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 2010

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 2010 (the "Period"), which have been reviewed by external auditors and the audit committee of the Company, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 JULY 2010

	NOTES	Six months ended 31.7.2010 HK$ (unaudited)	Six months ended 31.7.2009 HK$ (unaudited)
Continuing operations			
Revenue		**11,255,846**	1,205,475
Cost of sales		**(7,346,992)**	-
Gross profit		**3,908,854**	1,205,475
Other income		**423,317**	9,013
Selling and distributions costs		**(1,983,538)**	-
Administrative expenses		**(6,883,974)**	(2,364,420)
Finance cost		**(30,310,375)**	-
Change in fair value of investment properties		**6,129,117**	(22,352,581)
Change in fair value of derivatives embedded in convertible bonds		**(169,911,307)**	-
Loss before taxation		**(198,627,906)**	(23,502,513)
Taxation	5	**(1,275,628)**	3,205,753
Loss for the period from continuing operations		**(199,903,534)**	(20,296,760)
Discontinued operation			
Loss for the period from discontinued operation	4	**(45,006)**	(236,042)
Loss for the period	6	**(199,948,540)**	(20,532,802)
Other comprehensive income for the period			
Exchange difference arising on translation of functional currency to presentation currency		**70,842**	57,633
Total comprehensive expense for the period		**(199,877,698)**	(20,475,169)
Loss for the period attributable to:			
Owners of the Company		**(199,249,970)**	(20,532,802)
Non-controlling interests		**(698,570)**	-
		(199,948,540)	(20,532,802)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(199,179,128)**	(20,475,169)
Non-controlling interests		**(698,570)**	-
		(199,877,698)	(20,475,169)
Loss per share	7		
From continuing and discontinued operations			
Basic		**(1.51)**	(0.19)
Diluted		**(1.51)**	N/A
From continuing operations			
Basic		**(1.51)**	(0.19)
Diluted		**(1.51)**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 JULY 2010

	NOTES	**31.7.2010 HK$ (unaudited)**	31.1.2010 HK$ (audited)
Non-current assets			
Investment properties		**69,417,531**	68,153,445
Property, plant and equipment		**7,359,039**	7,002,596
Intangible assets		**856,566**	673,427
Other financial assets		**9,912,163**	-
		87,545,299	75,829,468
Current assets			
Inventories		**1,624,693**	1,582,877
Trade and other receivables and prepayments	8	**3,840,032**	4,435,310
Bank balances and cash		**8,468,633**	19,696,363
		13,933,358	25,714,550
Assets classified as held for sale	9	**3,257,378**	-
		17,190,736	25,714,550
Current liabilities			
Trade and other payables and accruals	10	**8,565,240**	6,781,562
Amount due to a shareholder		**957,977**	957,977
Amount due to a director		**52,239**	52,239
Borrowings - due within one year		**1,417,705**	1,180,719
Tax liabilities		**732,342**	740,959
		11,725,503	9,713,456
Net current assets		**5,465,233**	16,001,094
Total assets less current liabilities		**93,010,532**	91,830,562
Non-current liabilities			
Amount due to a shareholder		**174,088,740**	159,560,735
Borrowings - due after one year		**3,778,211**	4,096,099
Convertible bonds		**443,213,937**	257,647,080
Deferred taxation		**9,167,871**	7,887,177
		630,248,759	429,191,091
Net liabilities		**(537,238,227)**	(337,360,529)
Capital and reserves			
Share capital		**131,973,638**	131,973,638
Share premium and reserves		**(668,513,295)**	(469,334,167)
Equity attributable to owners of the Company		**(536,539,657)**	(337,360,529)
Non-controlling interests		**(698,570)**	-
		(537,238,227)	(337,360,529)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 JULY 2010

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").

In preparing the condensed consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in the light of the fact that the Group incurred a loss for the period attributable to owners of the Company of HK$199,249,970 during the six months ended 31 July 2010 and, as of that date, the Group's total liabilities exceeded its total assets by HK$537,238,227. The directors of the Company have taken the following actions to improve the liquidity position of the Group:

(i) the shareholder has undertaken to the Company not to demand repayment of the advance with carrying amount of HK$174,088,740 at 31 July 2010 on or after its maturity date of 31 December 2011 until such time as the Group has or has raised 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 holders of convertible bonds have undertaken to the Company that the Company is obliged to redeem any amount of convertible bonds which remains outstanding on the maturity date only when the Group has or has raised sufficient funds to redeem the remaining outstanding amount of the convertible bonds and still be able to meet in full its financial obligations after the redemption; and

(iii) subsequent to the end of the reporting period, the Group entered into agreements to dispose of its investment properties with aggregate carrying amount of approximately HK$2,341,000 at 31 July 2010 at aggregate consideration of approximately HK$2,341,000.

