BUILDMORE INTERNATIONAL LIMITED
建懋國際有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 108)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST JANUARY, 2011

The board of directors (the "Board") of Buildmore International Limited (the "Company") is please to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st January, 2011 (the "Year"), which have been reviewed by the audit committee of the Company, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST JANUARY, 2011

	Notes	**2011**	2010
		HK$	*HK$*
Continuing operations			
Revenue	3	**24,738,265**	9,704,527
Cost of sales		**(15,487,289)**	(4,780,529)
Gross profit		**9,250,976**	4,923,998
Other income		**407,598**	103,253
Selling and distribution costs		**(3,882,574)**	(993,656)
Administrative expenses		**(14,847,553)**	(10,333,118)
Finance cost	4	**(60,578,167)**	(13,666,171)
Change in fair value of investment properties		**23,286,404**	(21,983,884)
Impairment loss on goodwill		**–**	(509,234,337)
Change in fair value of derivatives embedded in convertible bonds		**(8,103,376)**	22,031,520
Change in fair value of other financial assets designated at fair value through profit or loss		**562,797**	–
Gain on disposal of investment properties		**1,697,086**	–
Loss before taxation		**(52,206,809)**	(529,152,395)
Taxation (charge) credit	5	**(5,205,610)**	2,988,021
Loss for the year from continuing operations		**(57,412,419)**	(526,164,374)
Discontinued operation			
Loss for the year from discontinued operation	6	**(45,006)**	(357,127)
Loss for the year	7	**(57,457,425)**	(526,521,501)
Other comprehensive income			
Exchange difference arising on translation of functional currency to presentation currency		**3,144,581**	81,872
Total comprehensive expense for the year		**(54,312,844)**	(526,439,629)

	Note	2011	2010
		HK$	HK$
Loss for the year attributable to:			
Owners of the Company		**(56,430,239)**	(526,521,501)
Non-controlling interests		**(1,027,186)**	–
		(57,457,425)	(526,521,501)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(53,413,839)**	(526,439,629)
Non-controlling interests		**(899,005)**	–
		(54,312,844)	(526,439,629)
Loss per share	8		
From continuing and discontinued operations			
Basic		**(0.43)**	(4.70)
Diluted		**(0.43)**	(4.70)
From continuing operations			
Basic		**(0.43)**	(4.70)
Diluted		**(0.43)**	(4.70)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST JANUARY, 2011

	Notes	2011 HK$	2010 HK$
Non-current assets			
Investment properties		**88,452,406**	68,153,445
Property, plant and equipment		**7,150,082**	7,002,596
Goodwill		**–**	–
Intangible assets		**966,604**	673,427
Other financial assets		**10,853,056**	–
		107,422,148	75,829,468
Current assets			
Inventories		**2,007,896**	1,582,877
Trade and other receivables and prepayments	9	**3,729,678**	4,435,310
Bank balances and cash		**13,045,976**	19,696,363
		18,783,550	25,714,550
Current liabilities			
Trade and other payables and accruals	10	**8,373,056**	6,781,562
Amount due to a shareholder		**193,574,722**	957,977
Amount due to a director		**52,239**	52,239
Borrowings - due within one year		**1,114,952**	1,180,719
Tax liabilities		**792,130**	740,959
		230,907,099	9,713,456
Net current (liabilities) assets		**(185,123,549)**	16,001,094
Total assets less current liabilities		**(77,701,401)**	91,830,562
Non-current liabilities			
Amount due to a shareholder		**–**	159,560,735
Borrowings - due after one year		**3,418,084**	4,096,099
Convertible bonds		**297,061,555**	257,647,080
Deferred taxation		**13,492,333**	7,887,177
		313,971,972	429,191,091
Net liabilities		**(391,673,373)**	(337,360,529)
Capital and reserves			
Share capital		**131,973,638**	131,973,638
Share premium and reserves		**(522,748,006)**	(469,334,167)
Equity attributable to owners of the Company		**(390,774,368)**	(337,360,529)
Non-controlling interests		**(899,005)**	–
Total equity		**(391,673,373)**	(337,360,529)

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (revised)	Business combinations
HKAS 27 (revised)	Consolidated and separate financial statements
HKAS 32 (Amendment)	Classification of rights issues
HKAS 39 (Amendment)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of improvements to HKFRSs issued in 2008
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause"

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause" ("HK INT 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK INT 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application. The application of HK INT 5 has not affected the classification of bank borrowings of the Group as at 31st January, 2010 and 2011.

