



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)

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 JANUARY 2013

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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 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 nine months ended 31 January 2013, together with the comparative unaudited figures for the corresponding periods in 2012 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 31 January 2013

	Notes	Three months ended 31 January		Nine months ended 31 January	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue	3	548	-	1,370	124
Cost of sales		(548)	-	(1,602)	(80)
Gross (loss)/profit		-	-	(232)	44
Other income		77	139	331	1,647
Administrative expenses		(17,328)	(20,144)	(44,415)	(47,866)
Operating loss		(17,251)	(20,005)	(44,316)	(46,175)
Finance costs	4	(436)	(279)	(1,416)	(1,163)
Loss before income tax	5	(17,687)	(20,284)	(45,732)	(47,338)
Income tax credit/(expenses)	6	482	(398)	1,408	570
Loss for the period		(17,205)	(20,682)	(44,324)	(46,768)
Other comprehensive income					
Exchange gain on translation of financial statements of foreign operations		1,703	481	2,021	1,711
Other comprehensive income for the period		1,703	481	2,021	1,711
Total comprehensive income for the period		(15,502)	(20,201)	(42,303)	(45,057)
Loss for the period attributable to:					
Owners of the Company		(16,033)	(18,183)	(39,617)	(41,300)
Non-controlling interests		(1,172)	(2,499)	(4,707)	(5,468)
		(17,205)	(20,682)	(44,324)	(46,768)
Total comprehensive income attributable to:					
Owners of the Company		(14,912)	(18,891)	(38,316)	(40,822)
Non-controlling interests		(590)	(1,310)	(3,987)	(4,235)
		(15,502)	(20,201)	(42,303)	(45,057)
Loss per share for loss attributable to the owners of the Company	8				
- basic (HK cents)		(0.213)	(0.258)	(0.542)	(0.585)
- diluted (HK cents)		N/A	N/A	N/A	N/A

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, Uglan House, Grand Cayman, Cayman Islands, KY1-1104 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 financial statements for the nine months ended 31 January 2013 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 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 financial statements for the nine months ended 31 January 2013 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 2012. 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 nine months ended 31 January 2013.

	Nine months ended	
	31 January	
	2013	2012
	HK\$’000	HK\$’000
Sales of tissue engineering products	<u>1,370</u>	<u>124</u>
	1,370	124

4. FINANCE COSTS

	Nine months ended 31 January	
	2013	2012
	HK\$'000	HK\$'000
Interest on bank loans, other payables and amounts due to non-controlling interests of subsidiaries wholly repayable within one year	3,895	1,163
Total borrowing costs	3,895	1,163
Less: Amount capitalised	(2,479)	-
	1,416	1,163

5. LOSS BEFORE INCOME TAX

	Nine months ended 31 January	
	2013	2012
	HK\$'000	HK\$'000
Loss before income tax has been arrived at after charging/(crediting):		
Amortisation of land use rights and operating lease prepayments	82	81
Amortisation of other intangible assets	11,628	12,065
Depreciation	1,012	968
Operating lease rentals in respect of office premises	2,981	3,165
Research and development	8,953	11,874
Employee benefit expenses (including directors' emoluments)		
Salaries, wages and other benefit	10,135	10,924
Retirement benefit scheme contributions	1,117	936
Interest income	(209)	(1,565)

6. INCOME TAX CREDIT/(EXPENSES)

	Nine months ended 31 January	
	2013	2012
	HK\$'000	HK\$'000
PRC enterprise income tax	-	(962)
Hong Kong Profit tax	-	-
	-	(962)
Income tax credit	1,408	1,532
	1,408	570

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

7. DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 31 January 2013 (2012: Nil).

8. LOSS PER SHARE

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

	Three months ended 31 January		Nine months ended 31 January	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Loss for the period attributable to owners of the Company	16,033	18,183	39,617	41,300
	Three months ended 31 January		Nine months ended 31 January	
	2013 '000	2012 '000	2013 '000	2012 '000
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic loss per share	7,511,880	7,056,880	7,306,030	7,056,880

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

9. SHARE CAPITAL

	At 31 January 2013		At 30 April 2012	
	No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
Authorised capital: Ordinary shares of HK\$0.01 each	10,000,000	100,000	10,000,000	100,000
Issued and fully paid capital: At beginning of the period	7,056,880	70,569	7,056,880	70,569
Shares issued in placing arrangement (note)	455,000	4,550	-	-
At the end of period	7,511,880	75,119	7,056,880	70,569

Note:

On 14 August 2012, pursuant to a placing agreement between the Company and a placing agent, the Company issued an aggregate of 455,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.22 per share to a connected person of the Company. The placement was completed on 26 September 2012.

10. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 January 2013

	Equity attributable to owners of the Company							Non-	Total
	Share capital	Share premium	Translation reserve	Special reserve	Other reserve	Accumulated loss	Total	controlling	
								interests	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
				(note 1)	(note 2)				
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	-	-	-	-	-	(41,300)	(41,300)	(5,468)	(46,768)
Acquisition of subsidiary	-	-	-	-	-	-	-	(2,594)	(2,594)
Other comprehensive income:									
Exchange gain on translation of financial statements of foreign operations	-	-	478	-	-	-	478	1,233	1,711
At 31 January 2012 (Unaudited)	<u>70,569</u>	<u>384,801</u>	<u>7,218</u>	<u>(200)</u>	<u>33,169</u>	<u>(143,391)</u>	<u>352,166</u>	<u>18,845</u>	<u>371,011</u>
At 1 May 2012 (Audited)	70,569	384,801	8,798	(200)	33,169	(159,200)	337,937	14,721	352,658
Deemed acquisition of non-controlling interests	-	-	-	-	(89)	-	(89)	89	-
Share issued at premium	4,550	95,550	-	-	-	-	100,100	-	100,100
Share issued expenses	-	(3,268)	-	-	-	-	(3,268)	-	(3,268)
Loss for the period	-	-	-	-	-	(39,617)	(39,617)	(4,707)	(44,324)
Other comprehensive income:									
Exchange gain on translation of financial statements of foreign operations	-	-	1,301	-	-	-	1,301	720	2,021
At 31 January 2013 (Unaudited)	<u>75,119</u>	<u>477,083</u>	<u>10,099</u>	<u>(200)</u>	<u>33,080</u>	<u>(198,817)</u>	<u>396,364</u>	<u>10,823</u>	<u>407,187</u>

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 Activtissue Engineering Company Limited ("Shaanxi Aierfu"), and the amount of adjustment to non-controlling interests during the year ended 30 April 2011 and the period ended 31 January 2013.

11. PLEDGE OF ASSETS

At 31 January 2013, 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\$93,475,000.

12. CAPITAL COMMITMENTS

At 31 January 2013, the Group had capital expenditure commitments in relation to the purchase of plant and equipment, sponsor of research contracted but not provided for, net of deposit paid amounted to approximately HK\$5,438,000.

13. CAPITAL INCREASE IN JV COMPANY

On 24 October 2012, FD(H) Investments Limited, a wholly owned subsidiary of the Company, entered into a capital increase agreement with non-controlling interests of Shaanxi Aierfu, in which Shaanxi Aierfu increased the share capital from RMB116,900,000 to RMB176,900,000. The full amount of the capital increase was contributed by the Group, being RMB60,000,000 in cash. Upon the completion of the capital increase, the equity interest of the Group increased from approximately 87.68% to approximately 91.85%. The capital increase was completed on 30 October 2012. These transactions resulted in an adjustment on deemed acquisition of non-controlling interests of approximately HK\$89,000, which is included in “other reserve” in the equity and attributed to owners of the Company.

14. SUBSEQUENT EVENTS

(i) Placing of new shares

On 24 January 2013, pursuant to a placing agreement between the Company and a placing agent, the placing agent has agreed to act as the placing agent for the conditional placing of an aggregate of up to 1,500,000,000 placing shares at a placing price of HK\$0.165 per placing share on a best-effort basis, to a connected party and an independent third party. As at the report date, the placing was under process.

