Advanced Biomedical Technologies Inc.
Form 10-K/A
October 18, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K/A

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2010

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-53051

Advanced BioMedical Technologies Inc.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

18 Lake Ridge Drive
Middletown, NY 10940
(Address of principal executive offices, including zip code.)

(718) 766-7898
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $0.00001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was

required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO o

Indicate by check mark whether registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES o NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

There was no active public trading market as of the last business day of the Company's year-end.

As of February 11, 2011, there are 56,374,850 shares of common stock outstanding.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements that involve assumptions, and describe our future plans, strategies, and expectations. Such statements are generally identifiable by use of the words “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” or “project” or the negative of these words of other variations these words or comparable terminology. These statements are expressed in good faith and based upon a reasonable basis when made, but there can be no assurance that these expectations will be achieved or accomplished.

Such forward-looking statements include statements regarding, among other things, (a) the potential markets for our products, our potential profitability, and cash flows (b) our growth strategies, (c) anticipated trends in our industry, (d) our future financing plans and (e) our anticipated needs for working capital. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found under "Item 1. Business" and "Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations," as well as in this Annual Report on Form 10-K generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors as described in this Annual Report on Form 10-K generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this Annual Report on Form 10-K will in fact occur. In addition to the information expressly required to be included in this filing, we will provide such further material information, if any, as may be necessary to ensure that the required statements, in light of the circumstances under which they are made, are not misleading.

Although forward-looking statements in this Annual Report on Form 10-K reflect the good faith judgment of our management, forward-looking statements are inherently subject to known and unknown risks, business, economic and other risks and uncertainties that may cause actual results to be materially different from those discussed in these forward-looking statements. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, other than as may be required by applicable law or regulation. Readers are urged to carefully review and consider the various disclosures made by us in our reports filed with the Securities and Exchange Commission which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.

All references in this Annual Report on Form 10-K to the terms “we”, “our”, “us”, and “the Company” refer to Advanced BioMedical Technologies Inc.

ITEM 1. BUSINESS

Organizational History

We were incorporated in the State of Nevada on September 12, 2006. We maintain our statutory registered agent's office at The Corporation Trust Company of Nevada, 311 S Division Street, Carson City, Nevada 89703, and our business office is located at 18 Lake Ridge Drive, Middletown, NY 10940. We have not been subject to any bankruptcy, receivership, or similar proceeding, or any material reclassification or consolidation.

Prior to December 31, 2008 the Company had only nominal operations and assets.

On October 1, 2008, Andriy Protskiv (the "Affiliate Seller"), a major shareholder and affiliate of the Company, consummated one Affiliate Stock Purchase Agreement with Chi Ming YU (the "Buyer"). Pursuant to the Affiliate Stock Purchase Agreement, the Buyer acquired from the Affiliate Seller a total of 5,000,000 shares of common stock of the Registrant for a total price of Five Thousand Dollars ($5,000).

Also on October 1, 2008, Roman Bilinski, a shareholder and affiliate of the Company, consummated one Share Purchase Agreement with Chi Ming YU. Pursuant to the Share Purchase Agreement, Chi Ming YU acquired from Mr. Bilinski a total 1,000 shares of common stock of the Registrant for a total price of Three Thousand Seven Hundred Twenty Dollars ($3,720).

As a result, under the terms and conditions of the Affiliate Stock Purchase Agreement and the Share Purchase Agreement, Buyer Chi Ming YU acquired from Affiliate Seller and Bilinski a total 5,001,000 shares of common stock of the Company, representing approximately 90.74% of the total issued and outstanding shares of the Registrant.

Following the acquisition of shares by Chi Ming YU, the Company entered into a Share Exchange Agreement and Chi Ming YU entered into an Affiliate Agreement resulting in a change of control of Registrant whereby WANG Hui obtained a total of three million three thousand six hundred eighty two (3,003,682) shares representing approximately fifty four percent (54%) of the Company’s issued and outstanding common stock, and Titan Technology Development Ltd. (“Titan”) obtained a total of one million four hundred eighty four thousand five hundred sixty eight (1,484,568) shares representing approximately twenty six and seven tenths percent (26.7%) of the Company’s issued and outstanding common stock.

Pursuant to the Share Exchange Agreement the Company issued 50,000 shares of its common stock, par value $0.00001, to Titan, a limited liability company organized under the laws of Hong Kong, and WANG Hui, an individual, [Titan and WANG Hui being the sole shareholders of Masterise Holdings Ltd (“Masterise”)] in exchange for 100% of the voting common stock of Masterise. As of the date of the Share Exchange Agreement, Masterise owned seventy percent (70%) of the issued and outstanding equity or voting interests in Shenzhen Changhua Biomedical Engineering Company Limited (“Shenzhen Changhua”). Shenzhen Changhua is duly organized, validly existing and in good standing under the laws of the Peoples Republic of China (“PRC”).

Also on December 31, 2008, Chi Ming YU, a shareholder and affiliate of the Company, consummated one Affiliate Stock Purchase Agreement, (the “Affiliate Agreement”) with thirteen (13) individuals including Titan and WANG Hui. Pursuant to the Affiliate Agreement, Chi Ming YU sold a total of 5,001,000 shares of the Company’s common stock for a total aggregate price of $5,000, including 2,972,182 shares to WANG Hui and 1,466,068 shares to Titan.

The shares of the Company's common stock obtained by Titan and WANG Hui pursuant to the Share Exchange Agreement and the Affiliate Agreement resulted in a change of control of the Registrant, whereby WANG Hui obtained a total of three million three thousand six hundred eighty two (3,003,682) shares representing approximately fifty four percent (54%) of the Company's issued and outstanding common stock, and Titan obtained a total of one million four hundred eighty four thousand five hundred sixty eight (1,484,568) shares representing approximately twenty six and seven tenths percent (26.7 %) of the Company's issued and outstanding common stock.

As a result of the Share Exchange Agreement and the Affiliate Agreement, Masterise became the Company's direct wholly-owned subsidiary. Masterise owns seventy percent (70%) of the issued and outstanding equity or voting interests in Shenzhen Changhua. Following our acquisition of Masterise as described above, as set forth in the following diagram, Masterise became our direct, wholly-owned subsidiary and Shenzhen Changhua remains a subsidiary of Masterise.

Shenzhen Changhua does not have any subsidiary.

Upon the acquisition of Masterise and its subsidiary in China, our primary business is carried out by Masterise through Shenzhen Changhua. Therefore, in the remainder of this Annual Report on Form 10-K and its exhibits, "we, us or our" refers to Advanced BioMedical Technologies Inc., Masterise and Shenzhen Changhua, collectively.

Organizational History of Masterise and Shenzhen Changhua

Masterise is a limited liability company which was organized under the laws of British Virgin Islands ("BVI") on May 31, 2007.

Shenzhen Changhua is a limited liability company which was organized under the laws of PRC on September 25, 2002.

On January 29, 2008, Masterise acquired 70% of the capital stock of Shenzhen Changhua and this caused Shenzhen Changhua to become its subsidiary.

Since their founding, Shenzhen Changhua has been involved in the development of self-reinforced, absorbable degradable screws, rods and binding wires for fixation on human fractured bones. The Company is currently involved in conducting clinical trials on its products and intends to raise additional capital to produce and market its products commercially pending approval of its products by the State Food and Drug Administration ("SFDA") of the PRC.