The application of the new and revised Standards, Amendments and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures – transfers of financial assets[3]
HKFRS 9	Financial instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (revised in 2009)	Related party disclosures[6]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments[2]

[1] Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate.
[2] Effective for annual periods beginning on or after 1st July, 2010.
[3] Effective for annual periods beginning on or after 1st July, 2011.
[4] Effective for annual periods beginning on or after 1st January, 2013.
[5] Effective for annual periods beginning on or after 1st January, 2012.
[6] Effective for annual periods beginning on or after 1st January, 2011.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31st January, 2014 and that the application of the new Standard might affect the classification and measurement of the Groups' financial assets. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

The amendments to HKAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

Other than as described above, the directors of the Company anticipate that the application of the other new and revised standards, Amendments and Interpretations will have no material impact on the results and the financial position of the Group or the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group and the Company in light of the fact that the Group incurred a loss for the year attributable to owners of the Company of HK$56,430,239 during the year ended 31st January, 2011 and, as of that date, the Group's total liabilities exceeded its total assets by HK$391,673,373, the Group's current liabilities exceeded its current assets by HK$185,123,549, the Company's total liabilities exceeded its total assets by HK$206,259,261 and the Company's current liabilities exceeded its current assets by HK$2,850,782. The directors of the Company have taken the following actions to mitigate the liquidity issues faced by the Group and the Company:

(i) the substantial shareholder has undertaken to the Company not to demand repayment of the advance with principal amount of HK$219,285,077 with carrying amount of HK$188,616,745 at 31st January, 2011 on or after its maturity date of 31st December, 2011 until such time as the Group has sufficient funds to repay the amount due by the Group and still be able to meet in full its financial obligations after the repayment;

(ii) the substantial shareholder has undertaken to the Company not to demand repayment of the advance with carrying amount of HK$4,000,000 at 31st January, 2011 until such time as the Group has sufficient funds to repay the amount due by the Group and still be able to meet in full its financial obligations after the repayment; and

(iii) the holders of convertible bonds have undertaken to the Company not to demand redemption of any amount of convertible bonds which remains outstanding on the maturity date unless the Group has or has raised sufficient funds to redeem the outstanding amount of the convertible bonds and still be able to meet in full its financial obligations after the redemption.

The directors of the Company consider that taking into account of the above, the cash requirements of the Group for the next twelve months from the end of the reporting period and the Group's ability to obtain external financing from banks by pledging the investment properties of the Group, if required, the Group and the Company will have sufficient working capital to meet in full their financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents property rental, hotel management fee and revenue from sales of dye-sublimation printed products received and receivables during the year. An analysis of revenue is set out as below.

Information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of performance focuses on the business divisions. The Group is currently organised into three business divisions, which also constitute the operating segments of the Group - (i) property investment; (ii) hotel management and (iii) sales of dye-sublimation printed products.

An operating segment regarding the property management was discontinued in the current year. The segment information reported below does not include amounts for the discontinued operation which are described in more detail in note 6.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31st January, 2011

Continuing operations

	Property investment	Hotel management	Sales of dye-sublimation printed products	Consolidated
	HK$	*HK$*	*HK$*	*HK$*
REVENUE				
Segment revenue - external sales	**1,795,853**	**279,208**	**22,663,204**	**24,738,265**
RESULTS				
Segment results	**25,200,300**	**(689,576)**	**(4,025,424)**	**20,485,300**
Unallocated income				**407,598**
Unallocated corporate expenses				**(4,629,222)**
Imputed interest expense on amount due to a shareholder				**(29,056,010)**
Imputed interest expense on convertible bonds				**(31,311,099)**
Change in fair value of derivatives embedded in convertible bonds				**(8,103,376)**
Loss before taxation from continuing operations				**(52,206,809)**

For the year ended 31st January, 2010

Continuing operations

	Property investment *HK$*	Hotel management *HK$*	Sales of dye-sublimation printed products *HK$*	Consolidated *HK$*
REVENUE				
Segment revenue - external sales	2,473,790	621,223	6,609,514	9,704,527
RESULTS				
Segment results	(21,326,109)	30,734	(510,246,833)	(531,542,208)
Unallocated income				103,253
Unallocated corporate expenses				(6,118,652)
Imputed interest expense on amount due to a shareholder				(6,947,708)
Imputed interest expense on convertible bonds				(6,678,600)
Change in fair value of derivatives embedded in convertible bonds				22,031,520
Loss before taxation from continuing operations				(529,152,395)

