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China Regenerative Medicine International Limited
中國再生醫學國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8158)

**(1) PROPOSED CAPITAL REORGANISATION;
AND
(2) CONNECTED TRANSACTION –
LOAN CAPITALISATION INVOLVING
ISSUE OF SHARES UNDER SPECIFIC MANDATE**

Financial Adviser to the Company



Octal Capital Limited

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



INCUC Corporate Finance Limited

CAPITAL REORGANISATION

The Board is pleased to announce the Capital Reorganisation which comprises the following:

(i) Proposed Share Consolidation

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of an ordinary resolution by the Shareholders at the EGM.

(ii) Proposed Capital Reduction

The Board proposes to immediately following the Share Consolidation becoming effective, implement the Capital Reduction, pursuant to which (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation being cancelled and (b) the issued share capital of the Company will be reduced by cancelling the paid-up capital to the extent of HK\$1.80 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.20. The credit arising from the Capital Reduction in the amount of approximately HK\$513,772,110 will be applied to offset against the balance of the accumulated losses of the Company up to the effective date of the Capital Reduction.

(iii) Proposed Share Sub-division

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 each will be sub-divided into ten (10) New Shares of par value of HK\$0.20 each.

LOAN CAPITALISATION

On 14 July 2023 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 18,823,530 Subscription Shares at the Subscription Price of HK\$0.85 per Subscription Share (after taking into account the effect of the Capital Reorganisation and equivalent to the theoretical share price of HK\$0.085 prior to the Capital Reorganisation). The subscription amount payable by the Subscriber of approximately HK\$16.0 million under the Subscription Agreement shall be satisfied by capitalising the Repayment Amount. Upon the allotment and issue of 18,823,530 Subscription Shares at the Completion, the repayment obligations of the Company for the Repayment Amount will be discharged.

Save for the Capital Reorganisation, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the total of 18,823,530 Subscription Shares represent:

- (i) approximately 6.60% of the issued share capital of the Company as at the date of this announcement (after taking into account the effect of the Capital Reorganisation); and
- (ii) approximately 6.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (after taking into account the effect of the Capital Reorganisation).

GEM LISTING RULES IMPLICATIONS

Loan Capitalisation

As at the date of this announcement, the Subscriber is an executive Director, chairman of the Board and chief executive officer of the Company and a Substantial Shareholder of the Company. As at the date of this announcement, the Subscriber is interested in 550,520,000 Existing Shares, representing approximately 19.29% of the total issued share capital of the Company. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. Pursuant to Rule 20.07(1) of the GEM Listing Rules, the Subscriber, being an executive Director and a Substantial Shareholder of the Company, is a connected person of the Company. Accordingly, the Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As the Subscription Shares will be allotted and issued under the Specific Mandate to be obtained at the EGM, the grant of the Specific Mandate for the allotment and issue of the Subscription Shares is subject to the Independent Shareholders' approval at the EGM.

Given that the Subscriber has a material interest in the Loan Capitalisation, the Subscriber and his associate are therefore required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement, the transactions contemplated thereunder and the grant of the Specific Mandate.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, among other things, (i) the Capital Reorganisation and (ii) the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate), by way of poll.

The Independent Board Committee, comprising Ms. Huo Chunyu, Dr. Liu Ming and Mr. Leung Man Fai, being all the independent non-executive Directors, has been established to consider the terms of the Subscription Agreement and the transactions contemplated thereunder, and to advise to the Independent Shareholders as to whether the aforesaid transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and how to vote on each of the Subscription Agreement and the transactions contemplated thereunder. INCU Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Pursuant to Rule 20.44(2) of the GEM Listing Rules, a circular containing, among other things, (i) further details of the Capital Reorganisation and the Loan Capitalisation; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (iv) a notice convening the EGM are expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

Shareholders and potential investors of the Company should note that the proposed Capital Reorganisation and the proposed Loan Capitalisation are subject to the fulfilment of a number of conditions precedent, and may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares of the Company. The Company will make further announcement(s) with regard to the status of the abovementioned transactions as and when appropriate pursuant to the requirements under the GEM Listing Rules, as appropriate.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of HK\$0.20 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$2.00 each.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 5,000,000,000 Existing Shares of par value of HK\$0.20 each, of which 2,854,289,500 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction becoming effective, and assuming there will be no change in the issued share capital of the Company from the date of this announcement up to and including the effective date of the Share Consolidation, the authorised share capital of the Company shall be HK\$1,000,000,000 divided into 500,000,000 Consolidated Shares of par value of HK\$2.00 each, of which 285,428,950 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, all the Consolidated Shares will rank *pari passu* in all respects with each other. Any fractional Consolidated Shares arising from the Share Consolidation will be aggregated and, if possible, sold for the benefit of the Company.

The implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Group and the interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional on the following conditions being fulfilled:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 23 August 2023, being one clear Business Day immediately after the date of the EGM.

As at the date of this announcement, none of the above conditions has been fulfilled.

Listing and dealings

Application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the Share Options.

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to the Consolidated Shares

Any fractional Consolidated Shares arising from the Share Consolidation will be disregarded and will not be issued to the Shareholders otherwise entitled thereto but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers and may wish to consider the possibility of buying or selling the Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has outstanding Share Options entitling holders thereof to subscribe for an aggregate amount of 7,207,200 Existing Shares under the Share Option Scheme. Pursuant to the terms of the Share Option Scheme, the Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the outstanding Share Options. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

No Change in Board Lot Size

The Existing Shares are currently traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 5,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.078 per Existing Share (equivalent to the theoretical closing price of HK\$0.78 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 5,000 Existing Shares is HK\$390; and (ii) the value per board lot of 5,000 Consolidated Shares would be HK\$3,900 on the assumption that the Share Consolidation becomes effective.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of its securities.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange on 28 November 2008 and updated on 1 October 2020 has stated that (i) market price of the shares at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

As at the date of this announcement, the closing price of the Existing Share of the Company was HK\$0.078, with the board lot size of 5,000 Existing Shares, the existing board lot value was only HK\$390, which was less than HK\$2,000.

The Board considers that after the Share Consolidation become effective, the estimated board lot size value would be HK\$3,900. This will enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

The Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot trading arrangement will be stated in the Circular.

Shareholders should note that matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Shareholders, who are in any doubt about the odd lots matching arrangement, are recommended to consult their own professional advisers.

Free exchange of certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 23 August 2023, being one clear Business Day immediately after the date of the EGM, Shareholders may between 9:00 a.m. and 4:00 p.m. on any Business Day during the period from Wednesday, 23 August 2023 to Thursday, 28 September 2023 (both days inclusive), submit the existing share certificates for the Existing Shares (in blue colour) to the Company's Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road North Point, Hong Kong to exchange for new share certificates for the Consolidated Shares (in purple colour) at the expense of the Company. Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Hong Kong Branch Share Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates involved is higher. After 4:10 p.m. on Tuesday, 26 September 2023, existing share certificates in blue colour for the Existing Shares will cease to be valid for delivery, trading and settlement purpose, but will remain valid and effective as documents of title.

PROPOSED CAPITAL REDUCTION AND SHARE SUB-DIVISION

The Board further proposes that immediately following the Share Consolidation becoming effective, the Capital Reduction and the Share Sub-division be implemented in the following manner:

- (i) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation being cancelled;
- (ii) the par value of each of the issued Consolidated Shares be reduced from HK\$2.00 to HK\$0.20 per issued Consolidated Share by cancelling the paid up share capital to the extent of HK\$1.80 per issued Consolidated Share by way of a reduction of capital;

- (iii) the credit arising from the Capital Reduction be transferred to a distributable reserve account of the Company and be applied for such purposes (including offsetting accumulated losses of the Company (if any)) as permitted by all applicable laws, the memorandum and articles of association of the Company and as the Board considers appropriate;
- (iv) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares with par value of HK\$2.00 each be sub-divided into ten (10) New Shares of par value HK\$0.20 each;
- (v) each of the New Shares arising from the Capital Reduction shall rank *pari passu* in all respects with each other in accordance with the memorandum and the articles of association of the Company and have rights and privileges and be subject to the restrictions as contained in the memorandum and the articles of association of the Company.

Assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to the effective date of the Share Consolidation, the share capital structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Share Consolidation; and (iii) immediately after completion of the Capital Reduction and the Share Sub-division is summarised as follows:

	As at the date of this announcement	Immediately after completion of the Share Consolidation but prior to the Capital Reduction and the Share Sub-division becoming effective	Immediately after completion of the Capital Reduction and the Share Sub-division
Par value	HK\$0.20 per Existing Share	HK\$2.00 per Consolidated Share	HK\$0.20 per New Share
Number of authorised shares	5,000,000,000	500,000,000	5,000,000,000
Amount of authorised share capital	HK\$1,000,000,000	HK\$1,000,000,000	HK\$1,000,000,000
Number of issued shares	2,854,289,500	285,428,950	285,428,950
Amount of issued share capital	HK\$570,857,900	HK\$570,857,900	HK\$57,085,790
Number of unissued shares	2,145,710,500	214,571,050	4,714,571,050

Other than the expenses to be incurred in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the implementation of the Capital Reorganisation will not alter the underlying assets, business operation, management or financial position of the Group and the proportional interests and rights of the Shareholders, save that (i) any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled; and (ii) the necessary professional expenses for the implementation of the Capital Reorganisation.

Conditions of the Capital Reduction and the Share Sub-division

The Capital Reduction and the Share Sub-division are conditional on the following conditions being fulfilled:

- (i) the Share Consolidation being approved at the EGM and become effective;
- (ii) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reduction and the Share Sub-division;
- (iii) an order being made by the Grand Court confirming the Capital Reduction;
- (iv) compliance with any terms and conditions which the Grand Court may impose in relation to the Capital Reduction;
- (v) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Grand Court confirming the Capital Reduction and the minute approved by the Grand Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (vi) the GEM Listing Committee granting the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reduction and the Share Sub-division becoming effective.

The Capital Reduction will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reduction at the EGM, the legal advisers to the Company (as to the Cayman Islands law) will apply to the Grand Court for hearing date(s) to confirm the Capital Reduction and a further announcement will be made by the Company as soon as practicable after the Grand Court hearing date(s) is confirmed.

As at the date of this announcement, none of the above conditions has been fulfilled.

Reasons for the Capital Reduction and Share Sub-division

Under the Companies Act and the memorandum and articles of association of the Company, the Company may not issue its Shares at a discount to their nominal value. Immediately after completion of the Share Consolidation but before implementation of the Capital Reduction, the nominal value of the Consolidated Shares will be HK\$2.00 per Consolidated Share. The Capital Reduction will keep the nominal value of the New Shares at a lower level of HK\$0.20 per New Share, which allows greater flexibility in the pricing for any issue of New Shares in the future. The credit arising from the Capital Reduction will enable the Company to set off its accumulated loss. The Board considers that the Capital Reduction and the Share Sub-division are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save as the proposed Loan Capitalisation disclosed in this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation, and the Company does not have any concrete plan to conduct any equity fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that subject to the prevailing market conditions, the Company will conduct debt financing when suitable opportunities arise in order to replenish its general working capital and/or to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

Application for the listing of the New Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the New Shares in issue and to be issued upon the Capital Reduction becoming effective and the New Shares which may be issued pursuant to the exercise of the Share Options.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

Exchange of share certificates for the New Shares

As the Grand Court hearing dates have yet to be fixed, the effective date of the Capital Reduction and the Share Sub-division is not ascertainable at present. Should the Capital Reduction and the Share Sub-division becoming effective, Shareholders may submit share certificates for the Consolidated Shares (in purple colour) to the Company's Hong Kong Branch Share Registrar, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road North Point, Hong Kong to exchange for new share certificates for the New Shares (in green colour) at the expense of the Company within the relevant free exchange period from the effective date of the Capital Reduction and the Share Sub-division. Details of such free exchange of share certificates will be announced as soon as the Grand Court hearing dates and the effective date of the Capital Reduction and the Share Sub-division is ascertained.

The Company will publish announcement(s) to update the Shareholders when the Grand Court hearing dates, the effective date of the Capital Reduction and the Share Sub-division, and the period when the Shareholders can submit share certificates for the Consolidated Shares to exchange for new share certificates for the New Shares is/are ascertained and/or updated. All existing share certificates of the Consolidated Shares will continue to be evidence of title to such Shares and be valid for delivery, trading and settlement purpose.

EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION, THE CAPITAL REDUCTION AND THE SHARE SUB-DIVISION

The expected timetable for the Share Consolidation, the Capital Reduction and the Share Sub-division is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation, the Capital Reduction and the Share Sub-division, including the availability and compliance with any requirements imposed by the Grand Court, and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates unless otherwise specified.