The Company, through its subsidiaries, is now engaged in the business of developing, manufacturing and marketing self-reinforced, absorbable degradable Polyamide ("PA") screws, rods and binding wires for fixation on human fractured bones.

Primary Products

Our primary products include Absorbable PA Osteosynthesis Devices: Screws, Rods, Binding Wires, Mini-Screws and Suture Anchors. Our PA Screws have completed clinical trials and are pending approval by the State Food and Drug Administration of China ("SFDA"); Our PA Binding Wires are under clinical trials; Our PA Mini-Screws are under animal test.

Product Characteristics:

The theory of Brady-degradable polyamide absorbable material is based on water dissolution – the material is degraded by body fluid. When bone fracture is healed, it can be degraded from outer to inner layer, and induce new bone generation in the gap of the materials. Eventually it will occupy all the space made by degradable implant and form new bone.

Brady-degradable polyamide absorbable materials consist of enhanced fiber and high molecular polymers. It has high tensile, bending and shear strength. It is more suitable for fracture patients with bad conditions, i.e. with light osteoporosis, severe soft tissue injury or bad blood supply etc.
The Company's product range covers the "self-reinforced, re-absorbable, degradable PA Macromolecule Polymer Materials for Human Body Implantation". This innovation aims to:

1. Save costs on all patient medical care;
2. Avoid the secondary surgery;
3. Enhance the performance of materials;
4. Improve biological activity of materials;
5. Effectively control the degeneration speed.

The Company has developed six proprietary re-absorbable polymer fixation implant product lines, including screws, pins, tacks, rods and binding wires, which provide an alternative to metal implants and overcome the limitations of first generation re-absorbable fixation devices. By modifying well-characterized re-absorbable polymers through the use of several proprietary manufacturing and processing techniques, the Company is able to create self-reinforced, re-absorbable implants.

Industry Development

The fracture fixation industry has developed through three generations of materials science:

The first generation internal-fracture fixation material:
The first generation internal-fracture-fixer components are usually made of stainless steel, titanium and alloy. Due to their high intensity, low costs and easy machining character, these components have achieved huge success in fracture treatment and remain the most widely used internal-fracture-fixer material. However, their prominent flaws are the huge difference between metal's elasticity co-efficient, easily causing second-time bone fracture. The metallic ion can also cause tissue inflammation, and the need of a secondary surgery to have them taken out. These flaws stimulated the development of the degradable macromolecule material.

The second generation fracture fixation material:
The second generation bone-fracture-fixed components are made of degradable macromolecule material, such as PLLA, PGA and PDS, etc. The disadvantage of these components is rapid self-degeneration in early stages after the initial implant. For example, the strength of SR-PLLA decreases to 10-20Mpa after 4 weeks of implantation. Therefore, the second generation bone-fracture-fixed components can be only used to treat substantial spongiosa bone fractures.

The third generation fracture fixation material:
The third generation fracture fixation material, biodegradable fracture fixation components are currently under research by developed countries. There are many technical challenges to research in the third generation fracture fixation material field; for example, the materials must have a high degree of bio-compatibility and mechanical compatibility. They also must be of high biological activity, self absorbable, and degeneration controllable.

Product Development
Our company chose the biodegradable screw as the starting point. In order to replace the wildly used metal material, the new materials must meet bio-consistency and mechanics-consistency requirements. Furthermore, they must also meet certain requirements in terms of bio-activities, degradability and controllable degrading speed. Although many macromolecule materials are degradable inside human body, only a few of them have the physical characters required for fracture fixation.

The first step was to choose the macromolecule materials that have certain physical characters, for example, Polyamide ("PA"). In order to achieve the desired mechanical performance and degrading speed, we used chemical and physical methods to modify the bio-degradable PA so as to synthesize new bio-degradable material, also the selection of monomer class, polymerization conditions; the mensuration of polymer molecular weight, hydrophile capability, crystal capability; the mensuration and controlled degrading speed of the polymer; the mensuration and control of the mechanical performance of the polymer.

The second step was to choose the suitable bio-active inorganic material, and to optimize the compound and technique conditions. To ensure the bio-activities of the implanted fixture material, we used high grade and mature phosphate type bio-active materials, based on the preparation of the compound material and the surface character requirements to the finished products. We also improved current technical parameters by modifying the surface character and achieved control over the desired grain size and surface activities.

The third step was to specially prepare and utilize the selected, technically treated and character modified degradable polymer material with bio-active material. Hydronium bombardment to the surface with spread & cover techniques are used during the compound process. This is to create a well-knit bio-active membrane on the degradable polymer's surface, or to embed a bio-active core inside the degradable polymer stick so as to form the bio-active degradable compound material.

The fourth step was to strengthen and sharpen the processed compound by using directional extrusion and moulding. Degradable acantha inoculators, fixation screws, orthopaedics stuffing, enlace strings; anti-conglutination membrane can all be made according to needs.

Our company has studied and researched Polyamide, changing its chemical and physical properties to meet the above requirements. As a result of our research we have:

1. Increased mechanical strength to 170Mpa
2. Increased biological activities to accelerate bone cell substitution.
3. Extended the degeneration period during the implant. While the PA is degenerating layer by layer, the bone cells grow and take its place.

Product Analysis

1. Our Company is researching and currently developing the capability of manufacturing several different kinds of human implant products including Artificial Lumber Disc, Mini-Screws, Suture Anchors and other PA products. Currently the company has two production lines certified by the GMP regulations.

2. Our Company is constantly analyzing the market needs to develop suitable products. One of the company's products is currently pending SFDA approval and two products are under clinical tests.

Overview of PA Devices and Market in China and Worldwide

The demand for medical device equipment has rapidly increased during the last decade. Total market sales have increased more than 15% each year. There are in excess of 5 million cases of bone fractures in the world every year, among which there are over 1 million cases in China. The figures show that about 4 million bone bolts/screws are needed each year. Between 2005 and 2009, the total world-wide sales of clinical equipments and materials are over 2 trillion USD, and more than 50% of the sales are related to bio-materials.

China’s Market for PA Devices

China’s market for PA devices depends on 3 major conditions:

- patients
- advanced technology level
- performance and price of the materials.

In the first 50 years of the 21st century, China will have a growing aging population, while the total population in China will continually increase. New and improved medical technologies will be rapidly developed and utilized throughout hospitals in China, and material optimization and product pricing is expected to directly stimulate increased sales.

Competitive Factors

Our Company is the only patent holder of PA technologies in China and we are the only company who is carrying out Clinical Trials on PA products. There are currently no similar products competing in the market.

Our main competition comes from Metal, Titanium and PLLA products marketed by several foreign and domestic companies. Such competitors include many key and niche players worldwide such as Acumed, Biomet Inc., Conmed Corp., Encore Orthopedics, Exactech, Inc., DePuy, Inc. (a Johnson & Johnson company), Medtronic Sofamor Danek, Inc., Orthofix International N.V., Smith and Nephew Plc, Stryker Corp., Synthes, Inion Ltd. and others, many of which have substantially greater sales and financial resources than we do.