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 the banks, if required, the Group will has sufficient working capital to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

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 2010 except as described below.

Financial assets at fair value through profit and loss ("FVTPL")

A financial asset is designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

2. PRINCIPAL ACCOUNTING POLICIES – continued

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 2010.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 32 (Amendment)	Classification of rights issues
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HK(IFRIC) - INT 17	Distributions of non-cash assets to owners

The Group applies HKFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1 February 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 February 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related party disclosures[3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[2]
HKFRS 9	Financial instruments[4]
HK(IFRIC) - INT 14 (Amendment)	Prepayments of a minimum funding requirement[3]
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instruments[2]

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

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

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

For the 6 months ended 31 July 2010

	Continuing operations				Discontinued operation	
	Property investment HK$	**Hotel management HK$**	**Sales of dye-sublimation printed products HK$**	**Sub-total HK$**	**Property management HK$**	**Consolidated HK$**
Revenue	**894,174**	**275,572**	**10,086,100**	**11,255,846**	**13,151**	**11,268,997**
Segment results	**6,669,880**	**(177,892)**	**(2,590,614)**	**3,901,374**	**(45,006)**	**3,856,368**
Unallocated corporate income				**113,042**	**-**	**113,042**
Unallocated corporate expenses				**(2,547,460)**	**-**	**(2,547,460)**
Imputed interest expenses on amount due to a shareholder				**(14,528,005)**	**-**	**(14,528,005)**
Imputed interest expenses on convertible bonds				**(15,655,550)**	**-**	**(15,655,550)**
Change in fair value of derivatives embedded in convertible bonds				**(169,911,307)**	**-**	**(169,911,307)**
Loss before taxation				**(198,627,906)**	**(45,006)**	**(198,672,912)**

For the 6 months ended 31 July 2009

	Continuing operations	Discontinued operation	
	Property investment HK$	Property management HK$	Consolidated HK$
Revenue	1,205,475	96,470	1,301,945
Segment results	(21,656,417)	(236,042)	(21,892,459)
Unallocated corporate income	9,013	-	9,013
Unallocated corporate expenses	(1,855,109)	-	(1,855,109)
Loss before taxation	(23,502,513)	(236,042)	(23,738,555)

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, imputed interest expenses on convertible bonds and change in fair value of derivatives embedded in convertible bonds. 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:

	31.7.2010 HK$ (unaudited)	31.1.2010 HK$ (audited)
Property investment	**83,070,477**	68,618,559
Hotel management	**516,389**	15,602
Sales of dye-sublimation printed products	**9,625,083**	10,794,055
	93,211,949	79,428,216

4. 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 operation for the period is HK$45,006 (six months ended 31 July 2009: HK$236,042).

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

	Six months ended	
	31.7.2010	31.7.2009
	HK$	HK$
	(unaudited)	(unaudited)
Revenue	**13,151**	96,470
Cost of sales	**(47,693)**	(277,332)
Gross loss	**(34,542)**	(180,862)
Administrative expenses	**(10,464)**	(55,180)
Loss for the period attributable to the owners of the Company	**(45,006)**	(236,042)

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 periods.

5. TAXATION

	Six months ended	
	31.7.2010	31.7.2009
	HK$	HK$
	(unaudited)	(unaudited)
Continuing operations:		
Current tax charge:		
People's Republic of China (excluding Hong Kong) (the "PRC")	**14,677**	56,362
Deferred taxation	**1,260,951**	(3,262,115)
Taxation charge (credit) relating to continuing operations	**1,275,628**	(3,205,753)

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.

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 the six months ended 31 July 2010, since there is no assessable profit in Japan for the period.