(ii) Increase in authorized share capital

On 24 January 2013, the Board proposed to increase the authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$1,000,000,000 divided into 100,000,000,000 Shares by the creation of an additional 90,000,000,000 unissued Shares, to rank pari passu in all respects with the existing Shares. The increase in authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. No Shareholder is required to abstain from voting on the resolution in relation to the increase in authorised share capital at the EGM.

BUSINESS REVIEW AND OUTLOOK

Financial Review

For the nine months ended 31 January 2013, the Group recorded a total revenue of approximately HK\$1,370,000 and a loss attributable to owners of the Company approximately HK\$39,617,000, as compared to a revenue of approximately HK\$124,000 and a loss attributable to owners of the Company approximately HK\$41,300,000 for the corresponding period last year, which represent an increase of approximately HK\$1,246,000 or 1004% of revenue as compared with the corresponding period in 2012. As the production plant in Xian was under trial production, the production was in small batches and resulted gross losses.

The administrative expenses for the period were decreased by approximately HK\$3,451,000 or 7% as compared with the corresponding period in 2012. This was mainly due to the decrease in the research and development expenses during the current period.

Operations Review

The New Production Base of the Group

With the completion of the capital increase and equity expansion on 30 October 2012, the Group further injected RMB60 million as the registered capital of Shaanxi Aierfu Activtissue Engineering Company Limited (“Shaanxi Aierfu”), a subsidiary of the Group, and the equity held by the Group increased from approximately 87.68% to approximately 91.85%. Such an increase has ensured sufficient working capital for Shaanxi Aierfu to accelerate the progress of clinical trials as well as the trial production, inspection and examination of the production base (the “New Plant”) in Xian, the Shaanxi Province.

The New Plant has completed the installation of all equipment for the production of ActivSkin which is under the trial production phase. Most of the trial products have passed the benchmark test with high passing percentages. The inspection and examination of the New Plant conducted by relevant government authorities has been completed and we are in the progress of applying for the Premises Permit of the New Plant. Commercial production of ActivSkin is expected to commence in the third quarter of 2013, upon obtaining all necessary certifications and approvals from the relevant regulatory bodies in the PRC and meeting germ-free standards.

Progress of the Clinical R&D Projects of Shaanxi Aierfu and its Subsidiaries

Clinical R&D Projects of Shaanxi Aierfu

Our regenerative skin, “ActivSkin” is the principal product of Shaanxi Aierfu at the present time. ActivSkin can relieve pains, shorten healing time and reduce scarring for treating of burns and scalds. To broaden the applications of ActivSkin, we have continuously worked with major hospitals for clinical trials on chronic refractory diabetes foot ulcers. These clinical trials have achieved good curative results, and we have finished approximately 75% of the required trials by the end of January 2013. We expect these clinical trials will be completed in the second half of 2013, although the response and reception from each individual trial sample/patient vary from case to case. Upon satisfactory completion of the required clinical trials, the Group will then apply to 國家食品藥品監督管理局 (State Food and Drug Administration) of the PRC for authorization of this additional application on diabetes ulcers.

For another product that mainly targeted on second degree burns, the recombinant human acellular dermal matrix, an economic version of ActivSkin, we have also entered into clinical trials and have completed approximately 30% of the required trials by the end of January 2013. We expect these clinical trials will be completed by the first half of 2014, although the response and reception from each individual trial sample/patient vary from case to case.

For the acellular cornea taken care by the subsidiary of our Shaanxi AiNear Cornea Engineering Company Limited in Shenzhen, we have finished over 75% of the required trials by the end of January 2013. We expect these clinical trials will be completed by the end of 2013, although the response and reception from each individual trial sample/patient vary from case to case. The Directors intend to apply for the production licence in respect of the acellular cornea upon the completion of the required clinical trials, expecting to be in the first half of 2014. Thereafter, the acellular cornea is expected to go into commercial production. Sales and marketing activities of the cornea products, which are expected to begin in third quarter of year 2014.

For the selective acellular porcine skin, which is developed by our subsidiary AiBosin Bio-Engineering Company Limited, we have completed approximately 20% of the required clinical trials by the end of January 2013. We expect these clinical trials will be completed by the first half of 2014, although the response and reception from each individual trial sample/patient varies from case to case.

