BUILDMORE INTERNATIONAL LIMITED

建 懋 國 際 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 108)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2008

The board of directors (the "Board") of Buildmore International Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 July 2008 (the "Period"), which have been reviewed by external auditors and the audit committee of the Company, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 31 July	
		2008	2007
	Notes	***HK$***	*HK$*
		(unaudited)	(unaudited)
Revenue		**2,070,546**	2,717,862
Cost of sales		**(238,134)**	(694,211)
Gross profit		**1,832,412**	2,023,651
Other income		**366,442**	540,668
Administrative expenses		**(1,754,114)**	(2,336,644)
Exchange loss		**(1,844,581)**	–
Change in fair value of investment properties		**(1,616,130)**	429,918
(Loss) profit before taxation		**(3,015,971)**	657,593
Taxation	4	**(20,238)**	(438,562)
(Loss) profit for the period	5	**(3,036,209)**	219,031
(Loss) earnings per share	6		
Basic		**HK(2.8) cents**	HK0.25 cent

CONDENSED CONSOLIDATED BALANCE SHEET

	31 July 2008 *HK$* **(unaudited)**	31 January 2008 *HK$* (audited)
NON-CURRENT ASSETS		
Investment properties	**93,465,744**	85,379,452
Property, plant and equipment	**810,881**	836,827
	94,276,625	86,216,279
CURRENT ASSETS		
Trade and sundry receivables and prepayments	**1,056,168**	1,052,818
Bank balances and cash	**39,186,825**	44,669,825
	40,242,993	45,722,643
CURRENT LIABILITIES		
Sundry payables, deposits received and accruals	**1,297,334**	1,596,848
Amount due to a director	**59,239**	59,239
Preference share dividend payable	**1,615,426**	1,615,426
Taxation payable	**1,041,392**	1,120,745
	4,013,391	4,392,258
NET CURRENT ASSETS	**36,229,602**	41,330,385
TOTAL ASSETS LESS LIABILITIES	**130,506,227**	127,546,664
NON-CURRENT LIABILITY		
Deferred taxation	**12,532,124**	12,042,263
	117,974,103	115,504,401
CAPITAL AND RESERVES		
Share capital	**106,973,638**	106,973,638
Share premium and reserves	**11,000,465**	8,530,763
	117,974,103	115,504,401

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 January 2008.

In the current interim period, the Group has applied, for the first time, the following new interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 February 2008.

HK(IFRIC) - INT 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) - INT 12	Service concession arrangements
HK(IFRIC) - INT 14	HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

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

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets[3]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC) - INT 13	Customer loyalty programmes[4]
HK(IFRIC) - INT 15	Agreements for the construction of real estate[1]
HK(IFRIC) - INT 16	Hedges of a net investment in a foreign operation[5]

1 Effective for accounting periods beginning on or after 1 January 2009.
2 Effective for accounting periods beginning on or after 1 July 2009.
3 Effective from 1 July 2008.
4 Effective for accounting periods beginning on or after 1 July 2008.
5 Effective for accounting periods beginning on or after 1 October 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The Directors of the Company anticipate that the application of the other new revised and amended standards, amendments and interpretation will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

The Group is mainly engaged in property investment and property management. This is the basis on which the Group reports its primary segment information.

An analysis of turnover and segment result of the Group for the six months ended 31 July 2008 and 2007 is as follows:

Business segments

Six months ended 31 July 2008

	Property investment	**Property management**	**Consolidated**
	HK$	*HK$*	*HK$*
Revenue	1,874,498	196,048	2,070,546
Segment results	258,369	(42,087)	216,282
Unallocated corporate income			366,442
Unallocated corporate expenses			(1,754,114)
Exchange loss			(1,844,581)
Taxation			(20,238)
Loss for the period			(3,036,209)

Six months ended 31 July 2007

	Property investment *HK$*	**Property management** *HK$*	**Consolidated** *HK$*
Revenue	1,981,329	736,533	2,717,862
Segment results	2,387,643	65,926	2,453,569
Unallocated corporate income			540,668
Unallocated corporate expenses			(2,336,644)
Taxation			(438,562)
Profit for the period			219,031

4. TAXATION

	For the six months ended 31 July	
	2008	2007
	HK$	*HK$*
	(unaudited)	(unaudited)
The taxation comprises:		
Current tax charge:		
People's Republic of China (excluding Hong Kong) (the "PRC")	**137,111**	309,678
Deferred taxation	**(116,873)**	128,884
	20,238	438,562

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for both periods.