Product advantage and Market Opportunity:

- There are no similar patent registrations in China.
- We are the only company qualified and permitted to take clinical trials by China
- SFDA
- We have a timing advantage over other companies in China which would have to go through the preclinical testing for the SFDA permit on Clinical Trials.
- Under existing regulation by SFDA, it will take at least 3-5 years to complete clinical trials for a new product similar to the Company’s PA Screw, which has finished all required clinical trials.

Intellectual Property

The Company has been granted one patent for its material by the Chinese Intellectual Property Rights Bureau: Patent no. ZL97119073.9, PRC. This patent also protects the use and manufacturing process of the material.

Chinese Patent

Title: High molecular human body embedding article and its preparing process product and use			
Application Number:	97119073	Application Date:	1997.10.22
Publication Number:	1214939	Publication Date:	1999.04.28
Approval Pub. Date:		Granted Pub. Date:	2002.08.14
International Classification:	A61F2/02,A61L27/00,C08L33/00		
Applicant(s) Name:	Liu Jianyu		
Address:	518111		
Inventor(s) Name:			
Attorney & Agent:	Li Zhining		

Abstract

The present invention discloses a macromolecular implant for human body and its preparation process, and relates to the products made up by using said macromolecular implant and their application. Said invented product is made up by using resin fibre through hot-pressing treatment according to the formula provided by said invention, and its strength is high, tenacity is good and its shape can be processed according to the requirement in the period of bone union after implantation, and said implant can be made into the fixation block, eurymeric block, fastening piece and suture for reduction of fracture, and can be started to be degraded from twenty-fourth week after implantation, and can be completely absorbed by human body after 1.5-2 years, and its cost is low.

Employees

As of October 31, 2010, we had 16 employees, with 9 employees in R&D and Clinical, Regulatory, including 4 part-time employees, 5 employees in General and Administrative, 2 employees in Accounting including 1 part-time employee. There are no employees in sales, marketing, and manufacture because we are in the clinical trial stage.

We believe that our future success will depend in part on our continued ability to attract, hire and retain qualified personnel. None of our employees are represented by a labor union, and we believe our employee relations are good.

The company’s facilities are located at Block A, Long Cheng Te Fa Industrial park, Long Gang, Shenzhen, China.

Availability of new qualified employees

Shenzhen is located in the southern part of the Guangdong Province, on the eastern shore of the Pearl River Delta. Neighboring the Pearl River Delta and Hong Kong, Shenzhen's location gives it a geographical advantage for economic development.

Shenzhen's well-built market economy and diversified culture of migration have helped to create the best-developed and most dynamic market economy in China. Shenzhen is China's first special economic zone. After more than 20 years of development, Shenzhen has grown into a powerful city boasting the highest per capita GDP in China's mainland. Its comprehensive economic capacity ranks among the top of the country's big cities. The combined value of imports and exports has remained No.1 for 12 years in China's foreign trade.

Since 1997, China has accelerated the development of higher education and increased enrollment in regular universities and colleges. In 2002, the number of registered students has increased by 105.2% from 24.9 to 51.1 per 10,000 people. The gross enrollment rate of higher education increased from 8% in 1998 to 15.3% in 2002, approaching the target of 16% by 2005 proposed by the provincial "Tenth Five-Year Plan".

Guangdong has entered a transition period from an elite education to a popularized higher education. The total number of registered students has experienced an annual growth rate of 25%. There are 112 universities and colleges offering higher education in Guangdong province with over 332,000 students graduated in 2009. Combined with graduates from other parts of China, there are over 500,000 job-seeking graduates in total in Guangdong in 2009.

Insurance

While we are carrying out the Clinical Trials, we do not have any Product Liability Insurance coverage for the use of our proposed products. We intend to obtain Product Liability Insurance coverage for commercial sale of our products in due course.

Government Regulations

Our primary target market is the medical community of the Peoples Republic of China (PRC). Medical devices manufactured by the Company in China are subject to regulation by the State Food and Drug Administration ("SFDA") of PRC. The manufacturing facilities are also required to meet China's Good Manufacturing Practices ("GMP") standards.

The Company's production facilities are fully compliant with GMP requirements. While the Company has not yet received SFDA approval for its products, we expect to obtain SFDA approval in the third fiscal quarter of 2011. We are in progress of achieving this goal.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved comments from the SEC.

ITEM 2. PROPERTIES

None.

ITEM 3. LEGAL PROCEEDINGS

Currently we are not involved in any pending litigation or legal proceeding.

ITEM 4. REMOVED AND RESERVED

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Only a limited market exists for our securities. There is no assurance that a regular trading market will develop, or if developed, that it will be sustained. Therefore, a shareholder in all likelihood will be unable to resell his securities in our company. Furthermore, it is unlikely that a lending institution will accept our securities as pledged collateral for loans unless a regular trading market develops.

Our company's securities are traded on the Over-The-Counter Bulletin Board ("OTCBB") operated by the Financial Industry Regulatory Authority (FINRA) under the symbol "ABMT".

Fiscal Quarter	High Bid	Low Bid
2010		
Fourth Quarter 08-01-10 to 10-31-10	$1.00	$0.06
Third Quarter 05-01-10 to 07-31-10	$3.00	$3.00
Second Quarter 02-01-10 to 04-30-10	$3.00	$3.00
First Quarter 11-01-09 to 01-31-10	$3.10	$3.00
Fiscal Quarter	High Bid	Low Bid
2009		
Fourth Quarter 08-01-09 to 10-31-09	$3.00	$3.00
Third Quarter 05-01-09 to 07-31-09	$3.00	$3.00
Second Quarter 02-01-09 to 04-30-09	$3.00	$3.00
First Quarter 11-01-08 to 01-31-09	$3.00	$3.00

Shareholders

At October 31, 2010, we had 34 shareholders of record of our common stock, including shares held by brokerage clearing houses, depositories or otherwise in unregistered form. We have no outstanding options or warrants, or other securities convertible into, common equity.

Dividend Policy

We have not declared any cash dividends. We do not intend to pay dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

Section 15(g) of the Securities Exchange Act of 1934

Our shares are covered by section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouses). For transactions covered by the Rule, the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, the Rule may affect the ability of broker/dealers to sell our securities and also may affect your ability to sell your shares in the secondary market.

Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities. These rules require a one-page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to in understanding of the function of the penny stock market, such as “bid” and “offer” quotes, a dealers “spread” and broker/dealer compensation; the broker/dealer compensation, the broker/dealers duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers rights and remedies in causes of fraud in penny stock transactions; and, the FINRA's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

Securities authorized for issuance under equity compensation plans

We have no equity compensation plans and accordingly we have no shares authorized for issuance under an equity compensation plan.

Status of our public offering

On February 2, 2007, the Securities and Exchange Commission declared our Form SB-2 Registration Statement effective, file number 333-139986, permitting us to offer up to 2,000,000 shares of common stock at $0.10 per share. There was no underwriter involved in our public offering.

