Buildmore International Limited

Stock Code : 108

2009 ANNUAL REPORT

CONTENTS

	Page
Corporate Information	2
Chairman's Statement	3
Brief Biographical Details of Directors and Senior Management	6
Corporate Governance Report	9
Directors' Report	16
Independent Auditor's Report	22
Consolidated Income Statement	24
Consolidated Balance Sheet	25
Balance Sheet	26
Consolidated Statement of Changes in Equity	27
Consolidated Cash Flow Statement	28
Notes to the Consolidated Financial Statements	30
Financial Summary	62

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Lo Cheung Kin *(Chairman)*

Huang Haiping *(Chief Executive Officer)*

Li Jianbo

Song Xiaoling

INDEPENDENT NON-EXECUTIVE DIRECTORS

See Tak Wah

Wong Cheong

Chau On Ta Yuen

SECRETARY

Cheng Wai Yee Connie

QUALIFIED ACCOUNTANT

Chiu Wai On

AUDIT COMMITTEE

See Tak Wah *(Chairman of the Audit Committee)*

Wong Cheong

Chau On Ta Yuen

NOMINATION COMMITTEE

Li Jianbo *(Chairman of the Nomination Committee)*

See Tak Wah

Wong Cheong

REMUNERATION COMMITTEE

Huang Haiping *(Chairman of the Remuneration Committee)*

See Tak Wah

Chau On Ta Yuen

AUDITOR

Deloitte Touche Tohmatsu

REGISTRAR

Tricor Standard Limited

26th Floor

Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

REGISTERED OFFICE

Room 806, 8th Floor

Two Chinachem Exchange Square

338 King's Road

North Point

Hong Kong

STOCK CODE

108

WEBSITE

www.capitalfp.com.hk/eng/index.jsp?co=108

I am pleased to present to the shareholders the Annual Report of the Company and its subsidiaries (the "Group") for the year ended 31st January, 2009 (the "Year").

FINANCIAL RESULTS

In respect of the results of the Group for the Year, the audited loss attributable to shareholders was HK$8,291,125 (2008: profit of HK$4,303,851). Basic loss per share was HK7.75 cents (2008: basic earnings per share of HK4.58 cents).

BUSINESS REVIEW

The Group has leased out properties held in the PRC to independent tenants and provided property management services through Victorfield (Fujian) Property Development Co., Ltd. ("Victorfield Fujian") and Faith Stand (China) Limited ("Faith Stand China"), two wholly-owned subsidiaries of the Company, and earned interests from banks to receive stable and reasonable revenue.

On 15th 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 a total gross floor area of approximately 930.14 square metres) 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 on 30th July, 2008. At the moment, other than the whole of Street-front Shop No. 4 and part of Street-front Shop No. 5, the tenancies of which are under negotiation with the prospective new tenants, all the shops have been leased out.

In view of the fierce competition in the property management sector in the PRC and its ever-increasing operating costs, the Group has decided to wind down its contracted property management business as well as streamline its related staff. By now, Victorfield Fujian has terminated the property management contracts for three housing estates, retaining its property management business at Wenquan Apartment only.

On 26th December, 2008, the Group, through its wholly-owned subsidiary Vast Glory Investment Limited, invested HK$5,600,000 (approximately RMB5,000,000) in Vast Glory (Fujian) Hotel Management Limited ("Vast Glory Fujian") (which was incorporated in Fuzhou City, Fujian Province, the PRC) to enter the hotel management and tourism business. Vast Glory Fujian is currently in negotiation with a number of hotels for management contracts, and has contracted for the franchise for operating Fujian Lakeside International Travel Service ("Lakeside Travel").

CHAIRMAN'S STATEMENT

Due to the expansion of its businesses in the PRC, the Group decided to purchase an office in the mainland as the place of business of Victorfield Fujian, Vast Glory Fujian, Faith Stand China and Lakeside Travel, so as to avoid the inconvenience of each having to rent its office and to economize on rental expenses. On 7th April, 2009, Victorfield Fujian purchased from a connected person, Mr. Lam Kung Yam, a property at 9th Floor, Jia Xin Building, No. 119 Wusi Road, Wenquan Subdistrict, Gulou District, Fuzhou, Fujian Province, the PRC (with a gross floor area of approximately 607.99 square metres) for an aggregate consideration of HK$3,625,442 (RMB3,191,948). The transaction has been completed on 16th May, 2009.

PROSPECTS

With the impact of the global financial tsunami, together with the hazards of snowstorms and earthquakes as well as the recent influenza A (H1N1) which has spread to a large number of countries, the economic development of the PRC has obviously slowed down, and the commercial sector as well as processing businesses which specialize in export trade are the most affected. Among the tenants of the Group are some who have closed down, and the rest are pleading for a substantial reduction of rents so as to stay in business. The Board believes that, although rental income in the new year will decrease, a series of policies introduced by the Central Government and the State Council to stimulate domestic consumption and to sustain economic growth, in particular some opinions on speeding up the development of the Economic Zone on the West Coast of the Strait in Fujian Province, are having and will definitely have an effect, leading Greater China to weather the crisis and continue to develop. The Group will also seek to expand its scope of operations and opportunities to invest in properties in the process, thus improving profitability, minimizing loss, and striving for new developments.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st January, 2009, the Group had available cash and bank deposit of HK$29,429,426 and RMB7,296,082 (2008: HK$42,669,609 and RMB1,831,502), representing a capital liquidity ratio (cash and bank balance divided by current liabilities) of 18.12 (2008: 10.17).

As at 31st January, 2009, the Group's gearing ratio was zero (2008: zero).

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$ basically remained stable in 2008, 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.

EMPLOYEES AND REMUNERATION POLICY

As at 31st January, 2009, the total number of employees of the Group (excluding directors of the Company) was 38 (2008: 44). Thirty-seven of them worked in the PRC while only one worked in Hong Kong.

During the Year, the Group paid employee emoluments (including emoluments for directors, company secretary and qualified accountant of the Company) amounting to HK$1,004,000 and RMB1,074,996 (2008: HK$936,000 and RMB1,514,141). 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 competence of the staff. Other related benefits included contributions to Mandatory Provident Fund schemes, social insurance funds, and medical insurance funds.

APPRECIATION

On behalf of all members of the Board, I would like to express our remembrance of Mr. David Gregory Jeaffreson, *CBE, JP*, our independent non-executive director, and Mr. Kwok On Sang, our company secretary, who had faithfully served the Group for a long time until they passed away in 2008, as well as our gratitude to the shareholders for their continuing support and all staff of the Group for their hard work and contribution.