There was no inter-segment sales for both years.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results generated by each segment without allocation of corporate administrative expenses including directors' salaries, other income, imputed interest expenses on amount due to a shareholder and imputed interest expenses on convertible bonds. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

As at 31st January, 2011

Continuing operations

	Property investment	Hotel management	Sales of dye-sublimation printed products	Consolidated
	HK$	*HK$*	*HK$*	*HK$*
SEGMENT ASSETS				
Segment assets	**99,799,278**	**566,865**	**9,755,209**	**110,121,352**
Property, plant and equipment (for corporate)				**4,058,473**
Other receivables and prepayments (for corporate)				**134,151**
Bank balances and cash (for corporate)				**11,891,722**
Consolidated assets				**126,205,698**
SEGMENT LIABILITIES				
Segment liabilities	**15,775,439**	**1,107**	**10,494,439**	**26,270,985**
Other payables and accruals (for corporate)				**909,779**
Amount due to a shareholder				**193,574,722**
Amount due to a director				**52,239**
Convertible bonds				**297,061,555**
Liabilities relating to discontinued operation				**9,791**
Consolidated liabilities				**517,879,071**

As at 31st January, 2010

Continuing operations

	Property investment *HK$*	Hotel management *HK$*	Sales of dye-sublimation printed products *HK$*	Consolidated *HK$*
SEGMENT ASSETS				
Segment assets	68,618,559	15,602	10,794,055	79,428,216
Property, plant and equipment (for corporate)				4,200,054
Other receivables and prepayments (for corporate)				143,980
Bank balances and cash (for corporate)				17,771,768
Consolidated assets				101,544,018
SEGMENT LIABILITIES				
Segment liabilities	9,759,395	6,506	9,647,695	19,413,596
Other payables and accruals (for corporate)				1,263,500
Amount due to a shareholder				160,518,712
Amount due to a director				52,239
Convertible bonds				257,647,080
Liabilities relating to discontinued operation				9,420
Consolidated liabilities				438,904,547

For the purposes of monitoring segment performances and allocating resources among segments:

- All assets are allocated to reportable segments, other than corporate assets of the Group.

- All liabilities are allocated to reportable segments, other than liabilities not directly related to operation of segments such as other payables and accruals for corporate, amount due to a shareholder, amount due to a director, convertible bonds and liabilities relating to discontinued operation.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31st January, 2011

Continuing operations

	Property investment	**Hotel management**	**Sales of dye-sublimation printed products**	**Total**
	HK$	*HK$*	*HK$*	*HK$*
Additions of property, plant and equipment	**65,773**	**620,430**	**379,431**	**1,065,634**
Additions of intangible assets	**–**	**–**	**312,835**	**312,835**
Additions of other financial assets	**9,912,163**	**–**	**–**	**9,912,163**
Allowance for bad and doubtful debts	**–**	**–**	**564,826**	**564,826**
Amortisation of intangible assets	**–**	**–**	**90,386**	**90,386**
Depreciation of property, plant and equipment	**222,755**	**60,700**	**843,514**	**1,126,969**
Change in fair value of investment properties	**(23,286,404)**	**–**	**–**	**(23,286,404)**
Change in fair value of other financial assets designated at fair value through profit and loss	**(562,797)**	**–**	**–**	**(562,797)**
Gain on disposal of investment properties	**(1,697,086)**	**–**	**–**	**(1,697,086)**

For the year ended 31st January, 2010

Continuing operations

	Property investment	Hotel management	Sales of dye-sublimation printed products	Total
	HK$	*HK$*	*HK$*	*HK$*
Additions of property, plant and equipment	54,749	9,477	–	64,226
Amortisation of intangible assets	–	–	27,395	27,395
Depreciation of property, plant and equipment	145,927	1,819	185,477	333,223
Change in fair value of investment properties	21,983,884	–	–	21,983,884
Impairment loss on goodwill	–	–	509,234,337	509,234,337

Geographical information

The Group's operations are located in Japan and the People's Republic of China (excluding Hong Kong) ("PRC").

