

At 31 October 2013, the total future minimum lease payments under non-cancellable operating leases are as follows:

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
Within one year	**10,409**	9,561
In the second to fifth year inclusive	**22,383**	18,819
	32,792	28,380

16. CAPITAL COMMITMENTS

At 31 October 2013, the Group had capital expenditure commitments as follows:

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
	Unaudited	*Audited*
Contracted but not provided for:		
Purchase of property, plant and equipment	**8,504**	3,294
Acquisition of subsidiaries (note)	**202,500**	-
	211,004	3,294
Authorised but not contracted for:		
Purchase of property, plant and equipment	**8,061**	-

Note:

On 29 July 2013, the Group entered into a sale and purchase agreement with an independent third party to acquire 100% equity interest in Maylion Management Limited ("Maylion") and a loan interest of Maylion of approximately HK$170 million, at a consideration of HK$202,500,000 (the "Maylion Acquisition"). The consideration will be satisfied by the issue of 1,500,000,000 consideration shares at the issue price of HK$0.135 per consideration share to the vendor or its nominee(s) upon completion. The Maylion Acquisition has been completed on 11 December 2013, and the issued shares of the Company was increased from 9,011,880,000 to 10,511,880,000. Details of the Maylion Acquisition were disclosed in the Company's announcement dated 29 July 2013.

17. EVENTS AFTER THE REPORTING PERIOD

Save as the completion of Maylion Acquisition, on 1 November 2013, the Group entered into a sale and purchase agreement with a connected person of the Company to acquire 100% equity interest in Best Profit Hong Kong Development Limited ("Best Profit") and a loan interest of Best Profit, at a consideration of HK$227,682,000 for the remaining minority interest of the Group's non wholly-owned subsidiaries in the PRC (the "MI Acquisition"). The consideration will be satisfied by the issue of 1,251,000,000 consideration shares at the issue price of HK$0.182 per consideration share to the vendor or its nominee(s) upon completion. Upon completion of the MI Acquisition, all our existing non wholly-owned PRC subsidiaries will become wholly-owned subsidiaries of the Company. The MI Acquisition constitutes a discloseable and connected transaction and has not been completed at the date of this announcement as it is subject to approval from independent shareholder in the forthcoming extraordinary general meeting of the Company on 20 December 2013. Details of the MI Acquisition were disclosed in the Company's announcement dated 1 November 2013 and circular dated 4 December 2013.

MANAGEMENT AND DISCUSSION ANALYSIS

OPERATIONS REVIEW

The principal activities of the Group are the provision of the production and sales of tissue engineering products, and sales and distribution of medical products and equipment. In general, the business development process of each of the Group's products ("Business Development Process") is mainly involved the following five major stages:–

1. Research and development ("Stage I") which involves potential market researches; medical application analysis; product development, etc.;

2. Acquisition of the medical device manufacturer licence (for clinical trials) (醫療器械生產企業許可證) and conducting clinical trials ("Stage II");

3. Completion of all of the clinical trials with satisfactory results ("Stage III") which involves the holding of a result conference with all clinical trials parties and the preparation of a summary report which has to be signed off by all clinical trials participated physicians and hospitals. The report signifies that a particular product is statistically feasible to apply on human beings;

4. Construction of production line during Stage II and Stage III above, and obtaining of medical device good manufacturing practice inspection result notice (醫療器械生產質量管理規範檢查結果通知書) after completion of required clinical trials and after 3 successful trial productions. This result notice is a proof of passing certain required standards of the production facilities of a particular product ("Stage IV"); and

5. Obtaining the registration (or re-registration) certificates ("Stage V") from China Food and Drug Administration (國家食品藥品監督管理總局) or provincial Food and Drug Administration. There are total of three certificates required to be obtained prior to commercialisation of products, they are medical device manufacturer licence (醫療器械生產企業許可證), the medical device good manufacturing practice inspection result notice (醫療器械生產質量管理規範檢查結果通知書) and the registration certificate for medical device (醫療器械註冊證). The medical device manufacturer licence (醫療器械生產企業許可證) is issued to the manufacturer for the production of the medical device for a certain group of products whereas the registration certificate for medical device (醫療器械註冊證) issued for a particular product is the final required certificate prior to selling of a product.