LO CHEUNG KIN
CHAIRMAN

22nd May, 2009

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lo Cheung Kin, 62, was appointed as an executive director of the Company on 30th September, 1998 and he is the Chairman of the Company. He also acts as directors of Faith Stand (China) Limited, Vast Glory Investment Limited and Victorfield (Fujian) Property Development Co., Ltd., all of which are wholly-owned subsidiaries of the Company. In addition, Mr. Lo currently serves as an independent non-executive director of China Grand Forestry Green Resources Group Limited (Stock Code: 0910). Mr. Lo has over 20 years of experience in the property investment and development market. Mr. Lo is a director and the beneficial owner of Mass Honour Investment Limited, a substantial shareholder of the Company. Save as disclosed, Mr. Lo does not have any other relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

Madam Huang Haiping, 57, was appointed as an executive director and the Chief Executive Officer of the Company on 1st February, 2007. She also acts as the chairman of the Company's remuneration committee. In addition, Madam Huang acts as directors of Victorfield (Fujian) Property Development Co., Ltd. and Vast Glory (Fujian) Hotel Management Limited, both of which are wholly-owned subsidiaries of the Company. Madam Huang is an engineer and a senior economist. She is vastly experienced in construction design, budgetary estimate, finance and administration. Madam Huang does not have any relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

Mr. Li Jianbo, 48, was appointed as an executive director of the Company on 20th October, 2006. He is also acting as the chairman of the Company's nomination committee. In addition, Mr. Li acts as director of Victorfield (Fujian) Property Development Co., Ltd., a wholly-owned subsidiary of the Company. Mr. Li graduated from Fujian Teachers University in the PRC. Mr. Li previously served as secretary of the General Office of Fujian Provincial People's Municipal Government of the PRC and its representative office in Hong Kong, Fujian Enterprises (Holdings) Company Limited. Currently, he is principally engaged in managing a private fund in Hong Kong and is also a director of that private fund company, and he has extensive experience in fund investment. Mr. Li currently holds 776,000 ordinary shares, representing approximately 0.725% of the issued share capital of the Company. Mr. Li does not have any relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

Madam Song Xiaoling, 56, was appointed as an executive director of the Company on 24th October, 2008. She also acts as a director of Vast Glory (Fujian) Hotel Management Limited, a wholly-owned subsidiary of the Company. Madam Song graduated from the Faculty of Chinese at Xiamen University in the PRC. She is vastly experienced in the management and personnel training of hotels. Madam Song does not have any relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. See Tak Wah, aged 46, was appointed as an independent non-executive director of the Company on 30th September, 2004. He is also acting as the chairman of the Company's audit committee and a member of each of the Company's remuneration committee and nomination committee. Mr. See graduated from the Management School of Waikato University in New Zealand with a first class honours in Bachelor of Management Studies and is a member of the Institute of Chartered Accountants of New Zealand and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. See has over 18 years' experience in financial and general management where he previously worked as the regional business controller of Nokia Mobile Phones Asia Pacific, the managing director of Nokia Mobile Phones Hong Kong, the chief operating officer of First Mobile Group Holdings Limited and held key management position in the North Asia office of Philips and Siemens. Mr. See is currently running his own strategic consultancy business. In addition, he currently serves as an independent non-executive director of Sun East Technology (Holdings) Limited (Stock Code: 0365) and First Mobile Group Holdings Limited (Stock Code: 0865) respectively. Mr. See does not have any relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

Mr. Wong Cheong, 54, was appointed as an independent non-executive director of the Company on 20th October, 2006. He is also acting as a member of each of the Company's audit committee and nomination committee. Mr. Wong has been serving as engineer of several companies in Macau for over 15 years. He has extensive experience in the areas of construction engineering and property repair, maintenance and management. Mr. Wong does not have any relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chau On Ta Yuen, 62, was appointed as an independent non-executive Director on 1st December, 2008. He is also a member of each of the Company's audit committee and remuneration committee. Mr. Chau graduated from Xiamen University in the PRC majoring in Chinese language and literature. He is currently the chairman and an executive director of Wonson International Holdings Limited (Stock Code: 0651) and is also an independent non-executive director of Come Sure Group (Holdings) Limited (Stock Code: 0794), Everpride Biopharmaceutical Company Limited (Stock Code: 8019) and Wonderful World Holdings Limited (Stock Code: 0109) respectively. Mr. Chau is a member of the Chinese People Political Consultative Conference of the PRC and the vice chairman of Hong Kong Federation of Fujian Associations. Mr. Chau does not have any relationship with the other directors, senior managers, substantial shareholders or controlling shareholders of the Company.

COMPANY SECRETARY

Madam Cheng Wai Yee Connie, 46, was appointed as the company secretary of the Company on 24th October, 2008. Madam Cheng is an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries respectively. She has over twenty years' experience in providing company secretarial and corporate services. Madam Cheng has been working for several solicitors' firms in Hong Kong in their company secretarial departments at supervisory level. Madam Cheng does not have any relationship with the directors, senior managers, substantial shareholders or controlling shareholders of the Company.

QUALIFIED ACCOUNTANT

Mr. Chiu Wai On, 40, was appointed as the qualified accountant of the Company on 30th September, 2004. Mr. Chiu is an associate member of the Hong Kong Institute of Certified Public Accountants and has over 11 years' working experience in the accountancy field. He has acted as a manager in a firm of Certified Public Accountants for over 5 years. Mr. Chiu currently serves as an independent non-executive director of New Times Group Holdings Limited (Stock Code: 0166). Mr. Chiu does not have any relationship with the directors, senior managers, substantial shareholders or controlling shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") is committed to maintain and ensure high standards of corporate governance practice. The Company stresses the importance of maintaining the quality of the Board by ensuring that the directors possess a wide range of expertise and the effective implementation of an accountability system, so as to ensure that business activities and decision making processes are regulated in a proper manner.

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 on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Year.

The Company does not fully comply with code provision A.4.1 in the CG Code. Under code provision A.4.1, 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 annual general meeting in accordance with the Articles of Association of the Company.

The Company will seek to improve its management and raise its control level to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders.

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.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Currently, the Board comprises four executive directors and three independent non-executive directors. The directors of the Company during the Year and up to the date of this report were:–

Executive directors

Mr. Lo Cheung Kin *(Chairman)*

Madam Huang Haiping *(Chief Executive Officer)*

Mr. Li Jianbo

Madam Song Xiaoling (appointed on 24th October, 2008)

Independent non-executive directors

Mr. See Tak Wah

Mr. Wong Cheong

Mr. Chau On Ta Yuen (appointed on 1st December, 2008)

Mr. David Gregory Jeaffreson, *CBE, JP* (passed away on 30th October, 2008)

The biographical details of the current directors are set out on pages 6 to 8 of this Annual Report. The Board possesses a balance of skills and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the independent non-executive directors of the Company in the Board meetings facilitate the maintenance of good corporate governance practices. Mr. See Tak Wah, one of the independent non-executive directors, has the appropriate professional qualifications and accounting and related financial management expertise as required by Rule 3.10(1) and (2) of the Listing Rules. A balanced composition of executive and independent non-executive directors also generates a strong independent element on the Board, which allows independent and objective decision making process for the best interests of the Company. The Company will review the composition of the Board regularly to ensure the Board possesses the appropriate and necessary expertise, skills and experience to meet the developmental needs of the business of the Group.