Taxation arising in the PRC is calculated at the rate prevailing in the relevant jurisdiction.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. The New Law and the Implementation Regulation have changed the tax rate from 33% to 25% for the Group's subsidiaries from 1 January 2008.

5. (LOSS) PROFIT FOR THE PERIOD

	For the six months ended 31 July	
	2008	2007
	HK$	*HK$*
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):		
Bank interest income	**(359,697)**	(489,350)
Depreciation of property, plant and equipment	**69,578**	19,522

6. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the Group's loss for the period attributable to equity holders of the Company of HK$3,036,209 (six months ended 31 July 2007: profit of HK$219,031) and the number of ordinary shares of 106,973,638 (six months ended 31 July 2007: 89,173,638).

No computation of diluted earnings per share for the six months ended 31 July 2007 was presented as there were no potential ordinary shares to be issued for the period.

AGREEMENT BY THE EXTERNAL AUDITORS WITH THE ACCOUNTING TREATMENT ADOPTED

An extract of the Report on Review of Interim Financial Information issued by the external auditors of the Company in respect of their review of the interim financial report of the Group for the Period (the "Review Report") is set out below:

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

The full text of the Review Report will be published in the Interim Report 2008 of the Company.

INTERIM DIVIDEND

No interim dividend has been declared by the Board for the Period (2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Company has leased out properties held in the People's Republic of China (excluding Hong Kong) ("PRC") to independent tenants through Victorfield (Fujian) Property Development Co., Ltd. ("Victorfield Fujian") and Faith Stand (China) Limited, two wholly-owned subsidiaries of the Company, to receive stable and reasonable rental revenue.

In July 2008, Victorfield Fujian acquired four Street-front Shops (Shop Unit Nos. 3, 4, 5 and 7) and Shop Unit Nos. 1, 2, 3, 4, 5 and 6 on 1st Floor of Block 2, Victorfield Apartment, No. 436 of Wusi Road, Gulou District, Fuzhou, Fujian Province, the PRC (with total gross floor area of approximately 930.14 sq. m.) from an independent third party, Fuzhou Hua Ling Trading Company Limited, for an aggregate consideration of HK$5,450,419 (RMB4,774,840), and the transaction was completed in July 2008.

The Board believes that although facing the impact of the Global Financial Tsunami caused by the crisis in sub-prime U.S. mortgage debt, the PRC economy will continue to grow steadily with a higher speed as it is regulated by policies adopted to stabilise the economic, financial and capital markets and other regulatory measures taken by the Central People's Government and the State Council of the PRC. The Group has adopted cautious approach and has been actively seeking potential development opportunities on property investment for the Group, so as to strengthen its property investment portfolio.

The Group will continue to strive to create higher value and return for its shareholders.

Save as disclosed above, there has been no material change to information disclosed in the Company's annual report for the year ended 31 January 2008 which necessitates additional disclosure to be made in this section.

Financial Resources and Current Capitals

The major financial resources of the Group are derived from the renting and management of properties in the PRC.

The Group's unaudited consolidated revenue for the Period was HK$2,070,546 (2007: HK$2,717,862), and the Group recorded a loss for the Period of HK$3,036,209 (2007: profit of HK$219,031). Basic loss per share for the Period was HK2.8 cents (2007: basic earnings per share of HK0.25 cent).

As at 31 July 2008, the Group had available bank balances and cash of HK$36,203,932 and RMB2,614,738 (31 January 2008: HK$42,669,609 and RMB1,831,502).