Progress of the Clinical R&D Projects of Shaanxi Aierfu and its Subsidiaries ("Aierfu Group")

Our regenerative skin, "ActivSkin" is the principal product of Shaanxi Aierfu, an indirect non wholly-owned subsidiary of the Company, at the present time. ActivSkin can relieve pains, shorten healing time and reduce scarring for treating of burns and scalds. ActivSkin is currently at Stage V of the Business Development Process. In addition, to broaden the applications and ease of transportation of ActivSkin, we have continuously worked with major hospitals for clinical trials on chronic refractory diabetes foot ulcers as well as on lyophilisation storage method (or freeze dehydration), both are at Stage II of the Business Development Process. We are in the process of investigating the feasibility of consolidating the two clinical trials of additional applications. Upon satisfactory completion of the required clinical trials, the Group will then go into other stages for authorisation of these additional applications.

For another product that mainly targeted on second degree burns, the recombinant human acellular dermal matrix, an economic version of ActivSkin, we are currently at Stage II of the Business Development Process and have completed approximately 35% of the required trials. We expect these clinical trials will be completed by the end of 2014, although the response and reception from each individual trial sample/patient vary from case to case.

For the selective acellular porcine skin, which is developed by our subsidiary Shaanxi AiBosin Bioengineering Company Limited as the function of wound dressings rather than as a substitute of human skin, we are currently at Stage II of the Business Development Process, and have completed approximately 20% of the required clinical trials. We expect these clinical trials will be completed by the end of 2014, although the response and reception from each individual trial sample/patient varies from case to case.

Our acellular cornea is currently at the Stage III of Business Development Process. We completed all required clinical trials in September 2013 and are in the progress of preparing a summary report.

BUSINESS OUTLOOK

The Aierfu Group

With the increasing prevalence of stem cell related research and development, scientists from all over the world are stampeding to explore the possibility of transforming the results of these research and development into meaningful applications and products on human beings. The Group's first tissue engineering product, the ActivSkin, is the first regenerative product that was recognised with a registered certificate in the PRC. In addition, our tissue engineering production base in Xian, the Shaanxi Province was also the first of its kind in the PRC. The Group will continuously devote our effort on research and development of other tissue engineering products, and will seek cooperation opportunities to build research and development centers in Hong Kong as well as in the PRC. At the same time, we will speed up the clinical trials endeavor on all of our existing tissue engineering products.

ActivSkin is expected to complete its re-registration process in the first half of 2014, thereafter, with all required three certificates prior to selling of a medical product, active commercialisation will begin in the second half of 2014. The Group's sales arm, 中生醫療器械銷售有限公司 (formerly known as 陝西中經豐德經貿發展有限公司), is in the middle of building up a sales team to take care of our soon-to-be-released product, the ActivSkin. We initially target our sales effort in four major cities, including Xian, Beijing, Shanghai, and Guangzhou. In addition, we will continuously and gradually penetrate other major cities, in particular, we intend to focus our sales and marketing efforts to Top-Tier Class-A hospitals (三甲醫院) across China.

Our production plant in Shenzhen Zhonghai Technology Park (深圳中海信科技園) for our acellular cornea has been under renovation and installation of equipment, which are expected to complete by the end of 2013. Afterward, we will follow the application to obtain the medical device good manufacturing practice inspection result notice. Until then and upon finished complying the summary report on clinical trials of the acellular cornea, we will initiate the process of applying for its registration certificate for medical device. We expect to complete the Stage V by the end of 2014, and the commercial production and the selling of the acellular cornea will be commenced in year 2015.

Upon completion of the MI Acquisition (as disclosed in note 17 to the financial statements), all our existing non wholly-owned subsidiaries in the Aierfu Group will become wholly-owned subsidiaries of the Company. We expect the MI Acquisition will be completed on or before February 2014.

Shaanxi Reshine Biotech Co., Ltd ("Reshine")

Upon completion of Maylion Acquisition (as disclosed in note 16 to the financial statements), Reshine will become a wholly-owned subsidiary of the Company. Reshine principally engages in bio-medical engineering, research and development of regenerative medical products in relation to tissue engineering technology. These regenerative medical products can be utilised in the areas of dermatology, tissue and organ reconstruction in the bio-medical industry. We believe that, upon completion of this acquisition, the Group as a whole provides a much wider coverage of the regenerative medical product spectrum.