Event	Expected Date/Time
Despatch date of Circular with the notice of the EGM and proxy form	Friday, 4 August 2023
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:00 p.m. on Tuesday, 15 August 2023
Closure of the register of members for determining the entitlement to attend and vote at the EGM (both days inclusive)	Wednesday, 16 August 2023 to Monday, 21 August 2023

Event	Expected Date/Time
Latest date and time for lodging proxy forms for the EGM	11:00 a.m. on Saturday, 19 August 2023
Record date for attending and voting at the EGM	Monday, 21 August 2023
Date and time of the EGM	11:00 a.m. on Monday, 21 August 2023
Announcement of poll results of the EGM	Monday, 21 August 2023

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation, which are included in this announcement.

Event	Expected Date/Time
Effective date of the Share Consolidation	Wednesday, 23 August 2023
First day of free exchange of existing share certificates into new share certificates for Consolidated Shares	Wednesday, 23 August 2023
Dealings in Consolidated Shares commence	9:00 a.m. on Wednesday, 23 August 2023
Original counter for trading in Existing Shares (in board lots of 5,000 Existing Shares) (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 23 August 2023
Temporary counter for trading in Consolidated Shares in temporary board lot of 500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 23 August 2023
Original counter for trading in Consolidated Shares (in board lots of 5,000 Consolidated Shares in the form of new share certificates for Consolidated Shares) re-opens	9:00 a.m. on Wednesday, 6 September 2023
Parallel trading in the Existing Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) commences	9:00 a.m. on Wednesday, 6 September 2023

Event	Expected Date/Time
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Wednesday, 6 September 2023
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. on Tuesday, 26 September 2023
Temporary counter for trading in Consolidated Shares in temporary board lot of 500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 26 September 2023
Parallel trading in the Existing Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) ends	4:10 p.m. on Tuesday, 26 September 2023
Last day for free exchange of existing share certificates into new share certificates for Consolidated Shares	Thursday, 28 September 2023

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reduction, which are included in this announcement.

Event	Expected Date/Time
Grand Court hearing of petition to confirm the Capital Reduction	Monday, 13 November 2023 (Cayman Islands Time)
Registration of court order confirming the Capital Reduction and the minute of the Order of the Capital Reduction with the Registrar of Companies in the Cayman Islands	on or about Monday, 20 November 2023 (Cayman Islands Time)
Effective date of the Capital Reduction	on or about Tuesday, 21 November 2023
Commencement of dealing in the New Shares	on or about 9:00 a.m. on Tuesday, 21 November 2023

Event	Expected Date/Time
First day of free exchange of share certificates for the Consolidated Shares into new share certificates for New Shares	on or about Tuesday, 21 November 2023
Last day for free exchange of share certificates for the Consolidated Shares into new share certificates for New Shares	on or about Friday, 22 December 2023

PROPOSED LOAN CAPITALISATION

Background

The Company further proposes, subject to the Capital Reorganisation becoming effective, to implement the Loan Capitalisation.

As at the date of this announcement, the amount due to the Subscriber from the Group was approximately HK\$47.3 million. The Subscriber, an executive Director, chairman of the Board and chief executive officer of the Company and a Substantial Shareholder of the Company, has been providing shareholders loans to the Group as a support to the business and daily operation of the Group. On 31 December 2022, the Subscriber entered into Shareholder's Loan A and Shareholder's Loan B with the Company and HKIRC, respectively. Shareholder's Loans are unsecured, interest-free and repayable on demand. As disclosed in the 2022 Annual Report, the amount due to the Shareholders amounted to approximately HK\$48.4 million, of which approximately HK\$45.1 million was due to the Subscriber. Pursuant to the Subscription Agreement, the Company intends to allocate the gross proceeds under the Subscription Agreement of approximately HK\$16.0 million to settle part of the Shareholder's Loans.

Assuming that there are no change to the Shareholder's Loans from the date of this announcement up to the Completion, upon the Completion, the remaining amount due to the Subscriber was approximately HK\$31.3 million which will be settled by the Group's internal resources in due course.

The Subscription Agreement

Date: 14 July 2023 (after trading hours)

Parties: (a) the Company (as the issuer);
(b) Mr. Wang (as the Subscriber); and
(c) HKIRC.

