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 2009

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 2009 (the "Period"), which have been reviewed by external auditors and the audit committee of the Company, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended	
		31.7.2009	31.7.2008
	Notes	***HK$***	*HK$*
		(unaudited)	(unaudited)
Continuing operations			
Revenue		**1,205,475**	1,874,498
Other income		**9,013**	366,442
Administrative expenses		**(2,364,420)**	(1,713,012)
Exchange loss		**–**	(1,844,581)
Change in fair value of investment properties		**(22,352,581)**	(1,616,130)
Loss before taxation		**(23,502,513)**	(2,932,783)
Taxation	4	**3,205,753**	(20,238)
Loss for the period from continuing operations		**(20,296,760)**	(2,953,021)
Discontinued operation			
Loss for the period from discontinued operation	5	**(236,042)**	(83,188)
Loss for the period	6	**(20,532,802)**	(3,036,209)
Other comprehensive income for the period			
Exchange difference arising on translation of functional currency to presentation currency		**57,633**	5,505,911
Total comprehensive (expense) income for the period		**(20,475,169)**	2,469,702
Loss per share	7		
From continuing and discontinued operations			
Basic		**HK(19.2) cents**	HK(2.8) cents
From continuing operations			
Basic		**HK(19.0) cents**	HK(2.8) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.7.2009	31.1.2009
	HK$	*HK$*
	(unaudited)	(audited)
Non-current assets		
Investment properties	**63,460,915**	85,749,294
Property, plant and equipment	**4,541,380**	775,386
Deposit	**1,815,438**	–
	69,817,733	86,524,680
Current assets		
Trade and sundry receivables and prepayments	**284,645**	372,199
Bank balances and cash	**30,643,995**	37,701,724
	30,928,640	38,073,923
Current liabilities		
Sundry payables, deposits received and accruals	**1,308,957**	1,362,638
Amount due to a director	**52,239**	52,239
Taxation payable	**596,475**	665,923
	1,957,671	2,080,800
Net current assets	**28,970,969**	35,993,123
Total assets less liabilities	**98,788,702**	122,517,803
Non-current liability		
Deferred taxation	**7,684,771**	10,938,703
	91,103,931	111,579,100
Capital and reserves		
Share capital	**106,973,638**	106,973,638
Share premium and reserves	**(15,869,707)**	4,605,462
	91,103,931	111,579,100

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 investment properties and financial instruments, 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 consolidated financial statements for the year ended 31 January 2009.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 February 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements and has resulted in a number of changes in presentation and disclosure.

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment Reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3).

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

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRS issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) – Int 18	Transfers of assets from customers[4]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010.
4 Effective for transfers on or after 1 July 2009.

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 February 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. **SEGMENT INFORMATION**

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 February 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, represented by the board of directors of the Company, in order to allocate resources to the segment and to assess its performance. The adoption of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

As a result, following the adoption of HKFRS 8, the Group's reportable segments remains the same as prior year, including property investment segment and property management segment. During the period, the Group has discontinued the operation on the property management.

The following is an analysis of the Group's unaudited revenue and results by operating segment for the period under review:

	Continuing operations Property investment		**Discontinued operation Property management**		**Consolidated**	
	31.7.2009	31.7.2008	**31.7.2009**	31.7.2008	**31.7.2009**	31.7.2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Revenue	**1,205,475**	1,874,498	**96,470**	196,048	**1,301,945**	2,070,546
Segment results	**(21,656,417)**	(136,499)	**(236,042)**	(83,188)	**(21,892,459)**	(219,687)
Unallocated corporate income					**9,013**	366,442
Unallocated corporate expenses					**(1,855,109)**	(1,318,145)
Exchange loss					**–**	(1,844,581)
Loss before taxation					**(23,738,555)**	(3,015,971)

Segment results represent the loss of each segment without allocation of central administration costs (including exchange loss) and directors' salaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's assets by operating segment:

	31.7.2009	31.1.2009
	HK$	*HK$*
	(unaudited)	(audited)
Property investment	**67,816,412**	86,720,159
Property management	**–**	13,211
	67,816,412	86,733,370

4. TAXATION

	Six months ended	
	31.7.2009	31.7.2008
	HK$	*HK$*
	(unaudited)	(unaudited)
Continuing operations:		
Current tax charge:		
People's Republic of China (excluding Hong Kong) (the "PRC")	**56,362**	137,111
Deferred taxation	**(3,263,115)**	(116,873)
Taxation (credit) charge relating to continuing operations	**(3,205,753)**	20,238

There is no taxation relating to the discontinued operation of the Group for both periods.

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

Taxation arising in the PRC is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. DISCONTINUED OPERATION

During the period, 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 for the period, was HK$236,042 (for the six months ended 31 July 2008: HK$83,188).

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

	Six months ended	
	31.7.2009	31.7.2008
	HK$	*HK$*
	(unaudited)	(unaudited)
Revenue	**96,470**	196,048
Cost of sales	**(277,332)**	(238,134)
Gross loss	**(180,862)**	(42,086)
Administrative expenses	**(55,180)**	(41,102)
Loss for the period	**(236,042)**	(83,188)

6. LOSS FOR THE PERIOD

	Six months ended	
	31.7.2009	31.7.2008
	HK$	*HK$*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging (crediting):		
Bank interest income	**(9,013)**	(359,697)
Depreciation of property, plant and equipment	**112,350**	69,578

7. LOSS PER SHARE

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

	Continuing and discontinued operations Six months ended		Continuing operations Six months ended	
	31.7.2009	31.7.2008	**31.7.2009**	31.7.2008
	HK$	*HK$*	***HK$***	*HK$*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
The Group's loss for the period attributable to the owners of the Company	**(20,532,802)**	(3,036,209)	**(20,296,760)**	(2,953,021)
Number of ordinary shares	**106,973,638**	106,973,638	**106,973,638**	106,973,638

No diluted loss per share information for the six months ended 31 July 2009 and 2008 is presented as there were no potential ordinary shares outstanding during the periods.