All independent non-executive directors are free from any business or other relationship with the Company. The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the three independent non-executive directors to be independent.

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's business and affairs. Apart from its statutory responsibilities, the Board also approves the strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or indirectly through committees established by the Board.

Regular Board meetings are held at least four times a year to approve annual and interim results, and to review the business operation and the internal control system of the Group. The meeting schedule will be fixed at the beginning of each year. Apart from these regular meetings, Board meetings are also held to approve major issues. At least 14 days' notice of each regular meeting is given to all directors. Agendas and accompanying Board papers are sent not less than 3 days before the date of Board meetings to ensure that the directors are given sufficient time to review the same. Draft minutes of Board meetings and Board committee meetings are circulated to directors for their review and comment while final versions of the said minutes, when duly signed, are sent to all members of the Board for their records. All the said minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is Mr. Lo Cheung Kin while the Chief Executive Officer ("CEO") is Madam Huang Haiping. There is a clear division of responsibilities between the Chairman and the CEO, in that the Chairman bears primary responsibility for the functioning of the Board, by ensuring its effective operation, while the CEO is authorised and responsible for the management of the day-to-day business of the Group as well as the implementation of the strategies approved by the Board.

AUDIT COMMITTEE

The Board set up the Audit Committee in July 1999 with specific written terms of reference which clearly deal with its authority and duties. The Audit Committee's role is to review the Group's financial reporting, internal controls and corporate governance issues and to make relevant recommendations to the Board.

The members of the Audit Committee are as follows:–

Mr. See Tak Wah	Chairman *(independent non-executive director)*
Mr. Wong Cheong	Member *(independent non-executive director)*
Mr. Chau On Ta Yuen	Member *(independent non-executive director)*

In discharging its responsibilities, the Audit Committee had performed the following tasks during the Year:–

(i) reviewed the effectiveness of the audit process in accordance with the applicable standards;

(ii) reviewed the draft interim and annual financial statements and the related draft results announcements;

(iii) reviewed the change in accounting standards and assessed the potential impacts on the Group's financial statements;

(iv) reviewed the Group's internal control system and discussed with the management the relevant issues including financial, operational and compliance controls and risk management functions and in particular, the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget; and

(v) made recommendation on the appointment or reappointment of the external auditor and approved their terms of engagement.

NOMINATION COMMITTEE

The Board set up the Nomination Committee on 9th March, 2007 with specific written terms of reference which clearly deal with its authority and duties. The Nomination Committee's roles are principally to review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes; identify individuals suitably qualified to become Board members and make recommendations to the Board in this regard; and assess the independence of independent non-executive directors.

The members of the Nomination Committee are as follows:–

Mr. Li Jianbo	Chairman *(executive director)*
Mr. See Tak Wah	Member *(independent non-executive director)*
Mr. Wong Cheong	Member *(independent non-executive director)*

REMUNERATION COMMITTEE

The Board set up the Remuneration Committee in May 2005 with specific written terms of reference which clearly deal with its authority and duties. The Remuneration Committee's role is to make recommendations to the Board on the remuneration policy and structure for directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the Remuneration Committee include determining the specific remuneration packages of all executive directors and senior management as well as reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. No director or any of his/her associates may be involved in any decisions as to his/her own remuneration.

The members of the Remuneration Committee are as follows:–

Madam Huang Haiping	Chairman *(executive director)*
Mr. See Tak Wah	Member *(independent non-executive director)*
Mr. Chau On Ta Yuen	Member *(independent non-executive director)*

CORPORATE GOVERNANCE REPORT

During the Year, the individual attendance of the directors for Board meetings, Audit Committee meetings, Nomination Committee meetings and Remuneration Committee meetings is set out below:–

		No. of meetings attended/ no. of meetings held		
Directors	**Board meetings**	**Audit Committee meetings**	**Nomination Committee meetings**	**Remuneration Committee meeting**
Executive directors				
Mr. Lo Cheung Kin	8/8	Not applicable	Not applicable	Not applicable
Madam Huang Haiping	6/8	Not applicable	Not applicable	2/2
Mr. Li Jianbo	8/8	Not applicable	2/2	Not applicable
Madam Song Xiaoling (appointed on 24th October, 2008)	2/8	Not applicable	Not applicable	Not applicable
Independent non-executive directors				
Mr. See Tak Wah	5/8	2/2	2/2	2/2
Mr. Wong Cheong	6/8	2/2	2/2	Not applicable
Mr. Chau On Ta Yuen (appointed on 1st December, 2008)	1/8	0/2	Not applicable	0/2
Mr. David Gregory Jeaffreson, *CBE, JP* (passed away on 30th October, 2008)	2/8	2/2	Not applicable	1/2

AUDITOR'S REMUNERATION

During the Year, Deloitte Touche Tohmatsu, the external auditor of the Company, provided the following services to the Group and their respective fees charged are set out below:–

	Fees charged for the year ended 31st January	
Type of services	**2009**	2008
	HK$	*HK$*
Audit fee for the Group	**490,000**	490,000
Taxation services	**47,800**	21,500
Agreed upon procedure engagements	**30,000**	30,000
Special engagements	**100,000**	95,000
Total	**667,800**	636,500

RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The directors of the Company acknowledge their responsibility for preparing the accounts which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about their reporting responsibilities is set out on pages 22 to 23 of this Annual Report.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROLS

A sound and effective internal control system is important to safeguard the shareholders' investment and the Company's assets. During the Year, the Board reviewed the effectiveness of the internal control system of the Group. The review covered all material controls, including financial, operational and compliance controls and risk management functions of the Group. The Board in particular considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. In view of the fact that the Company still keeps Mr. Chiu Wai On as its Qualified Accountant, the Board considers this arrangement should be adequate in respect of the Company's accounting and financial reporting function.

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31st January, 2009.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and the principal activities of its subsidiaries are set out in note 16 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31st January, 2009 are set out in the consolidated income statement on page 24.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 21 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the Year are set out on page 27 and in note 22 to the consolidated financial statements, respectively.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for 78% of the Group's revenue. The aggregate purchase attributed to the Group's five largest suppliers were 14% of total purchases of the Group. The largest customer and supplier accounted for approximately 41% and 7% of the Group's turnover and purchases, respectively.