Gearing Ratio

As at 31 July 2008, the gearing ratio of the Group was nil (31 January 2008: nil). The gearing ratio is calculated by dividing total external borrowings over shareholders' equity.

Foreign Exchange Risk

The Group mainly settled its transactions in Hong Kong dollars and Renminbi. Although the Group did not entered into any hedge contracts, it only faced minimal foreign exchange risk. As Renminbi appreciated during the Period, the Group will closely monitor the situation and exercise appropriate hedging measures when there is any adverse changes.

Capital Structure

No change in the capital structure of the Group has been noticed during the Period.

Pledge of Assets

As at 31 July 2008, the Group did not pledge any of its assets for bank credits, and the Group is not subject to any responsibilities in accordance with any bank credit documents.

Capital Commitments and Contingent Liabilities

As at 31 July 2008, the Group had no material capital commitments and contingent liabilities.

Employee and Remuneration Policy

As at 31 July 2008, the total number of employees of the Group (excluding directors of the Company) was 39 (2007: 102). Most of them worked in the PRC while others worked in Hong Kong. During the Period, costs of employees (including remuneration for directors, company secretary and qualified accountant of the Company) were HK$1,140,692 (2007: HK$1,294,851).

Staff remuneration is paid in accordance with relevant policies in Hong Kong and the PRC. Other related benefits include Mandatory Provident Fund contribution, social insurance, pension, unemployment insurance, housing fund, etc.

On 14 January 1999, the State Council of the PRC published the Provisional Regulations for Collection of Social Funds (the "Social Insurance Regulations"). According to the Social Insurance Regulations, the Group is required to make contributions to pension funds, medical insurance, work-related injury insurance and unemployment insurance for its employees. Full-time employees of the Group in the PRC are covered by the contributory pension scheme managed by the state entitling them to a monthly pension after they retire. The PRC government is responsible for crediting the pension to the retired and the Group is required to make annual contributions to the retirement scheme run by the government at a specified rate. The contribution is booked in due course as operating expense of the Group. Under the scheme, no forfeited contributions are available to reduce the existing level of contributions.

Share Options

No share option scheme has been adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Company had complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules during the Period.

The Company does not fully comply with the code provision A.4.1 and A.4.2 of the CG Code. Under code provision A.4.1, non-executive directors should be appointed for a specific term, and are eligible for re-election. The non-executive directors of the Company are not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company (the "Articles"). Under code provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to the Articles, any director of the Company appointed to fill a casual vacancy shall hold office until the next following annual general meeting of the Company and shall then be eligible for reelection. At each annual general meeting of the Company, one-third of the directors of the Company for the time being shall retire from office by rotation. In exceptional circumstances, a director may hold office for more than 3 years before retirement.

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 as its own code of conduct regarding directors' securities transactions. Having made specific enquiry to all directors of the Company, the directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

POST BALANCE SHEET EVENT

The Board was informed that on 2 September 2008, Nordstan Company Limited, a substantial shareholder of the Company, disposed of 12,000,000 and 4,650,000 ordinary shares of HK$1.00 each in the share capital of the Company to Mass Honour Investment Limited, another substantial shareholder of the Company, and an independent third party respectively, all at the consideration of HK$1.20 per share.

AUDIT COMMITTEE

On 23 October 2008, the audit committee of the Company (members include Mr. See Tak Wah, Mr. David Gregory Jeaffreson, *CBE, JP* and Mr. Wong Cheong) has reviewed with the management the accounting principles and practices adopted by the Group and discussed on the internal controls and financial reporting matters, including reviewing the unaudited interim financial statements for the Period.

By order of the Board
Lo Cheung Kin
Chairman

Hong Kong, 23 October 2008

As at the date of this announcement, the executive directors of the Company are Mr. Lo Cheung Kin, Ms. Huang Haiping and Mr. Li Jianbo; and the independent non-executive directors of the Company are Mr. David Gregory Jeaffreson, CBE, JP, Mr. See Tak Wah and Mr. Wong Cheong.