Maylion Acquisition was completed on 11 December 2013.

Other Development in Tissue Engineering

Subsequent to the reporting date, in November 2013, we entered into a collaboration agreement with the University of Oxford (the "Oxford University") in relation to a research programme in the field of enabling technologies for stem cell therapy and tissue engineering. This research will be supervised by Professor Zhanfeng Cui ("Prof. Cui"), who is a leading expert in tissue engineering and stem cell technology. We believe that this collaboration will offer opportunities to the Group in expanding its research and development capability as well as technological advances in bio-medical related industries, which would enhance the Group's future business development in the long run.

In November 2013, we also entered into a consultancy agreement with Prof. Cui for the provision of advisory on enhancing our production process and the overall efficiency of our existing plant and facilities, and the Group's research and development of new tissue engineering products and/or by-products. Prof. Cui is Donald Pollock Professor of Chemical Engineering at the Oxford University, the Director of the Oxford Centre for Tissue Engineering and Bioprocessing of the Oxford University and a Fellow of the Royal Academy of Engineering. We believe that this consultancy agreement will enable the Group to enhance the production process, automation and standardisation of our existing plant and facilities, as well as driving the initiative development and application of the Group's core tissue engineering technology.

Development in Other Bio-Medicals

In January 2013, we sponsored the University of Hong Kong on a research project in the advanced stage that focuses on the understanding of the molecular mechanisms of aging and on the developing of stem cell based anti-aging strategy. We continue to have ongoing review and discussions with the University on the progress of the project.

In June 2013, we set up a company in Hong Kong to develop supplements and Chinese medicine products which are intended to provide remedies for osteoporosis. We intend to push forward the path of developing supplements first, which do not require going through the registration procedures with relevant authorities. In addition, we are in the process of preparing the registration of a Chinese medicine product in Hong Kong which may take up to 2 years to complete all the registration procedures. Trial production, marketing, and clinical testing if necessary of these products are expected to follow thereafter.

FUTURE PROSPECT

The Group continues to strive for opportunity to widen its business scope in the tissue engineering spectrum, as well as strengthening and maintaining as one of the leading pioneers in the medical and related industries. The Group is negotiating with renowned scientists for long-term collaborations to seek for new development in the bio-medical and/or medical related industries.

We are proactively looking for collaboration opportunity in order to make use of the by-products generated from the production processes of our tissue engineering products. These by-products, usually the residual substance from our production processes, still contain rich amount of collagen that can be utilised for the manufacturing of cosmetic and related products. We are currently negotiating for a potential strategic cooperation to develop into this area, and believe that this new business opportunity may offer the Group a wider range of coverage while fully utilising our tissue engineering products in different aspect.

The PRC government has been committing to provide supports towards hi-tech industries, including tissue engineering sector, a sub-division of the bio-medical industries. We will continuously strive for more assistance from the Chinese government to provide additional resources for broadening our R&D coverage on tissue engineering spectrum. If we are able to access more support from local government, for example high-technology subsidies and relatively lower land cost, we may consider building additional plants on other suitable locations for our current and/or new products.

As the Group continues to identify and invest in suitable business opportunities and expand and improve in its research and development capability. The Board may consider fund raising activities if viable fund raising options, which are in the best interest of the Group and the shareholders of the Company, are available.

FINANCIAL REVIEW

Results

During the six months period under review, the Group's main operation Shaanxi Aierfu is still under trial production and accordingly, limited revenue was generated.

Revenue of approximately HK$196,000 (2012: approximately HK$822,000) was recorded for the six months ended 31 October 2013, representing a decrease of approximately 76% as compared to the corresponding period of 2012. The Group has recorded net loss for the period of approximately HK$51.50 million (2012: approximately HK$27.12 million), representing an increase of 90%. Such increase was mainly attributable to the increase in research and development cost of approximately HK$14.89 million, increase in employee benefit expenses of approximately HK$6 million, and increase in office rental and building management fee of approximately HK$2.28 million.