Business Outlook

With the increasing prevalence of stem cell 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 of stem cell related products on human beings. They all hope that these products would provide solutions to maintaining the wellness of mankind. The Group's first tissue engineering product, the ActivSkin, is the first regenerative product that was recognized 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 at the same time speed up the clinical trials endeavor on our existing acellular cornea and acellular porcine skin.

The Group's sales arm, 陝西中經豐德經貿發展有限公司, has been seeking the opportunity to acquire suitable medical products and equipment for sales in order to enhance our business development venture. At the same time, we are building up a sales team to take care of the sales of third parties' medical products and equipment. With this action in place, our sales team can be well prepared and our sales network established. When our products are ready to roll out, we expect the sales and marketing infrastructure to be there for us to promote our products.

In January 2013, we sponsored the University of Hong Kong on a research project in its 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 hope that the Group will capitalize on these research results and turn them into application opportunities.

The PRC government has been showing tremendous supports towards hi-tech industries, including tissue engineering sector, a sub-division of the bio-medical industries. The Group will continuously strive for more support from the Chinese government to provide additional resources for broadening our R&D coverage on tissue engineering, so as to maintain a leading position as pioneer in the industry.

In order to enhance the general working capital base and the research and development capability of the Group, the Company entered into a placing agreement with CCB International Capital Limited on 24 January 2013. The Company will issue an aggregate of up to 1,500,000,000 new ordinary shares at a placing price of HK\$0.165 per placing share. The estimated net proceeds from the placing will amount to approximately HK\$245 million.

As the Group continues to identify and invest in suitable business opportunities and expand and improve in its research and development capability; and may consider to seek to acquire the minority interests in the Group's non-wholly owned subsidiaries, the Board may consider further fund raising activities if viable fund raising options, which are in the best interest of the Group and the Shareholders, are available.

CONNECTED TRANSACTIONS

On 14 August 2012, the Company and CCB International Capital Limited (the “Placing Agent”) entered into a placing agreement (the “2012 Placing Agreement”) pursuant to which the Placing Agent has conditionally agreed to procure on a best-effort basis placee(s) to subscribe for an aggregate of up to 455,000,000 placing shares at a placing price of HK\$0.22 per placing share (the “2012 Placing”). On the same date, the Placing Agent has agreed to place and All Favour Holdings Limited (“All Favour”) has agreed to subscribe for 455,000,000 placing shares at a placing price of HK\$0.22 per placing share, subject only to the 2012 Placing Agreement becoming unconditional in accordance with the terms thereof.

On 24 January 2013, the Company and the Placing Agent entered into another placing agreement (the “2013 Placing Agreement”) pursuant to which the Placing Agent has agreed to act as the placing agent for the conditional placing of an aggregate of up to 1,500,000,000 placing shares at a placing price of HK\$0.165 per placing share (the “2013 Placing Share(s)”) on a best-effort basis (the “2013 Placing”). On the same date, the Placing Agent has agreed to place and All Favour has agreed to subscribe for 500,000,000 placing shares at a placing price of HK\$0.165 per placing share, subject only to the 2013 Placing Agreement becoming unconditional in accordance with the terms thereof.

As at 14 August 2012 and 24 January 2013, All Favour was indirectly owned as to 53.33% by Mr. Dai Yumin, an executive director and the chief executive officer of the Company, and a substantial shareholder of the Company, and was therefore a connected person of the Company under the GEM Listing Rules. The 2012 Placing and the allotment and issue of the 2013 Placing Shares to All Favour pursuant to the 2013 Placing constitutes connected transactions for the Company under GEM Listing Rules and are subject to the approval of the independent shareholders of the Company.

On 26 September 2012, the 2012 Placing Agreement has become unconditional and the 2012 Placing was completed. Details of the transaction are published in the Company’s announcements dated 14 August 2012 and 26 September 2012, and in the Company’s circular dated 4 September 2012.