The Group's revenue from continuing operations from external customers by geographic location of customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	Year ended 31.1.2011	Year ended 31.1.2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
PRC	**2,075,061**	3,095,013	**104,108,977**	72,556,579
Hong Kong	**–**	–	**237,276**	244,190
Japan	**22,663,204**	6,609,514	**3,075,895**	3,028,699
	24,738,265	9,704,527	**107,422,148**	75,829,468

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2011	2010
	HK$	*HK$*
Customer A – Sales of dye-sublimation printed products	**3,958,599**	1,777,880
Customer B – Sales of dye-sublimation printed products	**3,151,183**	1,060,958
Customer C – Property investment	**–**	1,036,547

4. FINANCE COSTS

	2011	2010
	HK$	*HK$*
Continuing operations		
Interest expenses on borrowings wholly repayable within five years	**211,058**	39,863
Imputed interest expense on amount due to a shareholder	**29,056,010**	6,947,708
Imputed interest expense on convertible bonds	**31,311,099**	6,678,600
	60,578,167	13,666,171

5. TAXATION (CHARGE) CREDIT

	2011	2010
	HK$	*HK$*
Continuing operations		
Current tax charge:		
PRC	**(31,970)**	(74,543)
Deferred tax:		
Current year	**(5,173,640)**	3,062,564
Taxation attributable to the Group	**(5,205,610)**	2,988,021

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong. Taxation arising in PRC is calculated at the rates prevailing in the relevant jurisdictions.

Income tax arising in Japan is calculated at an effective corporate tax rate of 42%, comprising the aggregate of national tax, inhabitants tax and enterprise tax for a corporation with share capital exceeding JPY100 million. No provision for Japan corporate tax is provided in the consolidated statement of comprehensive income for both years, since the Group incurred tax losses in Japan for both years.

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

	2011	2010
	HK$	*HK$*
Loss before taxation	**(52,206,809)**	(529,152,395)
Taxation at tax rate of 25% (2010: 25%)	**(13,051,702)**	(132,288,099)
Tax effect of expenses not deductible for tax purpose	**17,693,066**	133,316,669
Tax effect of income not taxable for tax purpose	**(1,459,529)**	(5,525,795)
Tax effect of tax losses not recognised	**2,299,689**	1,325,237
Tax effect of different tax rates of group entities operating in other jurisdiction	**(275,914)**	183,967
Taxation for the year	**5,205,610**	(2,988,021)

6. DISCONTINUED OPERATION

During the year, the Group discontinued the property management operation after the expiry of the property management contract.

The loss from the discontinued operation, which represented the loss of the property management operation for the year is HK$45,006 (2010: HK$357,127).

The results of the property management operation for the year was as follows:

	2011	2010
	HK$	*HK$*
Revenue	**13,151**	103,456
Cost of sales	**(47,693)**	(384,178)
Gross loss	**(34,542)**	(280,722)
Administrative expenses	**(10,464)**	(76,405)
Loss for the year attributable to owners of the Company	**(45,006)**	(357,127)

There was no significant net assets of the property management operation at the date of discontinuance of its operation. The net cash flows attributable to the operating, investing and financing activities of the property management operation was not significant for both years.

7. LOSS FOR THE YEAR

	2011	2010
	HK$	*HK$*
Loss for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**973,500**	1,000,000
Cost of inventories recognised as an expense	**7,808,556**	3,031,032
Depreciation of property, plant and equipment	**1,364,166**	570,109
Amortisation of intangible assets (included in cost of sales)	**90,386**	27,395
Directors' emoluments	**2,040,658**	1,324,628
Allowance for bad and doubtful debts	**564,826**	–
Gross rents from investment properties under operating leases	**(1,795,853)**	(2,473,790)
Less: outgoings	**56,939**	270,087
Net rental income	**(1,738,914)**	(2,203,703)
Loss on disposal of property, plant and equipment	**19,306**	2,885
Other staff costs (including contribution to retirement benefits schemes of HK$830,625 (2010: HK$217,533))	**8,655,184**	2,982,085
Operating lease rentals in respect of:		
Premises	**911,077**	250,192
Equipment	**375,710**	89,221
Interest income	**(30,293)**	(35,741)

8. LOSS PER SHARE

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

Continuing and discontinued operations

	2011	2010
	HK$	*HK$*
The Group's loss for the year attributable to owners of the Company	**(56,430,239)**	(526,521,501)
Number of shares		
Weighted average number of shares	**131,973,638**	111,935,426

Continuing operations

	2011	2010
	HK$	*HK$*
The Group's loss for the year attributable to owners of the Company	**(56,430,239)**	(526,521,501)
Less: the Group's loss for the year from discontinued operation	**45,006**	357,127
Loss for the year for the purpose of basic and diluted loss per share from continuing operations	**(56,385,233)**	(526,164,374)
Number of shares		
Weighted average number of shares	**131,973,638**	111,935,426

The calculation of diluted loss per share for both years does not assume the conversion of convertible bonds into ordinary shares of the Company because the assumed conversion would reduce the loss per share.