On April 30, 2007, we completed our public offering by raising $51,140. We sold 511,400 shares of our common stock at an offering price of $0.10 per share to 51 persons.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this annual report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Overview

The following discussion is an overview of the important factors that management focuses on in evaluating our businesses, financial condition and operating performance and should be read in conjunction with the financial statements included in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward looking statements as a result of any number of factors, including those set forth in this Annual Report on Form 10-K, and elsewhere in our other public filings. Factors that may cause actual results, our performance or achievements, or industry results to differ materially from those contemplated by such forward-looking statements include without limitation:

1. The company's lack of funds in new R&D, especially in clinical testing;
2. The company's lack of funds in new equipment and the utilization of the production process after SFDA approval;
3. The Company may need to seek funding through such vehicles as convertible notes and warrants, private placements, and/or convertible debentures;
4. The company needs funding for marketing and network build-up;
5. The company plans to seek approval for clinical testing and marketing on a worldwide basis, including US FDA approval for testing and marketing in the United States of America, and there is no guaranty that we will obtain any such approval;
6. While the company currently holds a patent originating in China, the patent does not protect our intellectual property in the United States, and the company is unsure of the validity of the patent in other countries. However, specific trade secrets are involved in the manufacturing of our product to help protect our technologies, and reverse engineering is unlikely for our types of products and technologies. Additionally, all machinery used to manufacture our products is protected by Chinese patents.

The Company is subject to a number of risks similar to other companies in the medical device industry. These risks include rapid technological change, uncertainty of market acceptance of our products, uncertainty of regulatory approval, competition from substitute products from larger companies, the need to obtain additional financing, compliance with government regulations, protection of proprietary technology, product liability, and the dependence on key individuals.

All written and oral forward-looking statements made in connection with this Form 10-K that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Our Business

We are engaged in the business of designing, developing, manufacturing and the planned future marketing of self-reinforced, re-absorbable biodegradable internal fixation devices. Our polyamide materials are protected by Patent no. ZL97119073.9, PRC, issued by the Chinese Intellectual Property Rights Bureau, is used in producing screws, binding wires, rods and related products. These products are used in a variety of applications, which include orthopedic trauma, sports related medical treatment, or cartilage injuries. Our products are biodegradable internal fixation devices which are made of a very unique material called Polyamide ("PA"). Our PA products, such as screws, rods, and binding wires consist of enhanced fibers and high molecular polymers, which are designed to facilitate quick healing of complex fractures in many areas of the human skeletal system. Our products offer a number of significant advantages over existing metal implants and the first generation of degradable implants (i.e. PLLA) for patients, surgeons and other customers including:

1. A notably reduced need for a secondary surgery to remove implant due to post-operative complications, therefore avoiding unnecessary risk and expense on all patient care;
2. Enhancing the performance of the materials by manufacturing them to be easily fitted to each patient, forming an exact fit;
3. Improving the biological activity of materials. Clinical trial results have shown that as PA implants degrade, they promote a progressive shift of load to the new bone creating micro-motion and thereby avoiding bone atrophy due to 'stress shielding';
4. Reducing the chance of post-operative infection;
5. Effectively controlling the degeneration speed, so that there will be no complications in treating repeat injuries;
6. Ease of post-operative care i.e. no distortion during x-ray imaging;
7. Simple and cost-effective to manufacture.

Our products are designed to replace the traditional internal fixation device made of stainless steel and titanium and overcome the limitations of previous generations of products such as PLA and PLLA. Our laboratory statistics show that our PA products have a higher mechanical strength, last longer in degradation ratio and are more evenly absorbed form outer layer inwards as compared with similar materials such as PLA and PLLA. Thus PA allows increased restoration time for bone healing and re-growth. The Company's PA Degradable and Absorbable Screw ("PA Screw") and Degradable and Absorbable Binding Wire ("PA Binding Wire) are currently being tested in human trials under permit from China's State Food and Drug Administration ("SFDA"). As of October 31, 2010, the Company completed 71 successful PA Screw trial cases, and 57 successful PA Binding Wire. Upon the completion of these trials the Company has already exceeded China SFDA’s requirement on PA Screw trial, the Company is in the final preparation to apply for the China's SFDA's approval.

Completion of Clinical Trials for PA Screws

As of October 31, 2010, for medical study and comparison purpose, the company has completed a total of 83 successful clinical human trial cases, including 71 cases on ankle fractures. Under SFDA Regulations, a total number of 60 cases must be completed before approval is considered. The clinical trials for the company’s PA Screws have been completed with 100 percent success rate.

SFDA Application Process for PA Screws

The company first submitted its application for PA Screws to the SFDA in 2008. The application has been withheld by the SFDA pending additional clinical trial cases. This is due to the amended SFDA regulations, which unlike previous regulations require the applicant to specify the position on the body where the clinical trial is carried out. Our amended SFDA application has specified the ankle fracture as the body part of our clinical trial. This is because bones around this part carry most of the body weight. As of October 31, 2010, we have completed all additional clinical trials required by the SFDA. The company's SFDA application process will be resumed once the additional and supplementary reports are submitted to the SFDA. We expect the final SFDA approval by the third fiscal quarter of 2011.

Furthermore, we anticipate that following the SFDA final approval; the company should be earning revenues as early as the fourth quarter of 2011. The company is also looking forward to starting the application process for the PA Biding Wires with the SFDA by the end of 2011 provided sufficient funding is in place.

Clinical Trials on Other Products
Currently, we have been conducting clinical trials for PA Binding Wires at the 6 state level hospitals authorized by the SFDA in cities throughout China, including Nanchang, Changsha, Luoyang, Nanning and Tianjin.

Additionally, the Company has signed a cooperative agreement with The First Affiliated Hospital of Guangdong Pharmaceutical University in Guangzhou, China. Under this cooperative agreement, both parties will join efforts in conducting research and animal tests on Cranio-Maxillofacial Fracture (CMF) Treatment utilizing the Company's bio-absorbable miniscrews and plates. CMF surgery encompasses the treatment of the face, jaws and skull, including trauma and the correction of facial skeletal deformity. Since the 1980s, titanium plates and screws have been the most commonly used fixation devices in CMF surgery. However concerns of using titanium include bone growth restriction and implant migration through the cranium in children. Also adult patients complain about feeling the metal implants, particularly in cold weather or through thin skin. We believe that utilizing our bio-absorbable mini-screws and plates in CMF surgery will eliminate the problems associated with other treatment types.

There can be no assurance that the company will be able to obtain any further clearances or approvals, if required, to market its products for their intended uses on a timely basis, if at all. Moreover, regulatory approvals, if granted, may include significant limitations on the indicated uses for which a product may be marketed. Delays in the receipt of or the failure to obtain such clearances or approvals, the need for additional clearances or approvals, the loss of previously received clearances or approvals, unfavorable limitations or conditions of approval, or the failure to comply with existing or future regulatory requirements could have a material adverse effect on the Company's business, financial condition and results of operations.

Government Regulation

Medical implant devices/products manufactured or marketed by the company in China are subject to extensive regulations by the SFDA. Pursuant to the related laws and acts, as amended, and the regulations promulgated there under (the "SFDA Regulations"), the SFDA regulates the clinical testing, manufacture, labeling, distribution and promotion of medical devices. The SFDA also has the authority to request repair, replacement, or refund of the cost of any device manufactured or distributed by the Company.