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 2009 of the Company.

INTERIM DIVIDEND

No interim dividend has been declared by the Board for the Period (2008: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Company has generated its income mainly by leasing out properties held in the People's Republic of China (excluding Hong Kong) (the "PRC") to independent tenants and providing property management services through Jiacheng (Fujian) Investments Co., Ltd. ("Jiacheng Fujian", formerly known as Victorfield (Fujian) Property Development Co., Ltd.) and Faith Stand (China) Limited ("Faith Stand China"), two wholly-owned subsidiaries of the Company. Due to impact of the global financial tsunami and the spread of Influenza A (H1N1), the commercial and export sectors were the hardest hit in the PRC. The Company's high-end retail shops in Wenquan Apartment and Gentlefolk were also seriously affected, with rent falling drastically. However, all the retail shops in Victorfield Apartment have been leased out with rent not being affected.

Vast Glory (Fujian) Hotel Management Limited ("Vast Glory Fujian"), the Company's wholly-owned subsidiary established at the end of 2008, has already entered into preparation and management contracts with two hotels and is currently in negotiation with a number of hotels for such contracts.

On 16 May 2009, Jiacheng Fujian completed the acquisition of 9th Floor, Jia Xin Building, No. 119 Wusi Road, Gulou District, Fuzhou, Fujian Province, the PRC (total gross floor area of approximately 607.99 square metres) from a connected person, Mr. Lam Kung Yam, at a total consideration of HK$3,625,442 (RMB3,191,948). After renovation, the property now serves as the business premises of Jiacheng Fujian, Vast Glory Fujian and Faith Stand China, to facilitate the business development of each of these companies.

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

Financial Resources and Current Capital

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$1,205,475 (2008: HK$1,874,498), and the Group recorded a loss for the Period of HK$20,532,802 (2008: HK$3,036,209). Basic loss per share for the Period was HK19.2 cents (2008: HK2.8 cents).

As at 31 July 2009, the Group had available bank balances and cash of HK$24,326,010 and RMB5,568,228 (31 January 2009: HK$29,429,426 and RMB7,296,082).

Gearing Ratio

As at 31 July 2009, the gearing ratio of the Group was nil (31 January 2009: nil).

Foreign Exchange Risk

The Group's business operations are all in the PRC and the main operational currencies are HK$ and RMB. As the exchange rate between RMB and HK$ has basically remained stable in 2009, the Group foresees no exchange rate trend unfavorable to the Group. Therefore, the Group did not enter into any foreign exchange hedge arrangement to reduce foreign exchange risk and exposure.

Capital Structure

There has not been any change in the capital structure of the Group during the Period.

Pledge of Assets

As at 31 July 2009, the Group did not pledge any of its assets for bank credits. Also the Group is not subject to any responsibilities in accordance with any bank credit documents.

Capital Commitments and Contingent Liabilities

As at 31 July 2009, the Group had no material capital commitments and contingent liabilities.

Employees and Remuneration Policy

As at 31 July 2009, the total number of employees of the Group (excluding directors of the Company) was 40 (2008: 39). Only one of them worked in Hong Kong while the remaining 39 worked in the PRC.

During the Period, remunerations paid to employees by the Group (including remuneration for directors, company secretary and qualified accountant of the Company of HK$466,200 and RMB210,000) were HK$466,200 and RMB632,045 (2008: HK$1,140,692).

The remunerations offered by the Group were determined in accordance with the relevant policies in Hong Kong and the PRC and with reference to market level and individual work performance of the employees. Other related benefits included contributions to Mandatory Provident Fund schemes, social insurance funds and medical insurance funds.

Share Options

No share option scheme has been adopted by the Group.

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 2009 which necessitates additional disclosure to be made in this section.

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 Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the Period.

The Company does not fully comply with the code provision A.4.1 of the CG Code, under which non-executive directors should be appointed for a specific term, subject to re-election. Mr. See Tak Wah, being 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 the 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 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

On 14 September 2009, the Company entered into an agreement (the "Agreement") with independent persons, Mr. Lui Ming Ho and Mr. Wong Kin Ping, (the "Vendors") pursuant to which the Company will acquire the entire issued share capital of United Achieve International Limited ("United Achieve") from the Vendors at a total consideration of HK$315,000,000. United Achieve is an investment holding company whose principal asset is the holding of approximately 72.12% issued share capital of Viswell International Limited, which in turn is interested in 100% equity interest in Rakupuri Inc. ("Rakupuri"), a company incorporated in Japan. Rakupuri is principally engaged in the manufacture and sale of dye-sublimation printed products. The consideration shall be satisfied by the Company as to (i) HK$42,000,000 by allotment and issue of consideration shares to the Vendors, credited as fully paid, at the issue price of HK$1.68 per share; and (ii) HK$273,000,000 by issue of convertible bonds to the Vendors upon completion. The Agreement constitutes a very substantial acquisition of the Company under the Listing Rules. As such, the completion of the Agreement, including the allotment and issue of consideration shares and convertible bonds, is subject to the approval of the shareholders in a general meeting of the Company and the Stock Exchange's granting listing of and permission to deal in the consideration shares.

AUDIT COMMITTEE

On 29 September 2009, the audit committee of the Company (members include Mr. See Tak Wah, Mr. Wong Cheong and Mr. Chau On Ta Yuen) 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, 29 September 2009

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. Chau On Ta Yuen.