Discontinued operation

The loss for the year from discontinued operation attributable to the owners of the Company is HK$45,006 (2010: HK$357,127). The basic and diluted loss per share from discontinued operation attributable to the owners of the Company are HK0.03 cents and HK0.03 cents, respectively (2010: HK0.32 cents and HK0.32 cents, respectively). The denominators used are the same as those detailed above for the basic and diluted loss per share from continuing and discontinued operations.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2011	2010
	HK$	*HK$*
Trade receivables	**4,142,200**	4,401,045
Less: Allowance for bad and doubtful debts	**(1,503,995)**	(939,169)
	2,638,205	3,461,876
Other receivables and prepayments	**1,091,473**	973,434
	3,729,678	4,435,310

The following is an aged analysis of trade debtors net of allowance for bad and doubtful debts presented based on the invoice date at the end of the reporting period:

	2011	2010
	HK$	*HK$*
0 - 90 days	**2,023,749**	2,794,123
91 - 180 days	**76,841**	223,445
181 - 365 days	**537,615**	444,308
	2,638,205	3,461,876

The Group allows a general credit period of one month to its tenants and no specific credit terms granted to the trade customers for sale of dye-sublimation printed products in which invoice is due for payment on presentation.

As at 31st January, 2011 and 2010, the whole amount of trade debtors was related to the sale of dye-sublimation printed products and were all past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these trade receivables is 94 days as at 31st January, 2011 (2010: 80 days).

Movement in the allowance for bad and doubtful debts for trade receivables

	2011	2010
	HK$	*HK$*
Balance at beginning of the year	**939,169**	–
Impairment loss recognised on receivables	**564,826**	–
Acquisition of subsidiaries	**–**	939,169
Balance at end of the year	**1,503,995**	939,169

Included in the allowance for doubtful debts of HK$1,503,995 (2010: HK$939,169) are individually impaired trade debtors, which were long outstanding overdue. The Group has provided fully for these debts. In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade receivable from the date of invoice up to the statement of financial position date. The trade debtors past due but not impaired for were either subsequently settled or with no historical default of payments by the respective customers. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2011	2010
	HK$	*HK$*
Trade payables	**2,208,248**	2,960,637
Other payables and accruals	**3,442,407**	2,068,249
Tax payables other than income tax	**1,743,528**	1,663,793
Advance payments from customers	**978,873**	88,883
	8,373,056	6,781,562

The following is an aged analysis of trade payables presented based on the invoice date at the reporting date:

	2011	2010
	HK$	*HK$*
0 - 90 days	**2,158,454**	2,857,794
91 - 180 days	**–**	10,322
181 -365 days	**–**	1,050
> 365 days	**49,794**	91,471
	2,208,248	2,960,637

As at 31st January, 2011 and 2010, the whole amount of trade payables was related to the sale of dye-sublimation printed products. There is no specific credit terms for payment granted by the suppliers in which invoice is due on presentation. The Group has financial risk management policies in place to ensure that all payables are settled to meet the terms for payment.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

An extract of the independent auditor's report is as below:

"Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicate that the Group incurred a loss for the year attributable to owners of the Company of HK$56,430,239 during the year ended 31st January, 2011 and, as of that date, the Group's total liabilities exceeded its total assets by HK$391,673,373, the Group's current liabilities exceeded its current assets by HK$185,123,549, the Company's total liabilities exceeded its total assets by HK$206,259,261 and the Company's current liabilities exceeded its current assets by HK$2,850,782. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern."

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospect

During the Year, the Group's business covers three areas: property investment; hotel management and sales of dye-sublimation printed products. The Group's property investment and hotel management business were mainly located at Fujian Province, the PRC and the sales of dye-sublimation printed products business was principally located at Japan.