Subscription Shares

On 14 July 2023 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 18,823,530 Subscription Shares at the Subscription Price of HK\$0.85 per Subscription Share (after taking into account the effect of the Capital Reorganisation and equivalent to the theoretical share price of HK\$0.085 prior to the Capital Reorganisation). The subscription amount payable by the Subscriber of approximately HK\$16.0 million under the Subscription Agreement shall be satisfied by capitalising approximately HK\$16.0 million of the Shareholder's Loans.

The settlement arrangement shall be as follows:

- (i) the full amount of HK\$12,900,395.73 of the Shareholder's Loan A shall be deemed to have been fully and finally satisfied;
- (ii) the partial amount of HK\$3,099,604.77 of the Shareholder's Loan B shall be deemed to have been fully and finally satisfied.

Assuming that there is no change to the Shareholder's Loans from the date of this announcement up to the Completion, upon the Completion, the remaining amount pursuant to the Shareholder's Loan B due to the Subscriber was approximately HK\$31.3 million which will be settled by the Group's internal resources in due course.

Upon the allotment and issue of 18,823,530 Subscription Shares at the Completion, the repayment obligations of the Company for approximately HK\$16.0 million under the Shareholder's Loans will be discharged.

Save for the Capital Reorganisation, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the total of 18,823,530 Subscription Shares represent:

- (i) approximately 6.60% of the issued share capital of the Company as at the date of this announcement (after taking into account the effect of the Capital Reorganisation);
- (ii) approximately 6.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (after taking into account the effect of the Capital Reorganisation).

Subscription Price

The Subscription Price of HK\$0.85 (after taking into account the effect of the Capital Reorganisation and equivalent to the theoretical share price of HK\$0.085 prior to the Capital Reorganisation) per Subscription Share represents:

- (i) a premium of approximately 8.97% to the theoretical closing price of HK\$0.78 per New Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.078 per Existing Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 14.37% to the theoretical average closing price of HK\$0.682 per New Share (after taking into account the effect of the Capital Reorganisation) based on the average closing prices of the Existing Share as quoted on the Stock Exchange for the last five consecutive trading days preceding the date of the Subscription Agreement.

The Subscription Shares have an aggregate nominal value of HK\$3,764,706 (after taking into account the effect of the Capital Reorganisation).

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market prices of the Shares and the financial position of the Group. The Directors (other than Mr. Wang, the executive Director, who has abstained from voting on the Board resolution(s) for approving the Loan Capitalisation and the transactions contemplated thereunder) consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the subscription amount payable by the Subscriber of approximately HK\$16.0 million under the Subscription Agreement shall be satisfied by capitalising the Repayment Amount, the Group will use its internal resources to settle the professional fees and all related expenses which may be borne by the Company in connection with the Loan Capitalisation. The net proceeds will be approximately HK\$15,153,250 and the net issue price per Subscription Share will be approximately HK\$0.81.

Ranking of the Subscription Shares

The Subscription Shares when allotted and issued shall rank *pari passu* in all respects with the Shares in issue on the date of their allotment and issue, including as to the rights to receive all dividends and distributions which may be declared, made or paid after the completion date of the Subscription Agreement and will be issued free and clear from all liens, encumbrances, equities or other third party.

Application for listing

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Conditions precedent

Completion is conditional upon fulfillment of the following conditions before the Long-stop Date:

- (i) the Capital Reorganisation becoming effective;
- (ii) the passing of the resolutions by the Board approving, among other things, the Subscription in accordance with the relevant provisions of the Articles of Association and the GEM Listing Rules;
- (iii) the Independent Shareholders having approved the granting of the Special Mandate and the terms of the Subscription Agreement and authorised the Company to enter into the Subscription Agreement and perform its obligations thereunder;
- (iv) the representations and warranties made by the parties thereunder are true and accurate and not misleading as at the date of the Subscription Agreement and at Completion;
- (v) the Company has obtained all other necessary consents, approvals, permits or licences from relevant governmental or regulatory authorities or other third parties in relation to the transactions contemplated under the Subscription Agreement; and
- (iv) the GEM Listing Committee of the Stock Exchange has granted the approval for the listing of the Subscription Shares and granted permission to deal in the Subscription Shares and such approval and permission has not been withdrawn or revoked.

As at the date of this announcement, none of the above conditions has been fulfilled.

Completion

Completion will take place within five Business Days after the date on which all the conditions to the Subscription Agreement are satisfied or waived (or such other date as the Company and the Subscriber may agree in writing).