Under the SFDA Regulations, medical devices are classified into three classes (class I, II or III), the basis of the controls deemed necessary by the SFDA to reasonably assure their safety and efficacy. Under the SFDA's regulations, class I devices are subject to general controls [for example, labeling and adherence to Good Manufacturing Practices ("GMP") requirements] and class II devices are subject to general and special controls. Generally, class III devices are those, which must receive premarket approval by the SFDA to ensure their safety and efficacy (for example, life-sustaining, life-supporting and certain implantable devices, or new devices which have not been found substantially equivalent to legally marketed class I or class II devices). The Company is classified as a manufacturer of class III medical devices. Current SFDA enforcement policy prohibits the marketing of approved medical devices for unapproved uses.

Before a new device can be introduced into the market in China, the manufacturer generally must obtain SFDA marketing clearance through clinical trials. Since the company is classified as a manufacturer of Class III medical devices, the company must carry out all clinical trials in pre-selected SFDA approved hospitals.

Manufacturers of medical devices for marketing in China are required to adhere to GMP requirements. Enforcement of GMP requirements has increased significantly in the last several years and the SFDA has publicly stated that compliance will be more strictly scrutinized. From time to time the SFDA has made changes to the GMP and other requirements that increase the cost of compliance. Changes in existing laws or requirements or adoption of new laws or requirements could have a material adverse effect on the company's business, financial condition and results of operations. There can be no assurance that the company will not incur significant costs to comply with applicable laws and requirements in the future or that applicable laws and requirements will not have a material adverse effect upon the company's business, financial condition and results of operations.

Regulations regarding the development, manufacturing and sale of the company's products are subject to change. The company cannot predict the impact, if any, that such changes might have on its business, financial condition and results of operations.

Results of Operations

The “Results of Operations” discussed in this section merely reflect the information and results of Masterise and Shenzhen Changhua for the period from September 25, 2002 (Shenzhen Changhua’s date of inception) to October 31, 2010.

Revenues

The Company is in its development stage and does not have any revenue. The management team is continuously looking for fundraising possibilities for product improvement, machinery upgrades, facility expansions, continuous research and development, and sales and marketing preparation.

Our facility is located in Shenzhen, China, which is built to meet the GMP standards. Our facility covers about 865 square meters, which includes the combined facilities of offices, laboratories, and workshops. There is one production line for the PA Screw and another production line for the PA Binding Wire. The annual production capabilities of each production line are 100,000 pieces for PA Screw, and 240,000 packs for the PA Binding Wires. Both production lines, at their maximum production capacities are capable of generating approximately $30,000,000 in annual revenue.

Estimate current production lines in full capacity

	Output Quantity (Max.)	Price at ex-factory (US$)	Total Turnover (US$)
PA Screw	100,000 (piece)	180	18,000,000
PA Binding Wire	240,000 (pack)	50	12,000,000
		Total:	30,000,000

The Company will market its products through a hybrid sales force comprised of a managed network of independent regional distributors/sales agents (80%) and direct sales representatives (20%) in China.

There are two ways the company will generate revenue, 1) through our nationwide and regional distributors and 2) through our direct sales channels.

Funding Needs

The Company estimates that it will need to raise approximately $1,000,000 over the next 12 months to bring its current products to market, and begin earning revenues. While the Company has no outside sources of funding, the Company’s shareholders have committed to advance the Company funds as needed. There is no written agreement between the Company and its shareholders.

China's Marketing Analysis and Sales Strategy

We have established long term relationships with many hospitals and national distributors in China. Ms. WANG Hui, the Company's CEO, has over 20 years sales experience in medical distribution. She will be in charge of our sales programs. Professor LIU, Shangli, our chief medical advisor, is one of the highest ranked orthopedic doctors in China as well as being highly renowned in the rest of the world. He will assist the Company in nationwide product promotion and joint projects with associated academic institutions and medical schools.

During product development and clinical trial stages we developed close relationships with many major national hospitals. We expect these relationships to boost our revenue generation following SFDA final approval. In order to better serve our customers, including hospitals, distributors, patients and the general public, the Company will set up Regional Service Offices to provide technical support, product information, and customer aid service.

China's market for PA devices depends on 3 major conditions:
- Patients
- Advanced technology level
- Performance and price of the materials

The demand for internal fixation medical devices has rapidly increased during the last decade. Total market sales have increased more than 15% each year. There are over 1 million bone fractures in patients in China requiring about 4 million bone bolts/screws each year. Research shows that in the next 10 years, China will have a booming aging population and the population in China will continue to increase. New and improved medical technology will continue to rapidly grow throughout hospitals in China, and material optimization and product pricing is expected to directly stimulate increased sales.

The Company has advantages and more opportunities over others competitors due to:
- No other similar patent registrations in China.
- We are the only company qualified and permitted to perform PA clinical trials by SFDA
- We have a timing advantage over other companies in China, which would have to go through the preclinical testing for the SFDA permit on clinical trials.
- Under existing regulations by SFDA, it will take at least 3-5 years for clinical trials.

Number of Hospitals in China in year 2009 Statistic and Census report by Ministry of Health of People's Republic of China.

Statistic and Census report by Ministry of Health of People's Republic of China.
(Year 2009)

	Total	Government	Society	Private	Total Non-Profit	Total Profit
Hospitals	19712	9777	6048	3887	15650	4038
General Hospital	13119	5830	5060	2229	10856	2245
TCM Hospital	2688	2244	158	286	2403	285
TCM-WM Hospital	236	96	48	92	139	97
Minority Hospital	191	170	8	13	175	16
Specialist Hospital	3437	1422	763	1252	2048	1383
Nursing Hospital	41	15	11	15	29	12

TCM Hospital: Traditional Chinese Medicine Hospital
WM Hospital: Western Medicine Hospital
Minority Hospital: The hospitals locate in Autonomous Region (Province) in China

In general, technological advancements and the marketing potential within Asia are the biggest factors in driving significant growth within the global orthopedic devices market. Another major factor that positively influences this market is the growing number of aging baby boomers with active lifestyles. This sector represents a large portion of the total population.

Research and Development

Research and development costs related to both present and future products are expensed as incurred. Total expenditure on research and development charged to general and administrative expenses for the year ended October 31, 2010, October 31, 2009 and for the period from September 25, 2002 (inception) through October 31, 2010 was $11,686, $10,313 and $119,033 respectively.

There is substantial research and development (R&D) activity in the market indicating a favorable growth trend. While revenues for active lifestyle participants registered a compound annual growth rate (CAGR) of 17.4 percent for the period 2002-2006; R&D expenditure for the same period recorded a higher growth of 18.4 percent. Increasing R&D expenditure is considered a key indicator of the future direction of the orthopedic market as it points to sustained technological development and innovation.

The Company believes that Asia holds tremendous growth potential for orthopedic device manufacturers due to its fundamental population advantage. Asia accounts for more than 50 percent of the population in the world, but its share of the global orthopedic devices market is comparatively low at approximately 10 percent. Within the region, Japan contributes to a majority of market revenues, indicating large potential for growth in relatively under-penetrated countries such as China and India.

In future periods, we expect research and development expenses to grow as we continue to invest in basic research, clinical trials, product development and in our intellectual property.

Finance Costs

As of October 31, 2010 and 2009, the Company owed $217,951and $335,755 respectively to a stockholder - Titan Technology Development Ltd., which is unsecured and repayable on demand. Interest is charged at 7% per annum on the amount owed.