At no time during the Year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) has an interest in any of the Group's five largest suppliers or customers.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and of the Company are set out in note 15 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the Year and up to the date of this report were:

Executive directors:

Mr. Lo Cheung Kin	
Mr. Li Jianbo	
Madam Huang Haiping	
Madam Song Xiaoling	(appointed on 24th October, 2008)

Independent non-executive directors:

Mr. See Tak Wah	
Mr. Wong Cheong	
Mr. Chau On Ta Yuen	(appointed on 1st December, 2008)
Mr. David Gregory Jeaffreson, *CBE, JP*	(passed away on 30th October, 2008)

In accordance with Article 81 of the Company's Articles of Association, Madam Huang Haiping and Mr. Wong Cheong shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Article 77 of the Company's Articles of Association, Madam Song Xiaoling and Mr. Chau On Ta Yuen shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INTERESTS OF DIRECTORS

At 31st January, 2009, the interests 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 Companies, were as follows:

Name of director	Capacity	Number of securities	Percentage of issued ordinary share capital
Lo Cheung Kin	Corporate (*Note)*	29,173,638 Shares (L)	27.27%
Li Jianbo	Beneficial	776,000 Shares (L)	0.73%

(L) denotes long position

Note: The ordinary shares are held in the name of Mass Honour Investment Limited which is wholly beneficially owned by Mr. Lo Cheung Kin.

Save as disclosed herein, at 31st January, 2009, 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 of Securities Transactions by Directors of Listed Companies.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the directors, at 31st January, 2009, 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 shareholder	Capacity	Number and class of securities	Percentage of issued ordinary share capital
Mass Honour Investment Limited	Beneficial	29,173,638 Shares (L)	27.27%

(L) denotes long position

Save as disclosed above, at 31st January, 2009, the directors 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 under 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company or their respective spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices of the Company is set out in the "Corporate Governance Report" on pages 9 to 15.

SUFFICIENCY OF PUBLIC FLOAT

At the latest practicable date prior to the issue of this report, based on the information that is publicly available to the Company and within the knowledge of its directors, the Company has maintained sufficient public floats as required under the Listing Rules throughout the year ended 31st January, 2009.

POST BALANCE SHEET EVENT

Details of significant event occurring after the balance sheet date are set out in note 26 to the consolidated financial statements.

AUDITOR

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

LO CHEUNG KIN
Chairman

22nd May, 2009

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE MEMBERS OF BUILDMORE INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Buildmore International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 61, which comprise the consolidated balance sheet and Company's balance sheet as at 31st January, 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st January, 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22nd May, 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31st January, 2009

	NOTES	**2009** **HK$**	2008 HK$
Revenue	7	**4,495,674**	4,630,522
Direct operating costs		**(598,805)**	(1,162,315)
Gross profit		**3,896,869**	3,468,207
Other income		**684,355**	1,168,589
Administrative expenses		**(4,438,430)**	(4,018,195)
(Decrease) increase in fair value of investment properties		**(8,723,681)**	823,082
Net exchange loss		**(1,105,244)**	–
(Loss) profit before taxation		**(9,686,131)**	1,441,683
Taxation credit	9	**1,395,006**	2,862,168
(Loss) profit for the year	10	**(8,291,125)**	4,303,851
Basic (loss) earnings per share	13	**HK(7.75) cents**	HK4.58 cents

	NOTES	2009 HK$	2008 HK$
Non-current assets			
Investment properties	14	**85,749,294**	85,379,452
Property, plant and equipment	15	**775,386**	836,827
		86,524,680	86,216,279
Current assets			
Trade and sundry receivables and prepayments	17	**372,199**	1,052,818
Bank balances and cash	18	**37,701,724**	44,669,825
		38,073,923	45,722,643
Current liabilities			
Sundry payables, deposits received and accruals		**1,362,638**	1,596,848
Amount due to a director	19	**52,239**	59,239
Preference share dividend payable		**–**	1,615,426
Taxation		**665,923**	1,120,745
		2,080,800	4,392,258
Net current assets		**35,993,123**	41,330,385
Total assets less current liabilities		**122,517,803**	127,546,664
Non-current liability			
Deferred taxation	20	**10,938,703**	12,042,263
Net assets		**111,579,100**	115,504,401
Capital and reserves			
Share capital	21	**106,973,638**	106,973,638
Reserves		**4,605,462**	8,530,763
Equity attributable to equity holders of the Company		**111,579,100**	115,504,401

The consolidated financial statements on pages 24 to 61 were approved and authorised for issue by the Board of Directors on 22nd May, 2009 and are signed on its behalf by:

LO CHEUNG KIN
DIRECTOR

LI JIANBO
DIRECTOR

BALANCE SHEET

At 31st January, 2009

	NOTES	2009 HK$	2008 HK$
Non-current assets			
Property, plant and equipment	15	**15,349**	19,077
Interests in subsidiaries	16	**66,348,652**	66,887,113
Amounts due from subsidiaries	19	**11,050,420**	–
		77,414,421	66,906,190
Current assets			
Sundry receivables and prepayments		**148,160**	244,955
Amounts due from subsidiaries	19	**3,452,451**	3,517,174
Bank balances and cash	18	**29,377,544**	42,669,609
		32,978,155	46,431,738
Current liabilities			
Accruals		**568,544**	767,143
Amounts due to subsidiaries	19	**2,032,464**	1,117,861
Preference share dividend payable		**–**	1,615,426
		2,601,008	3,500,430
Net current assets		**30,377,147**	42,931,308
Net assets		**107,791,568**	109,837,498
Capital and reserves			
Share capital	21	**106,973,638**	106,973,638
Reserves	22	**817,930**	2,863,860
Equity attributable to equity holders of the Company		**107,791,568**	109,837,498

LO CHEUNG KIN
DIRECTOR

LI JIANBO
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st January, 2009

	Share capital HK$	Share premium HK$	Shareholder's contribution HK$	Translation reserve HK$	Accumulated losses HK$	Total HK$
At 1st February, 2007	89,173,638	196,187,821	4,536,895	1,966,231	(205,166,902)	86,697,683
Exchange difference arising on translation from functional to presentation currency recognised directly in equity	–	–	–	5,314,467	–	5,314,467
Profit for the year	–	–	–	–	4,303,851	4,303,851
Total recognised income for the year	–	–	–	5,314,467	4,303,851	9,618,318
Shares issued during private placement	17,800,000	1,780,000	–	–	–	19,580,000
Share issue expenses	–	(391,600)	–	–	–	(391,600)
At 31st January, 2008	106,973,638	197,576,221	4,536,895	7,280,698	(200,863,051)	115,504,401
Exchange difference arising on translation from functional to presentation currency recognised directly in equity	–	–	–	4,365,824	–	4,365,824
Loss for the year	–	–	–	–	(8,291,125)	(8,291,125)
Total recognised income (expense) for the year	–	–	–	4,365,824	(8,291,125)	(3,925,301)
At 31st January, 2009	106,973,638	197,576,221	4,536,895	11,646,522	(209,154,176)	111,579,100

The shareholder's contribution represents the excess of the Group's interest in the net fair value of a subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of the acquisition of that subsidiary from a shareholder in prior year which was deemed as a shareholder's contribution.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st January, 2009