Specific Mandate

The 18,823,530 Subscription Shares shall be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

Information on the Company and the Group

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of healthcare products and services.

Information on the Subscriber

Mr. Wang is an executive Director, chairman of the Board and chief executive officer of the Company and a Substantial Shareholder of the Company. As at the date of this announcement, Mr. Wang is interested in 550,520,000 Existing Shares, representing approximately 19.29% of the total issued share capital of the Company. Accordingly, Mr. Wang is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

Reasons for and benefits of the Loan Capitalisation

The Subscriber is an executive Director, chairman of the Board and chief executive officer of the Company and a Substantial Shareholder of the Company. He has provided the Shareholder's Loans to the Group to support the daily operation and the business of the Group. As disclosed in the 2022 Annual Report, the amount due to the Shareholders as at 31 December 2022 was approximately HK\$48.4 million of which approximately HK\$45.1 million was due to the Subscriber. The Group intends to allocate the gross proceeds from the Subscription of approximately HK\$16.0 million to settle part of the amount due to the Subscriber.

Assuming that there are no change to the Shareholder's Loans from the date of this announcement up to the Completion, upon the Completion, the remaining amount due to the Subscriber was approximately HK\$31.3 million which will be settled by the Group's internal resources in due course.

According to the 2022 Annual Report, as at 31 December 2022, the Group recorded net current assets and the total assets of approximately HK\$90.9 million and HK\$249.1 million, respectively. Moreover, cash and cash equivalents of the Group as at 31 December 2022 was approximately HK\$1,849,000. Given the financial positions of the Group, the Group is not able to repay the amount due to the Subscriber with the existing financial resources of the Company. Capitalisation of the Repayment Amount enables the Group to settle its existing liabilities without utilising existing financial resources of the Company and can avoid cash outflows. Furthermore, the capitalisation of the Repayment Amount reduces the indebtedness level of the Company and broadens its capital base.

The Directors have considered other alternative means for raising funds to settle the Shareholder's Loans, such as bank borrowings, share placement, rights issue or open offer. However, having taken into account that:

- (i) debt financing and bank borrowing will inevitably increase the gearing ratio of the Group and generally require pledge of assets by the borrower;

- (ii) the capitalisation of the Repayment Amount under the Subscription Agreement will reduce the indebtedness of the Group;
- (iii) other equity financing such as placing of new shares, rights issue and open offer usually require attractive discount to the prevailing market price of the Shares and is relatively more time consuming and less cost effective as compared to the Loan Capitalisation;
- (iv) the Subscription Price represents a premium over the market price of the Shares as of the date of the Subscription Agreement; and
- (v) the Loan Capitalisation demonstrates the support and solid confidence given by the Subscriber to the Group,

the Directors consider that the Loan Capitalisation is a more desirable solution for the Group to settle the Repayment Amount.

Although the allotment and issue of the Subscription Shares will have a dilution effect to the existing Shareholders, having considered (i) the Subscription Price represents a premium over the market price of the Shares as at the date of the Subscription Agreement; (ii) the Company can release from the pressure to satisfy the Repayment Amount; and (iii) the Subscription Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will enlarge the capital base and enhance the net asset position of the Company, the Directors consider that the dilution effect arising from the allotment and issue of the Subscription Shares is justifiable in this regard.

In view of the above, the Directors (other than the Subscriber, the executive Director, who has abstained from voting on the Board resolution(s) for approving the Loan Capitalisation and the transactions contemplated thereunder) consider that the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms or better and that the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

Fund raising exercise of the Company in the past twelve months

The Company has not conducted any fund-raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately before the Completion and after the Capital Reorganisation; and (iii) immediately after the Completion:

	As at the date of this announcement		Immediately before the Completion and after the Capital Reorganisation		Immediately after the Completion	
	<i>No. of Existing Shares</i>	<i>%</i>	<i>No. of New Shares</i>	<i>%</i>	<i>No. of New Shares</i>	<i>%</i>
The Subscriber	550,520,000	19.3	55,052,000	19.3	73,875,530	24.3
All Favour Holdings Limited (<i>Note 1</i>)	582,547,765	20.4	58,254,776	20.4	58,254,776	19.1
Public Shareholders	<u>1,721,221,735</u>	<u>60.3</u>	<u>172,122,174</u>	<u>60.3</u>	<u>172,122,174</u>	<u>56.6</u>
Total	<u>2,854,289,500</u>	<u>100.0</u>	<u>285,428,950</u>	<u>100.0</u>	<u>304,252,480</u>	<u>100.0</u>