As of October 31, 2010 and 2009, the Company owed $421,338 and $386,159 to Chi Fung Yu, $367,062 and $0 to Tie Jun Chen (related parties), which are unsecured and repayable on demand. Interest is charged at 7% per annum on the amount owed.

Total interest expenses on advances from following stockholder and the related parties accrued for the year ended October 31, 2010 and October 31, 2009 and for the period from September 25, 2002 (inception) through October 31, 2010 are $18,074, $16,035 and $37,432 for Titan Technology Development Ltd.; $25,192, $19,535 and $46,957 for Chi Fung Yu; $16,006, $0 and $16,006 for Tie Jun Chen.

As of October 31, 2010 and October 31, 2009, the Company owed the following amount respectively to three directors for advances made - $156,302 and $219,187 to Wang Hui, $839 and $505 to Kai Gui, $1,800 and $1,202 to Chi Ming Yu. These advances were made on an unsecured basis, repayable on demand and interest free.

As of October 31, 2010 and October 31, 2009, the Company owed $400,192 and $390,459 respectively to a related company Yichen Medical Device Co. Ltd. on an unsecured basis, repayable on demand and interest free.

Imputed interest charged at 5% per annum on the amounts owed to three directors, and a related company for the year ended October 31, 2010, the year ended October 31, 2009 and the period from September 25, 2002 (inception) through October 31, 2010 respectively is $8,746, $12,070 and $70,335 for Wang Hui; $0, $23 and $23 for Kai Gui; $0, $56 and $56 for Chi Ming Yu; $19,610, $19,507 and $106,670 for Yichen Medical Device Co. Ltd.

Income Tax

ABMT was incorporated in the United States and has incurred net operating loss for income tax purposes for 2010 and 2009. ABMT has net operating loss carry forwards for income taxes amounting to approximately 261,232 and 83,791 as of October 31, 2010 and 2009 respectively which may be available to reduce future years' taxable income. These carry forwards, will expire, if not utilized, commencing in 2029. Management believes that the realization of the benefits from these losses appears uncertain due to the Company's limited operating history and continuing losses. Accordingly, a full, deferred tax asset valuation allowance has been provided and no deferred tax asset valuation allowance has been provided and no deferred tax asset benefit has been recorded. The valuation allowance at October 31, 2010 and 2009 was $261,232 and $83,791 respectively. The net change in the valuation allowance for 2010 was an increase of $177,441.

Masterise was incorporated in the BVI and under current law of the BVI, is not subject to tax on income.

Shenzhen Changhua was incorporated in the PRC and is subject to PRC income tax which is computed according to the relevant laws and regulations in the PRC. The income tax rate has been 25%. No income tax expense has been provided by Shenzhen Changhua as it is waiting for SFDA approval and it has incurred losses.

Net Loss

As reflected in the accompanying audited consolidated financial statements, the Company has an accumulated deficit of $2,436,044 at October 31, 2010 that includes a net loss of $816,799 for the year ended October 31, 2010. We are in

Clinical Trial phase and do not have a SFDA permit to produce, market or sell in China.

We therefore do not have any revenue from inception to October 31, 2010 but have to incur operating expenses for the upkeep of the Company and the clinical trials.

Liquidity and Capital Resources

We had a working capital deficit of $1,539,958 at October 31, 2010 compared to a working capital deficit of $1,332,845 as of October 31, 2009. Our working capital deficit increased as a result of the fact that we are in clinical trial phase, the company has put all resources to complete the clinical trials. We do not have a SFDA permit to produce, market or sell in China. We had no revenues during the period and that our sole source of financing came in the form of a loan from our related parties and stockholders.

Cash Flows

Net Cash Used in Operating Activities
Net cash used in operating activities was $408,410 in the year ended October 31, 2010. This amount was attributable primarily to the net loss after adjustment for non-cash items, such as depreciation, imputed interest on advances from a stockholder and a related party, and others like decrease in other receivables and prepaid expenses.

Net Cash Used in Investing Activities
We recorded $5,638 net cash used in investing activities in the year ended October 31, 2010. This amount reflected purchases of property and equipment, primarily for research and development to our facilities.

Net Cash Provided by Financing Activities
Net cash provided by financing activities in the year ended October 31, 2010 was $441,325, which represented advances from related parties.

Operating Capital and Capital Expenditure Requirements
Our ability to continue as a going concern and support the commercialization of current products is dependent upon our ability to obtain additional financing in the near term. We anticipate that such funding will be in the form of equity financing from sales of our common stock. However, there is no assurance that we will be able to raise sufficient funding from the sale of our common stock to fund our business plan should we decide to proceed. We anticipate continuing to rely on advances from our related parties and stockholders in order to continue to fund our business operations

We believe that our existing cash, cash equivalents at October 31, 2010, will be insufficient to meet our cash needs. The management is actively pursuing additional funding and strategic partners, which will enable the Company to implement our business plan, business strategy, to continue research and development, clinical trials or further development that may arise.

Going Concern

As reflected in the accompanying consolidated financial statements, the Company has an accumulated deficit of $$2,436,044 as of October 31, 2010 that includes a net loss of $816,799 for the year ended October 31, 2010. The Company's total current liabilities exceed its total current assets by $1,539,958 and the Company used cash in operations of $408,410.

These factors raise substantial doubt about our ability to continue as a going concern. In view of the matters described above, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent up the Company's ability to raise additional capital, obtain financing and succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management has taken steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue as a going concern. The Company is now pursuing additional funding and potential merger or acquisition candidates, which would enhance stockholders' investment. Management believes that the above actions will allow the Company to continue operations through the next fiscal year.

During the year ended October 31, 2010, loans from Company's Stockholders, three directors, a related company and two related parties totaling $1,565,484 were provided to us for use as working capital. Management believes that such financing will allow us to continue operations through the next fiscal year. The Company is also actively pursuing a number of private placements funding which would ensure continued operations.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including but not limited to those related to income taxes and impairment of long-lived assets. We base our estimates on historical experience and on various other assumptions and factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Based on our ongoing review, we plan to adjust to our judgments and estimates where facts and circumstances dictate. Actual results could differ from our estimates.

We believe the following critical accounting policies are important to the portrayal of our financial condition and results and require our management's most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain.

1. Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation is provided on a straight-line basis, less estimated residual value over the assets estimated useful lives. The estimated useful lives of the assets are 5 years.

2. Long-lived assets

In accordance with FASB Codification Topic 360 (ASC Topic 360), “Accounting for the impairment or disposal of Long-Lived Assets", long-lived assets and certain identifiable intangible assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted net cash flows related to the long- lived assets. The Company reviews long-lived assets to determine that carrying values are not impaired.

3. Fair value of financial instruments

FASB Codification Topic 825(ASC Topic 825), "Disclosure About Fair Value of Financial Instruments," requires certain disclosures regarding the fair value of financial instruments. The carrying amounts of other receivables and prepaid expenses, due from related parties, other payables and accrued liabilities and due to related parties approximate their fair values because of the short-term nature of the instruments. The management of the Company is of the opinion that the Company is not exposed to significant interest or credit risks arising from these financial statements.

4. Government grant

Government grant represents a subsidy from the local government and is unconditional. The Company recognizes the grant upon receipt from the local government and is accounted for as an offset of research and development expenses.