6. LOSS FOR THE PERIOD

	Six months ended	
	31.7.2010	31.7.2009
	HK$	HK$
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging (crediting):		
Bank interest income	**(23,840)**	(9,013)
Depreciation of property, plant and equipment	**660,492**	112,350
Imputed interest expenses on amount due to a shareholder	**14,528,005**	-
Imputed interest expenses on convertible bonds	**15,655,550**	-
Gain on disposal of investment properties	**(310,274)**	-

7. 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

	Six months ended	
	31.7.2010	31.7.2009
	HK$	HK$
	(unaudited)	(unaudited)
The Group's loss for the period attributable to the owners of the Company	**(199,249,970)**	(20,532,802)
Number of shares		
Weighted average number of shares	**131,973,638**	106,973,638

Continuing operations

	Six months ended	
	31.7.2010	31.7.2009
	HK$	HK$
	(unaudited)	(unaudited)
The Group's loss for the period attributable to the owners of the Company	**(199,249,970)**	(20,532,802)
Less: the Group's loss for the period from discontinued operation	**45,006**	236,042
Loss for the period for the purpose of basic and diluted loss per share from continuing operations	**(199,204,964)**	(20,296,760)
Number of shares		
Weighted average number of shares	**131,973,638**	106,973,638

The calculation of diluted loss per share for the six months ended 31 July 2010 does not assume the conversion of convertible bonds into ordinary shares of the Company because the assumed conversion would reduce the loss per share.

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

Discontinued operation

The loss for the period from discontinued operation attributable to the owners of the Company is HK$45,006 (six months ended 31 July 2009: HK$236,042). 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 (six months ended 31 July 2009: HK0.22 cents and N/A, respectively). The denominators used are the same as those detailed above for the basic and diluted loss per share from continuing and discontinued operations.

8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	31.7.2010 HK$ (unaudited)	31.1.2010 HK$ (audited)
Trade receivables	**3,872,908**	4,401,045
Less: Allowance for bad and doubtful debts	**(987,034)**	(939,169)
	2,885,874	3,461,876
Other receivables and prepayments	**954,158**	973,434
	3,840,032	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:

	31.7.2010 HK$ (unaudited)	31.1.2010 HK$ (audited)
0 - 90 days	**2,191,304**	2,794,123
91 - 180 days	**353,017**	223,445
181 - 365 days	**91,573**	444,308
Over 365 days	**249,980**	-
	2,885,874	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 on presentation.

9. ASSETS CLASSIFIED AS HELD FOR SALE

Before the end of the reporting period, the Group entered into agreements to dispose of its investment properties with carrying amount of HK$3,257,378 at 31 July 2010 at aggregate consideration of HK$3,257,378. The carrying amount of such investment properties is classified as assets classified as held for sale at the end of the reporting period.

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	31.7.2010 HK$ (unaudited)	31.1.2010 HK$ (audited)
Trade payables	**2,973,197**	2,960,637
Other payables and accruals	**2,249,688**	2,068,249
Tax payables other than income tax	**1,669,297**	1,663,793
Advanced payments from customers	**177,461**	88,883
Accrued staff costs	**153,010**	-
Deposits received for the disposal of investment properties	**1,342,587**	-
	8,565,240	6,781,562

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

	31.7.2010 HK$ (unaudited)	31.1.2010 HK$ (audited)
0 - 90 days	**2,787,720**	2,857,794
91 - 180 days	**89,344**	10,322
181 -365 days	**-**	1,050
> 365 days	**96,133**	91,471
	2,973,197	2,960,637

EXTRACT OF THE REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY EXTERNAL AUDITORS

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 2010 of the Company.

INTERIM DIVIDEND

No interim dividend has been declared by the Board for the six months ended 31 July 2010 (the "Period") (2009: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

During the Period, the Group has generated its income 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, and by managing the decoration of one hotel and the preparation for its opening through Vast Glory (Fujian) Hotel Management Limited ("Vast Glory Fujian"), a wholly-owned subsidiary of the Company. Subsequent to the completion of the acquisition of Rakupuri Inc. ("Rakupuri"), an indirect non-wholly owned subsidiary of the Company, in the previous year, the sale and production of Pita Clean products also generated income for the Group.

The property leasing businesses of Jiacheng Fujian and Faith Stand China were previously under the impact of the financial tsunami. With the implementation of central 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, completely discontinued its property management business.

During the Period, Jiacheng Fujian disposed of various properties located at Fuzhou City, Fujian Province, PRC to various independent third parties, at aggregate consideration of approximately HK$5,507,000, upon completion of the disposals, gain of approximately HK$1,443,000 will be recorded. Jiacheng Fujian acquired equity shares of 福建中青創業投資有限公司 and 福懋(福建)光電科技有限公司 respectively. Both companies are private entities incorporated in the PRC and will engage in property development in 海西高新技術產業園區 located at Fuzhou.

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. Notwithstanding that Rakupuri recorded a loss this period; with reorganization, strengthened management and suitable inputs, it can return to profitability.

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.

Financial Resources and Current Capital

During the Period, the Group recorded a loss attributable to owners of the Company of approximately HK$199,250,000, including a change in fair value of derivatives embedded in convertible bonds of approximately HK$169,911,000.