	2009	2008
	HK$	*HK$*
OPERATING ACTIVITIES		
(Loss) profit before taxation	**(9,686,131)**	1,441,683
Adjustments for:		
Depreciation of property, plant and equipment	**142,952**	54,089
Interest income	**(662,877)**	(1,043,890)
Gain on dissolution of subsidiaries	**(14,800)**	–
Decrease (increase) in fair value of investment properties	**8,723,681**	(823,082)
Net exchange loss	**1,105,244**	–
Operating cash flows before movements in working capital	**(391,931)**	(371,200)
Decrease in trade and sundry receivables and prepayments	**200,619**	817,089
Decrease in sundry payables, deposits received and accruals	**(226,410)**	(840,921)
Decrease in amount due to a director	**–**	(10,970)
Cash used in operations	**(417,722)**	(406,002)
Overseas profit tax paid	**(209,812)**	(290,445)
NET CASH USED IN OPERATING ACTIVITIES	**(627,534)**	(696,447)
INVESTING ACTIVITIES		
Purchase of investment properties	**(5,450,419)**	(5,328,586)
Purchase of property, plant and equipment	**(45,545)**	(454,658)
Interest received	**662,877**	1,043,890
NET CASH USED IN INVESTING ACTIVITIES	**(4,833,087)**	(4,739,354)

	2009	2008
	HK$	HK$
FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	–	19,580,000
Share issue expenses	–	(391,600)
Payment of preference share dividend	(1,615,426)	–
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(1,615,426)	19,188,400
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,076,047)	13,752,599
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	44,669,825	30,777,977
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	107,946	139,249
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY		
Bank balances and cash	37,701,724	44,669,825

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office and principal place of business of the Company are disclosed in the "Corporation Information" section of the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are property investment and property management.

The consolidated financial statements are presented in Hong Kong dollars and the functional currency of the Company and its subsidiaries is Renminbi ("RMB"). As the Company is listed on The Stock Exchange of Hong Kong Limited, the directors consider that it is appropriate to present the consolidated financial statements in Hong Kong dollars ("HKD").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)")

In the current year, the Group has applied the following amendments and interpretations ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of financial assets
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 how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)") (continued)

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKAS 1 (Revised)	Presentation of financial statements [3]
HKAS 23 (Revised)	Borrowing costs [3]
HKAS 27 (Revised)	Consolidated and separate financial statements [4]
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation [3]
HKAS 39 (Amendment)	Eligible hedged items [4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate [3]
HKFRS 2 (Amendment)	Vesting conditions and cancellations [3]
HKFRS 3 (Revised)	Business combinations [4]
HKFRS 7 (Amendment)	Improving disclosures about financial instruments [3]
HKFRS 8	Operating segments [3]
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives [5]
HK(IFRIC) – INT 13	Customer loyalty programmes [6]
HK(IFRIC) – INT 15	Agreements for the construction of real estate [3]
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation [7]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners [4]
HK(IFRIC) – INT 18	Transfers of assets from customers [8]

[1] Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009.

[2] Effective for annual periods beginning on or after 1st January, 2009, 1st July, 2009 and 1st January, 2010, as appropriate.

[3] Effective for annual periods beginning on or after 1st January, 2009.

[4] Effective for annual periods beginning on or after 1st July, 2009.

[5] Effective for annual periods ending on or after 30th June, 2009.

[6] Effective for annual periods beginning on or after 1st July, 2008.

[7] Effective for annual periods beginning on or after 1st October, 2008.

[8] Effective for transfers on or after 1st July, 2009.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st 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 the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less identified impairment loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Property management income is recognised when services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair value using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the group entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (translation reserve). Such exchange differences are recognised in profit or loss in the period in which the relevant operation is disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of other assets and liabilities in a translation that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") and other schemes managed by the People's Republic of China (excluding Hong Kong) ("PRC") government are charged as an expense when employees have rendered services entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and sundry receivables and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, those that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. In determining whether there is any impairment for a portfolio of receivables, the Group considers past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days and other observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade and sundry receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including sundry payables and amount due to a director are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The Group's overall strategy remains unchanged from both years.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares as well as the addition of new borrowings.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*
Financial assets				
Loans and receivables (including cash and cash equivalents)	**37,900,204**	45,000,350	**43,880,415**	46,212,786
Financial liabilities				
Amortised cost	**131,204**	2,613,262	**2,032,464**	2,733,287

Financial risk management objectives and policies

The Group's major financial instruments include trade and sundry receivables, bank balances, sundry payables, deposits received and amount due to a director. The Company's major financial instruments include sundry receivables, amounts due from subsidiaries, bank balances, sundry payables and amounts due to subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

In the current financial year, the Group collected all of its revenue in RMB and incurred most of the expenditures as well as capital expenditures in RMB. Hence, the directors considered that the Group's exposure to foreign currency exchange risk arising from its operating activities is insignificant as the majority of the Group's operating activities are denominated in functional currency of the respective group entities.

5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Currency risk (continued)

The carrying amounts of the Group and Company's foreign currency denominated monetary assets at the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*
HKD	**29,429,000**	42,670,000	**29,378,000**	42,670,000

The Group and the Company currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Sensitivity analysis

The Group and the Company are mainly exposed to the change in exchange rate of HKD.

The following table details the sensitivity to a 5% decrease and increase in RMB against HKD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates a decrease in loss for the year ended 31st January, 2009 (2008: an increase in profit) where RMB weakens 5% against HKD. For a 5% strengthening of RMB against HKD, there would be an equal and opposite impact on the loss for the year ended 31st January 2009 (2008: the profit) and the balances below would be negative.

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*
Profit or loss	**1,471,000**	2,133,000	**1,469,000**	2,133,000

This is mainly attributable to the exposure on HKD bank balances at year end in the Group and the Company.

5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk

The Group's credit risk are primarily attributable to trade and sundry receivables and bank balances. The Company's credit risk are primarily attributable to sundry receivables, amounts due from subsidiaries and bank balances.

The Group's and the Company's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st January, 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated and the Company's balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other debts at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts.

In order to minimise the credit risk of the Company on the amounts due from subsidiaries, the management of the Company closely monitored the recoverability of the amounts due. In this regards, the directors of the Company consider that the Company's credit risk on the amounts due from subsidiaries is significantly reduced.

The Group's and the Company's bank balances are deposited with banks in Hong Kong and the PRC. The credit risk on liquid funds is limited because the counterparties are banks with good credit-rating.

The Group does not have any significant concentration of credit risk on trade debtors. As at 31st January, 2009 and 2008, the Group's trade receivables were neither past due nor impaired and the management closely monitors the subsequent settlement of the tenants and does not grant long credit period to the counterparties. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade debtors consist of a large number of customers.