5. Income taxes

The Company accounts for income taxes under the FASB Codification Topic 740-10-25 (“ASC 740-10-25”). Under ASC 740-10-25, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740-10-25, the effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period included the enactment date.

6. Research and Development

Research and development costs related to both present and future products are expensed as incurred.

7. Foreign currency translation

The financial statements of the Company's subsidiary denominated in currencies other than US $ are translated into US $ using the closing rate method. The balance sheet items are translated into US $ using the exchange rates at the respective balance sheet dates. The capital and various reserves are translated at historical exchange rates prevailing at the time of the transactions while income and expenses items are translated at the average exchange rate for the year. All exchange differences are recorded within equity.

RECENT ACCOUNTING PRONOUNCEMENTS

In April 2010, FASB issued ASU 2010-13 Compensation-Stock Compensation (Topic 718) Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades. ASU 2010-13 addresses the classification of a share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. Topic 718 is amended to clarify that a share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades shall not be considered to contain a market, performance, or service condition. Therefore, such an award is not to be classified as a liability if it otherwise qualifies as equity classification. The amendments in this Update should be effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The guidance should be applied by recording a cumulative-effect adjustment to the opening balance of retained earnings for all outstanding awards as of the beginning of the fiscal year in which the amendments are initially applied. Management is currently evaluating the potential impact of ASU 2010-13 on our financial statements.

In March 2010, FASB issued ASU 2010-11 Derivatives and Hedging (Topic 815) Scope Exception Related to Embedded Credit Derivatives ("ASU 2010-11"). ASU 2010-11 clarifies the type of embedded credit derivative that is exempt from embedded derivative bifurcation requirements. Only one form of embedded credit derivative qualifies for the exemption—one that is related only to the subordination of one financial instrument to another. As a result, entities that have contracts containing an embedded credit derivative feature in a form other than such subordination may need to separately account for the embedded credit derivative feature. The amendments in this Update are effective for each reporting entity at the beginning of its first fiscal quarter beginning after June 15, 2010. Early adoption is permitted at the beginning of each entity's first fiscal quarter beginning after issuance of this Update. The Management is currently evaluating the potential impact of ASU 2010-11 on our financial statements.

In February 2010, FASB issued ASU 2010-9 Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements ("ASU 2010-9"). ASU 2010-9 amends disclosure requirements within Subtopic 855-10. An entity that is an SEC filer is not required to disclose the date through which subsequent events have been evaluated. This change alleviates potential conflicts between Subtopic 855-10 and the SEC's requirements. ASU 2010-9 is effective for interim and annual periods ending after June 15, 2010. The adoption of ASU 2010-9 did not have a material impact on our financial statements.

In January 2010, the FASB issued ASU 2010-06, Improving Disclosures about Fair Value Measurements. The ASU requires disclosing the amounts of significant transfers in and out of Level 1 and 2 fair value measurements and to describe the reasons for the transfers. The disclosures are effective for reporting periods beginning after December 15, 2009. Additionally, disclosures of the gross purchases, sales, issuances and settlements activity in Level 3 fair value measurements will be required for fiscal years beginning after December 15, 2010. The Company does not expect the provisions of ASU 2010-06 to have a material effect on the financial position, results of operations or cash flows of the Company.

In January 2010, the FASB issued Accounting Standards Update 2010-01, Equity (Topic 505): Accounting for Distributions to Shareholders with Components of Stock and Cash (A Consensus of the FASB Emerging Issues Task Force). This amendment to Topic 505 clarifies the stock portion of a distribution to shareholders that allows them to elect to receive cash or stock with a limit on the amount of cash that will be distributed is not a stock dividend for purposes of applying Topics 505 and 260. Effective for interim and annual periods ending on or after December 15, 2009, and would be applied on a retrospective basis. The Company does not expect the provisions of ASU 2010-01 to have a material effect on the financial position, results of operations or cash flows of the Company.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ADVANCED BIOMEDICAL TECHNOLOGIES, INC
AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
AS OF OCTOBER 31, 2010

ADVANCED BIOMEDICAL TECHNOLOGIES, INC
AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)

CONTENTS

Registered with Public Company Accounting Oversight Board

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of:

Advanced Biomedical Technologies, Inc

We have audited the accompanying consolidated balance sheets of Advanced Biomedical Technologies, Inc and subsidiaries (a development stage company), as of October 31, 2010 and the related consolidated statements of operations and comprehensive loss, stockholders' deficiency and cash flows for the year ended October 31, 2010 and the period September 25, 2002 (Inception) through October 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits of the financial statements provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Biomedical Technologies, Inc and subsidiaries (a development stage company), as of October 31, 2010, the results of its operations and its cash flows for the year ended October 31, 2010 and the period September 25, 2002 (Inception) through October 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 9 to the financial statements, the Company had a net loss of $816,799, an accumulated deficit of $2,436,044 and a working capital deficiency of $1,539,958 and used cash in operations of $408,410. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans concerning this matter are also described in Note 9. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Baker Tilly Hong Kong Limited

BAKER TILLY HONG KONG LIMITED

Certified Public Accountants

Hong Kong

Date: January 17, 2011

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Jimmy C.H. Cheung & Co
Certified Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of:

Advanced Biomedical Technologies, Inc

We have audited the accompanying consolidated balance sheets of Advanced Biomedical Technologies, Inc and subsidiaries (a development stage company), as of October 31, 2009 and the related consolidated statements of operations and comprehensive loss, stockholders' deficiency and cash flows for the year ended October 31, 2009 and the period September 25, 2002 (Inception) through October 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Biomedical Technologies, Inc and subsidiaries (a development stage company), as of October 31, 2009, and the results of its operations and its cash flows for the year ended and October 31, 2009 and the period September 25, 2002 (Inception) through October 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 9 to the financial statements, the Company had a net loss of $558,432, an accumulated deficit of $1,619,245 and a working capital deficiency of $1,332,845 and used cash in operations of $491,246. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans concerning this matter are also described in Note 9. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Jimmy C.H. Cheung & Co

JIMMY C. H. CHEUNG & CO

Certified Public Accountants

Hong Kong

Date: January 15, 2010

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Website: www.jchcheungco.hk

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ADVANCED BIOMEDICAL TECHNOLOGIES, INC. ("ABMT")
AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

ASSETS

	October 31, 2010	2009
CURRENT ASSETS		
Cash and cash equivalents	$ 38,614	$ 10,606
Other receivables and prepaid expenses	12,623	20,473
Total Current Assets	51,237	31,079
PROPERTY AND EQUIPMENT, NET	49,461	70,088
TOTAL ASSETS	$ 100,698	$ 101,167
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Other payables and accrued expenses	$ 25,711	$ 30,657
Due to a stockholder	217,951	335,755
Due to directors	158,941	220,894
Due to a related company	400,192	390,459
Due to related parties	788,400	386,159
Total Current Liabilities	1,591,195	1,363,924
COMMITMENTS AND CONTINGENCIES	-	-
DEFICIT		
ABMT Stockholders' Deficit		
Common stock, $0.00001 par value, 100,000,000 shares		
authorized, 56,144,850 and 55,721,000 shares		
issued and outstanding as of October 31, 2010 and 2009	562	557
Common stock, 230,000 shares to be issued	2	-
Stock subscription receivable	(230,000	-
Additional paid-in capital	1,494,551	732,269
Deferred stock compensation	(206,459	(292,292)
Accumulated deficit during development stage	(2,436,044	(1,619,245)
Accumulated other comprehensive loss	(113,109	(84,046)
Total ABMT Stockholders' Deficit	(1,490,497	(1,262,757)
Noncontrolling interests	-	-
Total Deficit	(1,490,497	(1,262,757)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 100,698	$ 101,167