Note:

- All Favour Holdings Limited (“**All Favour**”) is beneficially owned as to (i) 40% by Nat-Ace Wood Industry Ltd. (“**Nat-Ace Wood Industry**”) and 20% by Honour Top Holdings Limited, of which Nat-Ace Wood Industry is ultimately and wholly-owned by Mr. Li Ren (“**Mr. Li**”) and Honour Top Holdings Limited is ultimately wholly owned by Mr. Dai Yumin (“**Mr. Dai**”), and (ii) 40% by Mr. Dai. Moreover, All Favour has been the beneficial owner of 582,547,765 Existing Shares. By virtue of the SFO, Mr. Dai, Mr. Li and Nat-Ace Wood Industry are deemed to be interested in 582,547,765 Existing Shares in which All Favour is interested in.

On 31 March 2022, a bankruptcy order was made against Mr. Dai. Subsequently, Messrs. Arab Osman Mohammed and Mr. Wong Kwok Keung were appointed as joint and several trustees (the “**Trustees**”) of the property of Mr. Dai at the general meeting of creditors held on 6 May 2022. Accordingly, the property of Mr. Dai, including his shareholdings, shall vest in the Trustees pursuant to section 58(2) of the Bankruptcy Ordinance (Cap. 6).

GEM LISTING RULES IMPLICATION

Loan Capitalisation

As at the date of this announcement, the Subscriber is an executive Director, chairman of the Board and chief executive officer of the Company and a Substantial Shareholder of the Company. As at the date of this announcement, the Subscriber is interested in 550,520,000 Existing Shares, representing approximately 19.29% of the total issued share capital of the Company. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. Pursuant to Rule 20.07(1) of the GEM Listing Rules, the Subscriber, being an executive Director, is a connected person of the Company. Accordingly, the Subscription Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Given that the Subscriber has a material interest in the Loan Capitalisation, the Subscriber and his associate are therefore required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve the Subscription Agreement, the transactions contemplated thereunder and the grant of the Specific Mandate.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, among other things, (i) the Capital Reorganisation and (ii) the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate), by way of poll.

Any Shareholder who is interested in the Loan Capitalisation shall abstain from voting on the resolution(s) to approve the relevant Subscription Agreement and the transactions contemplated thereunder at the EGM (including the grant of the Specific Mandate). To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, (i) save for the Subscriber, no Shareholder is interested in Loan Capitalisation and will be required to abstain from voting on the resolution(s) to approve Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) at the EGM.

Establishment of the Independent Board Committee and Appointment of the Independent Financial Adviser

The Independent Board Committee, comprising Ms. Huo Chunyu, Dr. Liu Ming and Mr. Leung Man Fai, being all the independent non-executive Directors, has been established to consider the terms of the Subscription Agreement and the transactions contemplated thereunder, and to advise to the Independent Shareholders as to whether the aforesaid transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and how to vote on the Subscription Agreement and the transactions contemplated thereunder. INCU Corporate Finance Limited has been appointed as the independent financial adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

Despatch of the Circular

Pursuant to Rule 20.44(2) of the GEM Listing Rules, a circular containing, among other things, (i) further details of the Capital Reorganisation and the Loan Capitalisation; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate); and (iv) a notice convening the EGM are expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

CLOSURE OF REGISTER OF MEMBERS

For determining Shareholders' entitlement to attend and vote at the EGM, the register of members will be closed from Wednesday, 16 August 2023 to Monday, 21 August 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at EGM, Shareholders must lodge all transfer documents, accompanied by the relevant share certificates, with the Company's Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road North Point, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 15 August 2023.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the proposed Capital Reorganisation and the proposed Loan Capitalisation are subject to the fulfilment of a number of conditions precedent, and may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares of the Company. The Company will make further announcement(s) with regard to the status of the abovementioned transactions as and when appropriate pursuant to the requirements under the GEM Listing Rules, as appropriate.