Net assets

The net assets of the Group as at 31 October 2013 is approximately HK$581.91 million, a decrease of approximately HK$49.01 million, as compared to approximately HK$630.92 million as at 30 April 2013. The decrease was primarily the result of operating cost, including research and development cost, during the period under review as the Group has not commenced its revenue generation stage.

Liquidity, financial resources and capital structure

The Group maintain a cash and cash equivalent of approximately HK$171.27 million (30 April 2013: HK$272.33 million) and had a net current assets of approximately HK$161.82 million (30 April 2013: HK$204.45 million) as at 31 October 2013. The decrease in cash and cash equivalent of approximately HK$100 million was mainly applied in operation cost, prepayment and settlement of payables related to the continuous research and development activities, construction of new production line, and acquisition of equipment.

In August 2013, the Group obtained a bank loan with principal amount of RMB30 million, approximately HK$38.42 million, which is repayable within one year, and secured by the Group's plant and land use rights.

Working capital and gearing ratio

As at 31 October 2013, the Group had current assets of approximately HK$255.70 million (30 April 2013: approximately HK$307.44 million), while its current liabilities stood at approximately HK$93.87 million (30 April 2013: approximately HK$102.99 million), representing a net current asset position with a working capital ratio (current assets to current liabilities) of 2.72 (30 April 2013: 2.99).

As at 31 October 2013, the Group's total borrowings amounted to approximately HK$39.25 million (30 April 2013: HK$47.85 million). The Group's borrowings included bank loans of approximately HK$38.42 million (30 April 2013: HK$37.98 million), amounts due to non-controlling interests of subsidiaries of approximately HK$ nil (30 April 2013: HK$6.89 million), and interest-free payable to independent third party of approximately HK$2.98 million (30 April 2013: HK$2.98 million). The gearing ratio of the Group as at 31 October 2013, calculated as net debt to equity was 0.07 (30 April 2013: 0.08).

SEGMENTAL INFORMATION

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

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. The Directors consider the impact of foreign exchange exposure of the Group is minimal.

CHARGES ON GROUP'S ASSETS

As at the reporting date, a bank loan with principal amounts of RMB30 million are secured by the Group's property, plant and equipment and land use rights with carrying amounts of approximately HK$94.33 million (30 April 2013: HK$93.95 million) and HK$5.16million (30 April 2013: HK$5.16 million) respectively.

CONTINGENT LIABILITIES

As at 31 October 2013, the Group did not have any contingent liabilities (30 April 2013: nil).

MATERIAL ACQUISITIONS/DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed above, the Group had no material acquisitions/disposal of subsidiaries and affiliated companies during the period.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed above, the directors do not have any plans for material investment or capital assets in the near future.

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 31 October 2013, the Group had 239 (31 October 2012: 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 approximately HK$12.40 million (31 October 2012: approximately HK$6.40 million).

According to the share option scheme adopted by the Company on 14 September 2011, share options may be granted to directors and eligible employees of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS

As at 31 October 2013, the interests and short positions of the Directors or chief executives of the Company in the shares, 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 required standards of dealings by directors as referred to Rules 5.46 to 5.67 of the GEM Listing Rules, or to be notified to the Company and the Stock Exchange, were as follows:

Long Positions

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
Dai Yumin *(Note 1)*	Held by controlled corporation	1,685,320,319	18.70%
Wang Yurong *(Note 2)*	Held by controlled corporation	1,200,000,000	13.32%
Wong Sai Hung	Beneficial owner	30,000,000	0.33%
Yang Zhengguo *(Note 3)*	Held by controlled corporation	1,251,000,000	13.88%

Notes:

(1) All Favour Holdings Limited is owned as to (i) 40% by Forerunner Technology Limited and 20% by Honour Top Holdings Limited which in turn are ultimately wholly-owned by Mr. Dai Yumin, an executive Director; and (ii) 40% by Mr. Hu Yonggang, respectively. By virtue of the SFO, Mr. Dai Yumin, Mr. Hu Yonggang and Forerunner Technology Limited are deemed to be interested in 1,685,320,319 Shares held by All Favour Holdings Limited.