In respect of the property investment division, the Group has generated its revenue mainly by leasing out properties held in Fuzhou City, PRC to independent tenants through Jiacheng (Fujian) Investments Co., Ltd. ("Jiacheng Fujian") and Faith Stand (China) Limited ("Faith Stand China"), two wholly-owned subsidiaries of the Company. In the past two years, the property leasing business of Jiacheng Fujian and Faith Stand China were under the impact of the financial tsunami. With the implementation of government policies and the gradual recovery of the global economy, the situation is improving. In March 2010, Jiacheng Fujian terminated its property management of Wenquan Apartment, the property management business has been discontinued completely.

During the Year, Jiacheng Fujian disposed of various properties located at Fuzhou City, Fujian Province, PRC to various independent third parties, at an aggregate consideration of HK$7,914,000. Jiacheng Fujian acquired certain equity shares of 福建中青創業投資有限公司 (Fujian Channel Capital Co., Ltd.*) and 佳信(福建)光電科技有限公司 (前稱 "福懋(福建)光電科技有限公司") (Jiaxin Opto-Electronic Technology Co., Ltd.* formerly known as "Fumao (Fujian) Opto-Electronic Technology Co., Ltd.") respectively. Both companies are private entities incorporated in the PRC and engage in property development in 海西高新技術產業園區* (Fuzhou New & High Technology Industry Development Zone) located at Fuzhou.

The hotel management division derives revenue through a wholly owned subsidiary of the Company, Vast Glory (Fujian) Hotel Management Limited ("Vast Glory Fujian"), the management of the construction and decoration of one hotel and the preparation for its opening has been completed during the year. For the time being, Vast Glory Fujian is negotiating with potential customers for business opportunity regarding hotel management business.

Looking forward, as the Central Government of the PRC had laid down concrete development plan for the coastal area in Fujian Province, Fujian usher in better development opportunities, this will certainly be beneficial to the development of real estate industry and hotel industry, the management of the Group will explore potential business opportunities which may generate greater return to the shareholders.

* *English translation of the official Chinese name are included for information purpose only, should not be regarded as the official English translation of such Chinese names or words.*

Subsequent to the completion of the acquisition of Rakupuri Inc. ("Rakupuri"), an indirect non-wholly owned subsidiary of the Company, in late 2009, the sales of dye-sublimation printed products also generated revenue for the Group. Rakupuri is engaged in the manufacture and sale of dye-sublimation printed products. Rakupuri currently owns various patents for their production of Pita Clean products, as well as patents for its distinct technology for colour-dyeing on both sides of a zipper, and such technology could be used on zippers, seat belts as well as apparel. Rakupuri's business started off in Japan, the management's goal was to utilize its connections to form strategic alliance with relevant enterprises in the PRC with the promotion of the use of Rakupuri's patented technologies, actively expanding its businesses and gradually establishing strategic relationships with world-renowned companies, striving for diversification and expansion of its scope of operation, thus, generating benefits to the Group.

Rakupuri has obtained the patent for production of Pita Clean in China and Japan, Rakupuri is authorized to engage in manufacturing and production of Pita Clean in China and explore the domestic market. During the Year, the counterfeiting both-side zipper dye sublimation technology has been approved by the Ministry of Economy, Trade and Industry of Japan, subsidize for research and development has been granted by the Japanese Government, Rakupuri is speeding up the research and development process, and negotiating with potential business partners for business development, with a hope that this will bring along positive results to the Group in the near future.

Notwithstanding that Rakupuri recorded a loss for the Year, what is more, the Japanese local economic development will certainly be seriously affected by the disasters took place in the Northeast region in middle of March, the Group's office in Japan is not located in the affected area. As noted, the Group's focus is not the development of the Japanese local market, thus, it is not expected that the disaster in Japan will pose material effect to the development of the Group. Whilst, the management of the Group will closely monitor the business development of Rakupuri, and implement corresponding adjustments when the appropriate time comes.

The Company will continue to expand its business scope and identify all kinds of investment opportunities in a proactive yet prudent manner, so as to diversify its business development, strengthen its risk resistance capability and improve profitability.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group recorded a loss for the year attributable to owners of the Company of HK$56,430,000 (2010: HK$526,522,000). The loss attributable to owners reduced substantially as compared to last year, this is mainly attributed to the fact that the loss of last year included a one-off impairment of goodwill of HK$509,234,000 which arose from the acquisition of United Achieve International Limited.