The accompanying notes are an integral part of these consolidated financial statements

ADVANCED BIOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year ended October 31,		September 25, 2002 (Inception) through October 31,
	2010	2009	2010
OPERATING EXPENSES			
General and administrative expenses	$687,210	$448,944	$1,982,369
Depreciation	22,096	31,382	258,901
Research and development (Net of government grant)	11,686	10,313	119,033
Total Operating Expenses	720,992	490,639	2,360,303
LOSS FROM OPERATIONS	(720,992)	(490,639)	(2,360,303)
OTHER INCOME (EXPENSES)			
Other income	140	15	2,116
Interest income	103	96	1,601
Interest paid to a stockholder and related parties	(59,272)	(35,570)	(100,395)
Imputed interest	(28,356)	(31,656)	(177,084)
Other expenses	(8,422)	(678)	(19,184)
Total Other Expenses, net	(95,807)	(67,793)	(292,946)
LOSS FROM OPERATIONS BEFORE TAXES	(816,799)	(558,432)	(2,653,249)
Income tax expense	-	-	-
NET LOSS	(816,799)	(558,432)	(2,653,249)
Net loss attributable to noncontrolling interests	-	-	217,205
NET LOSS ATTRIBUTABLE TO ABMT COMMON STOCKHOLDERS	(816,799)	(558,432)	(2,436,044)
OTHER COMPREHENSIVE INCOME (LOSS)			
Total other comprehensive loss	(29,063)	(1,856)	(113,109)
Add: foreign currency translation loss attributable to noncontrolling interest	-	-	-
Foreign currency translation loss attributable to ABMT common stockholders	(29,063)	(1,856)	(113,109)
COMPREHENSIVE LOSS ATTRIBUTABLE TO ABMT COMMON STOCKHOLDERS	$(845,862)	$(560,288)	$(2,549,153)
Net loss per share-basic and diluted	$(0.02)	$(0.01)	
Weighted average number of shares			

outstanding during the period		
- basic and diluted	55,864,524	54,758,489

The accompanying notes are an integral part of these consolidated financial statements

ADVANCED BIOMEDICAL TECHNOLOGIES, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY

	Common Stock Number of Shares	Amount	Shares to be issued Number of Shares	Amount	Stock subscriptions receivable	Additional Paid-in capital	Deferred Stock Compensation	Accumulated deficit during development stage	Accumulated other comprehensive loss	Noncontrollin interests	
Stock issued to founders for cash	50,510,000	$505	-	$-	$-	$275,002	$-	$-	$-	$217,205	$4
Net loss for the period	-	-	-	-	-	-	-	(40,343)	-	(17,290)	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(225)	10	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(
Balance at December 31, 2003	50,510,000	505	-	-	-	275,002	-	(40,343)	(225)	199,925	4
Net loss for the year	-	-	-	-	-	-	-	(65,960)	-	(28,269)	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(357)	2	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(
Balance at December 31, 2004	50,510,000	505	-	-	-	275,002	-	(106,303)	(582)	171,658	3
Imputed interest on advances from a stockholder	-	-	-	-	-	23,103	-	-	-	-	2

and related company											
Net loss for the year	-	-	-	-	-	-	-	(357,863)	-	(153,370)	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(12,290)	2,064	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(
Balance at December 31, 2005	50,510,000	505	-	-	-	298,105	-	(464,166)	(12,872)	20,352	(
Imputed interest on advances from a stockholder and related company	-	-	-	-	-	27,184	-	-	-	-	2
Net loss for the year	-	-	-	-	-	-	-	(172,738)	-	(18,276)	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(6,084)	(2,076)	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(
Balance at December 31, 2006	50,510,000	505	-	-	-	325,289	-	(636,904)	(18,956)	-	(
Imputed interest on advances from a stockholder, related company and related party	-	-	-	-	-	39,021	-	-	-	-	3
Net loss for the year	-	-	-	-	-	-	-	(196,871)	-	-	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(27,401)	-	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(

Balance at December 31, 2007	50,510,000	505	-	-	-	364,310	-	(833,775)	(46,357)	-	(
Imputed interest on advances from a stockholder and related company	-	-	-	-	-	27,764	-	-	-	-	2
Net loss for the period	-	-	-	-	-	-	-	(227,038)	-	-	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(35,833)	-	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(
Balance at October 31,2008	50,510,000	505	-	-	-	392,074	-	(1,060,813)	(82,190)	-	(
Recapitalization	5,104,000	51	-	-	-	(51)	-	-	-	-	-
Stock issued for services ($3.05 per share)	100,000	1	-	-	-	304,999	(292,292)	-	-	-	1
Stock issued for cash in private placement ($1.15 per share)	5,000	-	-	-	-	5,750	-	-	-	-	5
Stock issued for cash in private placement ($1.15 per share)	2,000	-	-	-	-	2,300	-	-	-	-	2
Contributed capital	-	-	-	-	-	26,950	-	-	-	-	2
Distributed to the stockholders	-	-	-	-	-	(31,409)	-	-	-	-	(
Imputed Interest on advances from a stockholder	-	-	-	-	-	31,656	-	-	-	-	3

and related company											
Net loss for the year	-	-	-	-	-	-	-	(558,432)	-	-	(
Foreign currency translation loss	-	-	-	-	-	-	-	-	(1,856)	-	(
Comprehensive loss	-	-	-	-	-	-	-	-	-	-	(
Balance at October 31, 2009	55,721,000	557	-	-	-	732,269	(292,292)	(1,619,245)	(84,046)	-	(
Stock issued for cash in private placement ($1.5 per share)	6,667	-	-	-	-	10,000	-	-	-	-	1
Stock issued for cash in private placement ($1.5 per share)	16,667	-	-	-	-	25,000	-	-	-	-	2
Stock issued for cash in private placement ($1.5 per share)	136,833	2	-	-	-	205,248	-	-	-	-	2
Stock to be issued for cash in private placement ($1 per share)	-	-	230,000	2	(230,000	229,998	-	-	-	-	-
Stock issued for services ($1 per share)	100,000	1	-	-	-	99,999	(100,000)	-	-	-	-
Stock issued for services ($1 per share)	13,683	-	-	-	-	13,683	(13,683)	-	-	-	-
Stock issued for services ($1 per share)	150,000	2	-	-	-	149,998	(150,000)	-	-	-	-
	-	-	-	-	-	-	349,516				3

Amortisation for stock issued for services											
Imputed interest on advances from a stockholder and related company	-	-	-	-	-	28,356	-	-	-	-	2
Net loss for the year	-	-	-	-	-	-	-	(816,799)	-	-	(
Foreign currency translation loss	-	-	-	-	-	-	-				