Definitions

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“2022 Annual Report”	the annual report of the Company for the year ended 31 December 2022
“associate(s)”	ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation being cancelled and (b) cancelling the paid-up capital of the Company to the extent of HK\$1.80 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.20

“Capital Reorganisation”	collectively the Share Consolidation, the Capital Reduction and the Share Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“Circular”	the circular to be despatched to the Shareholders by the Company, relating to, among other things, the Capital Reorganisation and the Loan Capitalisation
“Company”	China Regenerative Medicine International Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8158)
“Companies Act”	the Companies Act (Revised) of the Cayman Islands, as consolidated and revised
“Completion”	completion of the Loan Capitalisation in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”; “connected transaction”	has the same meaning ascribed thereto under the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$2.00 each in the share capital of the Company upon completion of the Share Consolidation
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Capital Reorganisation and the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Existing Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company prior to the completion of the Share Consolidation

“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	ascribed thereto in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended, or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKIRC”	HK International Regenerative Centre Limited (香港國際再生醫學中心有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Union Registrars Limited, the Company’s branch share registrar and transfer office in Hong Kong
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely Ms. Huo Chunyu, Dr. Liu Ming and Mr. Leung Man Fai, to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “INCU”	INCU Corporate Finance Limited, a corporation licensed to carry out business in type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder

“Independent Shareholder(s)”	Shareholder(s) other than those that are required under the GEM Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM
“Loan Capitalisation”	the proposed allotment and issue of the Subscription Shares at the Subscription Price by capitalising the Repayment Amount upon the terms and conditions of the Subscription Agreement
“Long-stop Date”	on the expiry of three (3) months after the date of the Subscription Agreement or such other date as the parties hereto may agree in writing
“Mr. Wang” or “Subscriber”	Mr. Wang Chuang, a Substantial Shareholder of the Company, the chairman of the Board, and the chief executive officer and an executive Director of the Company
“New Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company immediately after the completion of the Capital Reduction
“Repayment Amount”	the partial amount of Shareholder’s Loans due to Mr. Wang of HK\$16,000,000.05, being the agreed amount for setting-off against the subscription amount payable by Mr. Wang under the Subscription Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.20 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$2.00 each
“Share(s)”	Existing Share(s), Consolidated Share(s), and/or New Share(s) as the case may be
“Shareholder(s)”	holder(s) of Shares
“Shareholder’s Loan A”	the loan agreement dated 31 December 2022, entered into between the Company and Mr. Wang pursuant to which Mr. Wang as lender has made a loan facility, which was unsecured, interest-free and repayable on demand, available to the Company as borrower in the principal amount of HK\$12,900,395.73 as at 31 December 2022

“Shareholder’s Loan B”	the loan agreement dated 31 December 2022, entered into between HKIRC and Mr. Wang pursuant to which Mr. Wang as lender has made a loan facility, which was unsecured, interest-free and repayable on demand, available to HKIRC as borrower in the principal amount of HK\$32,175,179.12 as at 31 December 2022
“Shareholder’s Loans”	Shareholder’s Loan A and Shareholder’s Loan B
“Share Option(s)”	the share option(s) granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme as adopted by the Company pursuant to a resolution passed on 14 September 2011
“Share Sub-division”	the proposed sub-division of each authorised but unissued Consolidated Share of par value of HK\$2.00 each into ten (10) New Shares of par value of HK\$0.20 each
“Specific Mandate”	the specific mandate to be sought for the allotment and issue of the Subscription Shares, which is subject to approval by the Independent Shareholders voting by way of poll at the EGM
“Subscription Agreement”	the subscription agreement dated 14 July 2023 entered into between the Company and Mr. Wang in respect of the Loan Capitalisation
“Subscription Price”	the subscription price of HK\$0.85 per Subscription Share for the Loan Capitalisation
“Subscription Shares”	an aggregate of 18,823,530 New Shares to be allotted and issued to Mr. Wang pursuant to the terms and conditions of the Subscription Agreement
“Substantial Shareholder(s)”	ascribed thereto in the GEM Listing Rules
“%”	per cent.

By Order of the Board
China Regenerative Medicine International Limited
Khoo Wun Fat William
Company Secretary

Hong Kong, 14 July 2023

As at the date of this announcement, the executive Director is Mr. Wang Chuang (Chairman and Chief Executive Officer); the non-executive Director is Mr. Tsang Ho Yin; and the independent non-executive Directors are Ms. Huo Chunyu, Dr. Liu Ming and Mr. Leung Man Fai.

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 Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at www.crimi.hk.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.