As at 31 July 2010, the Group had available bank balances and cash of approximately HK$990,000, RMB5,424,000 and JPY13,858,000 (31 January 2010: approximately HK$8,829,000, RMB7,880,000 and JPY22,344,000), representing a capital liquidity ratio (cash and bank balance divided by current liabilities) of 0.72 (31 January 2010: 2.03).

As at 31 July 2010, the Group's debts to assets ratio was 3.51 (31 January 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 approximately HK$175,047,000 (31 January 2010: approximately HK$160,519,000), borrowings of approximately HK$5,196,000 (31 January 2010: approximately HK$5,277,000), the liability component of the convertible bonds of approximately HK$187,600,000 (31 January 2010: approximately HK$171,945,000) over the amount of total assets of approximately HK$104,736,000 (31 January 2010: approximately HK$101,544,000).

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 2010, the Group did not pledge any of its assets for bank credits. Also, the Group was not subject to any responsibilities in accordance with any bank credit documents.

Capital Commitments and Contingent Liabilities
As at 31 July 2010, the Group had no material capital commitments and contingent liabilities.

Employees and Remuneration Policy
As at 31 July 2010, the total number of employees of the Group (excluding directors of the Company) was 50 (31 January 2010: 53). 33 of them worked in the PRC, 16 worked in Japan, while one worked in Hong Kong.

The remunerations offered by the Group were determined in accordance with the relevant policies in Hong Kong, Japan and the PRC and with reference to market trend, as well as individual competence and performance of the staff. Other related benefits included contributions to Mandatory Provident Fund schemes, social insurance, 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 2010 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.

INTERESTS OF DIRECTORS

As at 31 July 2010, the interests and short positions of the directors and the chief executive and their associates in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of director	**Capacity**	**Number and class of securities**	**Percentage of issued ordinary share capital**
Lo Cheung Kin	Corporate *(Note)*	29,173,638 ordinary shares of HK$1.00 each ("Shares") (L)	22.11%

(L) denotes long position

Note: The Shares were held in the name of Mass Honour Investment Limited which is controlled by Mr. Lo Cheung Kin.

Save as disclosed herein, as at 31 July 2010, none of the directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the directors, as at 31 July 2010, the following persons (not being directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Capacity	Number and class of securities		Percentage of issued ordinary share capital
Lui Ming Ho	Beneficial	131,250,000 Shares (L)	(Note a)	53.41%
Wong Kin Ping	Beneficial	56,250,000 Shares (L)	(Note b)	31.12%
Mass Honour Investment Limited	Beneficial	29,173,638 Shares (L)		22.11%

(L) denotes long position

Notes:

(a) *Among these 131,250,000 Shares, 17,500,000 Shares are beneficially owned by Mr. Lui Ming Ho and 113,750,000 Shares are to be obtained upon the full conversion of the convertible bonds in the principal amount of HK$191,100,000.*

(b) *Among these 56,250,000 Shares, 7,500,000 Shares are beneficially owned by Mr. Wong Kin Ping and 48,750,000 Shares are to be obtained upon the full conversion of the convertible bonds in the principal amount of HK$81,900,000.*

Save as disclosed above, as at 31 July 2010, the directors and the chief executive of the Company were not aware of any other person (other than the directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

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 throughout 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 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.

AUDIT COMMITTEE

The Audit Committee of the Company is to review and supervise the financial reporting process and internal control procedures of the Group. The Group's interim results for the six months ended 31 July 2010 have been reviewed by the Audit Committee and the Company's auditors.

The Audit Committee of the Company comprises of three Independent Non-executive Directors, namely, Mr. See Tak Wah ("Mr. See"), Mr. Wong Cheong and Mr. Chau On Ta Yuen, with Mr. See as the Chairman.

EVENT AFTER THE END OF THE INTERIM PERIOD

Subsequent to the end of the Period, the Group entered into various agreements with independent third parties for disposal of various investment properties in Fuzhou, PRC. The aggregate consideration of the investment properties contracted for is HK$2,341,000 approximately.

PUBLICATION OF RESULTS ON WEBSITES

Pursuant to the discloseable financial information of Appendix 16 to the Listing Rules, the results of the Company will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.capitalfp.com.hk/eng/index.jsp?co=108) in due course.

By order of the Board
Lo Cheung Kin
Chairman

Hong Kong, 24 September 2010

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, Mr. Chau On Ta Yuen and Mr. Ngai Sai Chuen.