The Company does not have any significant concentration of credit risk on sundry receivables.

5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk

The directors consider that liquidity risk is limited after considering the future cash flow of the Group and the Company in the foreseeable future as the Group and the Company have mainly short-term liabilities which are to be repaid within two months from respective balance sheet dates. The Group and the Company manage liquidity risk by maintaining sufficient reserves and bank by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value

The fair value of other financial assets and financial liabilities are determined in accordance with general accepted pricing models based on discounted cash flow analysis, using prices or rates from observable market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Group's consolidated financial statements and the Company's balance sheet approximate their fair values at the balance sheet date.

6. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet dates, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

At the balance sheet date, the Group's investment properties are stated at fair value of HK$85,749,294 (2008: HK$85,379,452) based on the valuation performed by an independent qualified professional valuer. In determining the fair value, the valuers have based on the market value basis which involves, inter-alia, certain estimates, including appropriate capitalisation rates and reversionary income potential. In relying on the valuation, management has exercised their judgment and is satisfied that the method of valuation is reflective of the current market conditions.

7. REVENUE

Revenue represents property rental and property management fee received and receivable during the year. An analysis of turnover, which has the same meaning as revenue as defined above, is set out in note 8.

8. 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.

(a) Business Segments

CONSOLIDATED INCOME STATEMENT

	Property investment		Property management		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Turnover	**4,060,684**	3,738,511	**434,990**	892,011	**4,495,674**	4,630,522
Segment results	**(5,798,285)**	3,930,431	**(310,106)**	(427,989)	**(6,108,391)**	3,502,442
Unallocated corporate income					**684,355**	1,168,589
Unallocated corporate expenses					**(4,262,095)**	(3,229,348)
(Loss) profit before taxation					**(9,686,131)**	1,441,683
Taxation credit					**1,395,006**	2,862,168
(Loss) profit for the year					**(8,291,125)**	4,303,851

8. SEGMENT INFORMATION (continued)

(a) Business Segments (continued)

CONSOLIDATED BALANCE SHEET

	Property investment		Property management		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
ASSETS						
Segment assets	**86,720,159**	86,501,724	**13,211**	23,341	**86,733,370**	86,525,065
Unallocated corporate assets					**37,865,233**	45,413,857
Consolidated total assets					**124,598,603**	131,938,922
LIABILITIES						
Segment liabilities	**771,434**	711,125	**22,660**	14,228	**794,094**	725,353
Unallocated corporate liabilities					**12,225,409**	15,709,168
Consolidated total liabilities					**13,019,503**	16,434,521

OTHER INFORMATION

	Property investment		Property management		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Depreciation	**142,952**	54,089	**–**	–	**142,952**	54,089
(Decrease) increase in fair value of investment properties	**(8,723,681)**	823,082	**–**	–	**(8,723,681)**	823,082

(b) Geographical Segments

The Group's turnover is principally generated in the PRC and all the segment assets are located in the PRC. Accordingly, no analysis of the turnover and the carrying amount of segment assets by geographical segment is presented.

9. TAXATION CREDIT

	2009	2008
	HK$	*HK$*
Current tax charge:		
PRC	**(212,645)**	(350,031)
Deferred tax:		
Current year *(note 20)*	**1,607,651**	(313,453)
Attributable to change in tax rate *(note 20)*	**–**	3,525,652
Taxation credit attributable to the Company and its subsidiaries	**1,395,006**	2,862,168

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had no assessable profits derived in Hong Kong for both years. Taxation arising in the PRC is calculated at the rate prevailing in the relevant jurisdiction.

Details of the deferred taxation are set out in note 20.

On 16th 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 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations have changed the tax rate from 33% to 25% for the PRC subsidiary of the Company from 1st January, 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the liability is settled.

9. TAXATION CREDIT (continued)

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated income statement as follows:

	2009	2008
	HK$	*HK$*
(Loss) profit before taxation	**(9,686,131)**	1,441,683
Tax at income tax rate of 25% (2008: 33%)	**(2,421,533)**	475,755
Tax effect of expenses not deductible for tax purpose	**57,570**	20,483
Tax effect of income not taxable for tax purpose	**(115,525)**	(190,323)
Tax effect of estimated tax losses not recognised	**641,273**	467,503
Effect of different tax rates of group entities operating in other jurisdictions	**443,209**	(109,934)
Decrease in opening deferred tax liabilities resulting from a decrease in applicable tax rate	**–**	(3,525,652)
Taxation credit for the year	**(1,395,006)**	(2,862,168)

10. (LOSS) PROFIT FOR THE YEAR

	2009	2008
	HK$	*HK$*
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**615,680**	642,700
Bank interest income	**(662,877)**	(1,043,890)
Depreciation of property, plant and equipment	**142,952**	54,089
Directors' emoluments *(note 11)*	**1,187,964**	1,028,959
Gross rents from investment properties under operating leases	**(4,060,684)**	(3,738,511)
Less: Outgoings	**260,637**	319,347
Net rental income	**(3,800,047)**	(3,419,164)
Other staff costs (including contribution to retirement benefits schemes of HK$12,800 (2008: HK$17,200))	**1,132,174**	1,610,058
Operating lease rentals in respect of premises	**87,389**	59,595
Gain on dissolution of subsidiaries	**(14,800)**	–

11. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS

Directors' emoluments

The emoluments paid or payable to each of the 8 (2008: 10) directors were as follows:

For the year ended 31st January, 2009

	Lo Cheung Kin	Li Jianbo	Huang Haiping	David Gregory Jeaffreson	See Tak Wah	Wong Cheong	Song Xiaoling	Chau On Ta Yuen	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
Other emoluments									
Salaries and other benefits	386,208	199,656	204,000	90,000	120,000	120,000	18,000	20,000	1,157,864
Contributions to retirement benefits schemes	6,000	–	10,200	–	6,000	6,000	900	1,000	30,100
Total emoluments	392,208	199,656	214,200	90,000	126,000	126,000	18,900	21,000	1,187,964

For the year ended 31st January, 2008

	Lo Cheung Kin	Li Jianbo	Huang Haiping	David Gregory Jeaffreson	See Tak Wah	Wong Cheong	Jong Kong Ki	So Yiu Kong	Yin Hoi Yeung	Jong Lai Ching	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
Fees	339,398	162,911	180,000	96,000	96,000	96,000	–	–	–	–	970,309
Other emoluments											
Salaries and other benefits	–	–	15,000	8,000	8,000	8,000	–	–	–	–	39,000
Contributions to retirement benefits schemes	–	–	9,250	–	5,200	5,200	–	–	–	–	19,650
Total emoluments	339,398	162,911	204,250	104,000	109,200	109,200	–	–	–	–	1,028,959

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

11. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (continued)

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, four (2008: four) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining (2008: one) individual was as follows:

	2009	2008
	HK$	*HK$*
Salaries and allowances	**216,000**	325,000
Contributions to retirement benefits schemes	**8,000**	12,000
	224,000	337,000

During the year, no emoluments were paid by the Group to the above individual as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDEND

No dividend was paid or proposed during 2009, nor has any dividend been proposed since the balance sheet date (2008: nil).

13. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the following data:

	2009	2008
	HK$	*HK$*
(Loss) earnings for the purposes of basic (loss) earnings per share attributable to equity holders of the Company	**(8,291,125)**	4,303,851
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**106,973,638**	94,001,583

No computation of diluted (loss) earnings per share for the years ended 31st January, 2009 and 2008 is presented as there were no potential ordinary shares outstanding during the year.

14. INVESTMENT PROPERTIES

	THE GROUP
	HK$
FAIR VALUE	
At 1st February, 2007	73,199,281
Additions	5,328,586
Increase in fair value recognised in the consolidated income statement	823,082
Exchange adjustments	6,028,503
At 31st January, 2008	85,379,452
Additions	5,450,419
Decrease in fair value recognised in the consolidated income statement	(8,723,681)
Exchange adjustments	3,643,104
At 31st January, 2009	85,749,294

The fair value of the Group's investment properties with carrying amount of HK$85,749,294 at 31st January, 2009 (2008: HK$85,379,452) has been arrived at on the basis of a valuation carried out on that date by Messrs DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. Messrs DTZ Debenham Tie Leung Limited have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the property.

The investment properties were situated in the PRC and held on medium-term lease. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

15. PROPERTY, PLANT AND EQUIPMENT

	Air-conditioning system	Furniture and fixtures	Office equipment	Computer system	Motor vehicles	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
THE GROUP						
COST						
At 1st February, 2007	38,000	43,410	68,582	197,300	379,261	726,553
Additions	–	4,380	20,911	6,290	423,077	454,658
Exchange adjustments	–	–	3,241	–	29,071	32,312
At 31st January, 2008	38,000	47,790	92,734	203,590	831,409	1,213,523
Additions	–	–	45,545	–	–	45,545
Exchange adjustments	–	–	2,392	–	37,772	40,164
At 31st January, 2009	38,000	47,790	140,671	203,590	869,181	1,299,232
DEPRECIATION						
At 1st February, 2007	37,017	43,410	43,593	197,080	–	321,100
Provided for the year	98	876	9,259	1,302	42,554	54,089
Exchange adjustments	–	–	1,507	–	–	1,507
At 31st January, 2008	37,115	44,286	54,359	198,382	42,554	376,696
Provided for the year	89	701	14,957	1,042	126,163	142,952
Exchange adjustments	–	–	1,371	–	2,827	4,198
At 31st January, 2009	37,204	44,987	70,687	199,424	171,544	523,846
CARRYING VALUES						
At 31st January, 2009	796	2,803	69,984	4,166	697,637	775,386
At 31st January, 2008	885	3,504	38,375	5,208	788,855	836,827

15. PROPERTY, PLANT AND EQUIPMENT (continued)

	Air-conditioning system	Furniture and fixtures	Office equipment	Computer system	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
THE COMPANY					
COST					
At 1st February, 2007	38,000	43,410	39,540	197,300	318,250
Additions	–	4,380	11,800	6,290	22,470
At 31st January, 2008 and at 31st January, 2009	38,000	47,790	51,340	203,590	340,720
DEPRECIATION					
At 1st February, 2007	37,017	43,410	39,490	197,080	316,997
Provided for the year	98	876	2,370	1,302	4,646
At 31st January, 2008	37,115	44,286	41,860	198,382	321,643
Provided for the year	89	701	1,896	1,042	3,728
At 31st January, 2009	37,204	44,987	43,756	199,424	325,371
CARRYING VALUES					
At 31st January, 2009	796	2,803	7,584	4,166	15,349
At 31st January, 2008	885	3,504	9,480	5,208	19,077

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Air-conditioning system	10%
Furniture and fixtures	20%
Office equipment	20%
Computer system	20%
Motor vehicles	20%

16. INTERESTS IN SUBSIDIARIES

	THE COMPANY	
	2009	2008
	HK$	*HK$*
Unlisted shares, at cost	**66,348,652**	69,110,948
Less: Impairment losses recognised	**–**	(2,223,835)
	66,348,652	66,887,113

Details of the Company's subsidiaries at 31st January, 2009 and 2008 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Company – Directly 2009	Directly 2008	Indirectly 2009	Indirectly 2008	Paid up issued share capital/ registered capital	Principal activities
Victorfield (Fujian) Property Development Company Limited ("Victorfield ") (Wholly foreign-owned Enterprise ("WFOE"))	PRC	Paid in capital	**100%**	100%	**–**	–	US$500,000	Property investment and property management
Faith Stand (China) Limited	Hong Kong/ PRC	Ordinary	**100%**	100%	**–**	–	HK$1	Property investment
Vast Glory Investment Limited	Hong Kong	Ordinary	**100%**	–	**–**	–	HK$1	Investment holding
Vast Glory (Fujian) Hotel Management Limited (WFOE)	PRC	Paid in capital	**–**	–	**100%**	–	HK$5,600,000	Not yet commence business

16. INTERESTS IN SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ operation	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Company: Directly 2009	Directly 2008	Indirectly 2009	Indirectly 2008	Paid up issued share capital/ registered capital	Principal activities
Buildmore Finance Limited *(Note)*	Hong Kong	Ordinary	-	100%	-	–	HK$1,000,000	Inactive
Keen Luck (China) Limited *(Note)*	Hong Kong/ PRC	Ordinary	-	100%	-	–	HK$10,000	Inactive
Lloyd Bridge Investment (H.K.) Limited *(Note)*	Hong Kong	Ordinary	-	100%	-	–	HK$100,000	Inactive

Note: The subsidiaries were dissolved during the year.

None of the subsidiaries had issued any debt securities during the year or at year end. There was no change on the proportion of nominal value of issued share capital/registered capital held by the Company directly at 31st January, 2009 and 2008.

17. TRADE AND SUNDRY RECEIVABLES AND PREPAYMENTS

	THE GROUP 2009 HK$	2008 HK$
Trade receivables aged 0-30 days	**198,480**	304,522
Sundry receivables and prepayments	**173,719**	748,296
	372,199	1,052,818

The Group allows a general credit period of one month to its trade customers. In general, credit will only be offered to customers in accordance with their financial credit abilities and established payment records.

17. TRADE AND SUNDRY RECEIVABLES AND PREPAYMENTS (continued)

As at 31st January, 2009 and 2008, trade receivables were neither past due nor impaired. No counterparty default was noted in the past.

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

	2009	2008
	HK$	*HK$*
Balance at beginning of the year	**–**	661,217
Written off	**–**	(661,217)
Balance at end of the year	**–**	–

In determining the recoverability of trade and sundry receivables, the Group considers any change in the credit quality of the trade and sundry receivables from the date credit was initially granted up to the report date. Accordingly, the directors believe that there is no further credit provision required.