(2) China Sheng Rong Investment Holdings Limited is owned as to (i) 51% by Mr. Guan Baker Guo Liang; and (ii) 49% by Ms. Wang Yurong, an executive Director, respectively. Mr. Guan Baker Guo Liang and Ms. Wang Yurong are spouses. By virtue of the SFO, Ms. Wang Yurong and Mr. Guan Baker Guo Liang are deemed to be interested in 1,200,000,000 Shares held by China Sheng Rong Investment Holdings Limited.

(3) Forever Rich Investment Group Limited and Mr. Yang Zhengguo, a non-executive Director, effectively hold 53% and 35% of shareholding of Milage Link Global Group Limited, respectively. By virtue of the SFO, Forever Rich Investment Group Limited and Mr. Yang Zhengguo are therefore both deemed to be interested in 1,251,000,000 Shares to be held by Milage Link Global Group Limited, immediately after completion of the MI Acquisition.

Save as disclosed above, none of the Directors or chief executives of the Company or their respective associates (within the meaning of GEM Listing Rules) had, as at 31 October 2013, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (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 the Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 October 2013, other than the interests and short positions of the Directors or chief executives of the Company disclosed above, persons or companies who had, or deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the share

Name of shareholders	**Capacity**	**Aggregate long position in the shares**	**Approximate percentage of the issued share capital**
Forerunner Technology Limited *(Note 1 above)*	Held by controlled corporation	1,685,320,319	18.70%
Hu Yonggang *(Note 1 above)*	Held by controlled corporation	1,685,320,319	18.70%
All Favour Holdings Limited *(Note 1 above)*	Beneficial owner	1,685,320,319	18.70%
Guan Baker Guo Liang *(Note 2 above)*	Held by controlled corporation	1,200,000,000	13.32%
China Sheng Rong Investment Holding Limited *(Note 2 above)*	Beneficial owner	1,200,000,000	13.32%
Cao Fushun *(Note a)*	Held by controlled corporation	1,500 ,000,000	16.64%
	Beneficial owner	22,220,000	0.25%
Liu Gang *(Note a)*	Held by controlled corporation	1,500,000,000	16.64%
Peace Wealth Corporate Development Limited *(Note a)*	Beneficial owner	1,500,000,000	16.64%
Forever Rich Investment Group Limited *(Note 3 above)*	Held by controlled corporation	1,251,000,000	13.88%
Milage Link Global Group Limited *(Note 3 above)*	Beneficial owner	1,251,000,000	13.88%

Note:

(a) Peace Wealth Corporate Development Limited is owned by beneficial owners, Mr. Cao Fushun and Mr. Liu Gang, as to approximately 66.67% and approximately 33.33% respectively. By virtue of the SFO, Mr. Cao Fushun and Mr. Liu Gang are deemed to be interested in the 1,500,000,000 Shares held by Peace Wealth Corporate Development Limited. In addition, Mr. Cao Fushun personally holds 22,220,000 Shares. Together with his deemed interest in the Share held by Peace Wealth Corporate Development Limited by virtue of the SFO, Mr. Cao Fushun is interested in 1,522,220,000 Shares in aggregate.

Save as disclosed above, the Directors and the chief executives of the Company are not aware that there is any party who, as at 31 October 2013, had, or deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of 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 the Company or any other body corporate.

SHARE OPTIONS

A share option scheme was adopted on 14 September 2011 for the primary purpose of providing incentives to directors and eligible employees of the Company.

No share options were granted, outstanding, lapsed, cancelled or exercised at any time during the six months ended 31 October 2013.

CONNECTED TRANSACTION

Subsequent to the reporting date, on 1 November 2013, the Group entered into a sale and purchase agreement with Milage Link Global Group Limited (the "Vendor") to acquire 100% equity interest in Best Profit Hong Kong Development Limited ("Best Profit") and a loan interest of Best Profit, at a consideration of HK$227,682,000 for the remaining minority interest of the Group's non wholly-owned subsidiaries in the PRC (the "MI Acquisition"). The consideration will be satisfied by the issue of 1,251,000,000 consideration shares at the issue price of HK$0.182 per consideration share to the Vendor or its nominee(s) upon completion. Upon completion of the MI Acquisition, all our existing non wholly-owned PRC subsidiaries will become wholly-owned subsidiaries of the Company.