Details of the 2013 Placing are published in the Company’s announcements dated 24 January 2013 and 5 March 2013 (the “Announcements”). It was stated in the Announcements that a circular containing, amongst other things, details of the 2013 Placing and the increase in the authorised share capital of the Company and a notice to convene the EGM will be despatched to the Shareholders on or before 5 March 2013. As additional time is required to finalise certain information in the circular, it is expected that the despatch of the circular will be delayed to a date on or before 19 March 2013.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 January 2013, the interests and short positions of the Directors, the chief executive of the Company and their respective associates 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 the 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:

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	Aggregate underlying shares
Dai Yumin	Held by controlled corporation (Note 1)	1,385,320,319	18.44%	-
Wong Sai Hung	Beneficial owner	30,000,000	0.40%	-

Note:

- (1) All Favour is beneficially owned as to 40% by Forerunner Technology Limited which is wholly owned by Mr. Dai Yumin; as to 40% by Mr. Hu Yonggang; 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 chief executive officer of the Company, and Mr. Hu Yonggang are deemed to be interested in 1,385,320,319 shares of the Company held by All Favour.

On 24 January 2013, All Favour has agreed to subscribe for 500,000,000 placing shares at a placing price of HK\$0.165 per placing share, subject only to the 2013 Placing Agreement becoming unconditional in accordance with the terms thereof. As at the date of this report, the 2013 Placing was under process. Upon completion of the 2013 Placing, All Favour will own 1,885,320,319 shares of the Company (assuming no further acquisition or disposal of the shares of the Company by All Favour from the date of this report to completion date of the 2013 Placing), which representing approximately 20.92% equity interest of the Company.

Save as disclosed above, as at 31 January 2013, 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 January 2013, other than the interests and short positions of the Directors or chief executives of the Company disclosed above, persons or companies who had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long positions - Interests 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 (Note 1 above)	Corporate	1,385,320,319	18.44%	-

Note:

- (2) On 24 January 2013, China Sheng Rong Investment Holding Limited (“Sheng Rong”) has agreed to subscribe for 1,00,000,000 placing shares at a placing price of HK\$0.165 per placing share, subject only to the 2013 Placing Agreement becoming unconditional in accordance with the terms thereof. As at the report date, the 2013 Placing was under process.

As at the date of this report, Sheng Rong owned 200,000,000 shares of the Company and was beneficially owned as to (i) 51% by Mr. Guan Baker Guo Liang; and (ii) 49% by Ms. Wang Yurong. Mr. Guan Baker Guo Liang and Ms. Wang Yurong are spouses.

Upon completion of the 2013 Placing, Sheng Rong will become a substantial shareholder of the Company and own 1,200,000,000 shares of the Company (assuming no further acquisition or disposal of the shares of the Company by Sheng Rong from the date of this report to completion date of the 2013 Placing), which representing approximately 13.32% equity interest of the Company.

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 January 2013, 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the heading “DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST” above, at no time during the nine months ended 31 January 2013 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.

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 which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company set up an audit committee (the “Audit Committee”) on 4 July 2001 with written terms of reference which was revised on 15 March 2012 in compliance with the Corporate Governance Code and Corporate Governance Report to the Appendix 15 of the GEM Listing Rules for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The Audit Committee is currently chaired by Mr. Lui Tin Nang and comprises three other members, namely Mr. Chan Wing Hang, Mr. Chiu Chi Kong and Mr. Pang Chung Fai Benny. All the Audit Committee members are independent non-executive Directors. The Audit Committee has reviewed the Group’s unaudited quarterly results for the nine months ended 31 January 2013.

Following the resignation of Mr. Sze Chin Hung, an independent non-executive Director, on 6 August 2012, the Company had only two independent non-executive Directors and two audit committee members, the number of which fell below the minimum number required under Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules until the Company appointed Mr. Chiu Chi Kong and Mr. Pang Chung Fai Benny to fill in the vacancy on 20 September 2012.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 31 January 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
China Bio-Med Regeneration Technology Limited
Wong Sai Hung
Chairman

Hong Kong, 7 March 2013

As at the date of this announcement, the executive Directors are Mr. Wong Sai Hung, Mr. Dai Yumin and Mr. Yang Zheng Guo; the non-executive Directors are Mr. Ma Long and Dr. Jin Yan; 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 will remain on the “Latest Company Announcement” page of the GEM website for at least 7 days and the Company’s website at www.bmregeneration.com from the date of this announcement.