As at 31st January, 2011, the Group had available cash and bank balance of HK$13,046,000 which comprised of HK$2,756,000, RMB7,745,000 and JPY12,137,000 (2010: HK$19,696,000 which comprised of HK$8,829,000, RMB7,880,000 and JPY22,344,000) representing a capital liquidity ratio of 0.06 (2010: 2.03). The capital liquidity ratio is calculated by dividing the cash and bank balance over the current liabilities. As compared to prior year, the capital liquidity ratio decreased substantially, this is due to the fact that the entire sum of the amount due to a shareholder of HK$193,575,000 is being classified as current liabilities as at 31st January, 2011, while a major portion of this was being classified as non-current liabilities in last year. This classification was made with reference to the undertaking given by the shareholder as disclosed in the "Basis of Preparation of Consolidated Financial Statements" section. Nonetheless, this classification did not cast any effect on the loss for the year of the Group. The management of the Group does not expect any impact on the cash flows of the Group from the classification of this.

As at 31st January, 2011, the Group's debts to assets ratio was 3.18 (2010: 3.33). The debts to assets ratio is calculated by dividing the aggregate amount of debts which included an amount due to a shareholder of HK$193,575,000 (2010: HK$160,519,000), borrowings of HK$4,533,000 (2010: HK$5,277,000), the liability component of the convertible bonds of HK$203,256,000 (2010: HK$171,945,000) over the amount of total assets of HK$126,206,000 (2010: HK$101,544,000).

During the Year, the Group's business operations were principally in the PRC and Japan, and the main operational currencies are HK$, RMB and JPY. The exchange rate between RMB and HK$ and JPY and HK$ have remained stable throughout the Year. Whilst, as a result of the outbreak of disasters in the Northeast region of Japan, the exchange rate between JPY and HK$ fluctuates slightly. The Group will closely monitor the exchange rate trend and take corresponding measures in a timely manner to reduce foreign currency exchange risk and exposure.

EMPLOYEES AND REMUNERATION POLICY

As at 31st January, 2011, the total number of employees of the Group (excluding directors of the Company) was 40 (2010: 53). 25 of them worked in the PRC, 13 worked in Japan, while 2 worked in Hong Kong (2010: 39 of them worked in the PRC, 13 worked in Japan, 1 worked in Hong Kong.

During the Year, the Group paid employees' emoluments (including emoluments for directors, company secretary) amounting to HK$2,956,000 (2010: HK$1,036,000), RMB1,232,000 (2010: RMB1,299,000) and JPY72,898,000 (1st November, 2009 to 31st January, 2010: JPY12,147,000). The remuneration offered by the Group was determined in accordance with the relevant policies in Hong Kong, PRC and Japan and with reference to market level, as well as the individual competence and performance of the staff. Other related benefits included contributions to Mandatory Provident Fund schemes, social insurance funds and medical insurance funds.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, redeemed or cancelled any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the Year.

The Company does not fully comply with code provision A4.1 in the CG Code. Under code provision 4.1, non-executive directors should be appointed for a specific term, subject to re-election. Mr. See Tak Wah, an independent non-executive director of the Company, has not been appointed for a specific term but is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association of the Company.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors of the Company, the Company is not aware of any non-compliance with the Model Code regarding the trading of the Company's securities for the Year.

AUDIT COMMITTEE

The audit committee has reviewed with the Group's management the accounting principles and practices adopted by the Group and discussed on the financial, operational and compliance controls and risk management functions and in particular, the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget. The audit committee has no dissenting view on the accounting policies adopted by the Group and on the Group's internal controls and risk management, accounting and financial reporting functions.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Company will be posted at the website of the Company (http://www.capitalfp.com.hk/eng/index.jsp?=108) and the website of the Stock Exchange (http://www.hkexnews.hk). Annual Report 2011 of the Company containing all information as required by the Listing Rules will be despatched to the shareholders of the Company later and posted at the above websites.

By order of the Board
Buildmore International Limited
Lo Cheung Kin
Chairman

Hong Kong, 29th April, 2011

As at the date of this announcement, the executive directors of the Company are Mr. Lo Cheung Kin, Madam Huang Haiping, Mr. Li Jianbo and Madam Song Xiaoling; and the independent non-executive directors of the Company are Mr. See Tak Wah, Mr. Wong Cheong, and Mr. Ngai Sai Chuen.