As at 1 November 2013, Mr. Yang Zhengguo, a non-executive Director, was a director and a substantial shareholder of the Vendor directly holding more than 30% interest of the Vendor. The Vendor is an associate of Mr. Yang Zhengguo and a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules.

Mr. Dai Yumin, an executive Director, is also a director and a shareholder of the Vendor directly holds 3% interest of the Vendor.

The MI Acquisition constitutes a discloseable and connected transaction for the Company as defined under the GEM Listing Rules. As at the date of this announcement, the MI Acquisition has not been completed as it is subject to approval from independent shareholder in the forthcoming extraordinary general meeting of the Company on 20 December 2013. Details of the MI Acquisition were disclosed in the Company's announcement dated 1 November 2013 and circular dated 4 December 2013.

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 PRACTICE

The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 15 of the GEM Listing Rules (the "Corporate Governance Code") throughout the six months ended 31 October 2013, except code provision E.1.2 of the Corporate Governance Code.

Under code provision E.1.2 of the Corporate Governance Code which requires that the chairman of the Board should attend the annual general meeting of the Company. Professor Deng Shaoping, the chairman of the Board did not attend the Company's annual general meeting held on 29 October 2013 due to his engagement in a medical conference. However, Mr. Wong Sai Hung, a non-executive Director and the vice-chairman of the Board, has taken the chair of that meeting therein to be available to answer question to ensure effective communication with the shareholders of the Company.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has four members, comprising all independent non-executive Directors, namely Mr. Lui Tin Nang (the chairman of the Audit Committee), Mr. Chan Wing Hang, Mr. Chiu Chi Kong and Mr. Pang Chung Fai Benny, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the Group's unaudited interim financial statements for the six months ended 31 October 2013.

DISCLOSURE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in information of Directors and chief executive subsequent to the date of the 2013 Annual Report of the Company is set out below:

Name of Directors and chief executive	Details of Changes
Dai Yumin	Mr. Dai resigned from chief executive officer on 16 September 2013.
Lui Tin Nang	Mr. Lui has entered into a new appointment letter for a term of two years commencing from 1 August 2013 to 31 July 2015 while Director's fee remained unchanged.
Chan Wing Hang	Mr. Chan has entered into a new appointment letter for a term of two years commencing from 1 August 2013 to 31 July 2015 while Director's fee remained unchanged.
Chiu Chi Kong	Mr. Chiu has entered into a new appointment letter for a term of two years commencing from 1 August 2013 to 31 July 2015 while Director's fee remained unchanged.
Pang Chung Fai Benny	Mr. Pang has entered into a new appointment letter for a term of two years commencing from 1 August 2013 to 31 July 2015 while Director's fee remained unchanged. Mr. Pang is currently an independent non-executive director of Goldenmars Technology Holdings Limited (the shares of which are listed on the GEM, stock code: 8036).
Shao Zhengkang	Mr. Shao joined the Company in May 2013 as the general manager of the Company and was appointed as chief executive officer on 16 September 2013. Mr Shao is entitled to HK$100,000 per month with an annual additional one-month basic salary and discretionary bonus.

SECURITIES DEALING CODE

The Company has adopted a code of conduct regarding Directors' securities transactions as set out in the GEM Listing Rules as the required standard for securities transactions by the Directors. Having made specific enquiry of all Directors, each of the Directors, has confirmed that they have fully complied with the required standards of dealings regarding securities transaction by the Directors as set out on the GEM Listing Rules at any time during the six months ended 31 October 2013.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 31 October 2013, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

By Order of the Board of
China Bio-Med Regeneration Technology Limited
Dai Yumin
Executive Director

Hong Kong, 12 December 2013

As at the date of this announcement, the executive Directors are Mr. Dai Yumin and Ms. Wang Yurong; the non-executive Directors are Prof. Deng Shaoping, Mr. Wong Sai Hung, Mr. Yang Zhengguo, Mr. Ma Long and Mr. Wang Jianjun; and the independent non-executive Directors are Mr. Lui Tin Nang, Mr. Chan Wing Hang, Mr. Chiu Chi Kong and Mr. Pang Chung Fai Benny.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of this announcement and will be published on the website of the Company at www.bmregeneration.com.