18. BANK BALANCES AND CASH

THE GROUP AND THE COMPANY

The bank balances of the Group are mainly denominated in RMB or HKD, while the bank balances of the Company are denominated in HKD. The balances carried interest at interest rates which range from 0.01% to 0.73% per annum (2008: 0.72% to 2.85% per annum). Included in the bank balances and cash of the Group are amounts in RMB of approximately HK$8,273,000 (2008: HK$2,000,000), which is not freely convertible into other currencies.

The bank balances of the Group of approximately HK$29,429,000 (2008: HK$42,670,000) were denominated in HKD, the currency other than the functional currency of the respective group entities.

The bank balances of the Company of approximately HK$29,378,000 (2008: HK$42,670,000) were denominated in HKD, the currency other than the functional currency of the Company.

19. AMOUNTS DUE FROM/TO SUBSIDIARIES AND A DIRECTOR

THE GROUP

The amount due to a director is unsecured, non-interest bearing and repayable on demand.

THE COMPANY

The amounts due from subsidiaries are unsecured and non-interest bearing. HK$11,050,420 (2008: nil) of the balance is expected to be repayable after one year and shown under non-current assets. The remaining balance is expected to be repayable within twelve months and shown under current assets.

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

20. DEFERRED TAXATION

THE GROUP

The following is the deferred tax liability recognised and movement thereon during the current and prior year:

	Investment properties *HK$*
At 31st January, 2007	14,166,193
Exchange adjustment	1,088,269
Charge to consolidated income statement for the year	313,453
Effect of change in tax rate	(3,525,652)
At 31st January, 2008	12,042,263
Exchange adjustments	504,091
Credit to consolidated income statement for the year	(1,607,651)
At 31st January, 2009	10,938,703

At the balance sheet date, estimated unused tax losses of HK$18,695,000 (2008: HK$15,135,000) are available for offset against future profits. No deferred tax asset has been recognised in respect of unrecognised estimated tax losses due to the unpredictability of future profit stream. The tax losses may be carried forward indefinitely.

20. DEFERRED TAXATION (continued)

THE COMPANY

At the balance sheet date, estimated unused tax losses of HK$18,685,000 (2008: HK$15,083,000) are available for offset against future profits. No deferred tax asset has been recognised in respect of unrecognised estimated tax losses due to the unpredictability of future profit stream. The tax losses may be carried forward indefinitely.

21. SHARE CAPITAL

	Number of shares		Amount	
	2009	2008	**2009**	2008
			HK$	*HK$*
Authorised:				
Ordinary shares of HK$1.00 each				
At beginning of the year	**5,000,000,000**	200,000,000	**5,000,000,000**	200,000,000
Increase on 15th October, 2007 *(Note 1)*	**–**	4,800,000,000	**–**	4,800,000,000
At end of the year	**5,000,000,000**	5,000,000,000	**5,000,000,000**	5,000,000,000
Issued and fully paid:				
Ordinary shares of HK$1.00 each				
At beginning of the year	**106,973,638**	89,173,638	**106,973,638**	89,173,638
Private placement *(Note 2)*	**–**	17,800,000	**–**	17,800,000
At end of the year	**106,973,638**	106,973,638	**106,973,638**	106,973,638

Notes:

(1) Pursuant to the resolution passed on 15th October, 2007, the authorised share capital of the Company was increased from HK$200,000,000 divided into 200,000,000 ordinary shares of HK$1.00 each to HK$5,000,000,000 divided into 5,000,000,000 ordinary shares of HK$1.00 each by creation of an additional 4,800,000,000 ordinary shares.

(2) On 24th October, 2007, the Company placed 17,800,000 new ordinary shares of HK$1.00 each, for consideration of HK$1.10 per share, to independent third parties. The new shares ranked pari passu with the then existing shares in all respects. The Group applied the proceeds as general working capital of the Group and/or will be applied to any suitable future investments.

22. RESERVES

	Share premium	Shareholder's contribution	Translation reserve	Accumulated losses	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
		(note)			
THE COMPANY					
At 1st February, 2007	196,187,821	3,317,997	–	(207,671,941)	(8,166,123)
Additional share premium resulted from placing of new shares	1,780,000	–	–	–	1,780,000
Share issue expenses	(391,600)	–	–	–	(391,600)
Profit for the year	–	–	–	9,641,583	9,641,583
At 31st January, 2008	197,576,221	3,317,997	–	(198,030,358)	2,863,860
Exchange difference arising on translation from functional to presentation currency	–	–	1,175,388	–	1,175,388
Loss for the year	–	–	–	(3,221,318)	(3,221,318)
At 31st January, 2009	197,576,221	3,317,997	1,175,388	(201,251,676)	817,930

Note: The amount was arising from the fair value assessment of the loan from a shareholder in prior year in which the loan was granted under the off-market interest rate.

At 31st January, 2009 and 2008, the Company has no reserves available for distribution to shareholders.

23. DISSOLUTION OF SUBSIDIARIES

The net liabilities of the subsidiaries at the date of dissolution were as follows:

	HK$
Trade and sundry receivables	480,000
Sundry payables, deposits received and accruals	(7,800)
Amount due to a director	(7,000)
Taxation	(480,000)
	(14,800)
Gain on dissolution of subsidiaries	14,800
	–

The subsidiaries dissolved during the current year had no significant contribution to the Group's operating results or cash flows for the year.

24. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees' relevant aggregate income with a maximum monthly contribution of HK$1,000 per person. Contributions are charged to consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31st January, 2009 and 2008.

The Group's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in a state-managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to the consolidated income statement of HK$42,900 (2008: HK$36,850) represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

25. OPERATING LEASES

The Group as lessee

At the balance sheet date, the Group had commitment for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2009	2008
	HK$	*HK$*
Within one year	**85,432**	68,980
In the second to fifth years inclusive	**58,514**	111,931
	143,946	180,911

Operating lease payments represent rentals payable by the Group for certain of its office premises and car parks in the PRC. Leases are negotiated for a lease term of 1-2 years with fixed rental at initial recognition.

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2009	2008
	HK$	*HK$*
Within one year	**4,587,833**	3,129,057
In the second to fifth years inclusive	**2,662,729**	3,021,302
	7,250,562	6,150,359

The properties are expected to generate rental yields of 4.74% (2008: 3.66%) per annum on an ongoing basis. All the properties held have committed tenants for the next 1-2 years.

26. POST BALANCE SHEET EVENT

On 7th April, 2009, Victorfield, a subsidiary of the Company, entered into a conditional sale and purchase agreement with a former director of Victorfield for the acquisition of certain properties located in the PRC for a consideration of RMB3,191,948 (equivalent to about HK$3,625,442). The transaction has been completed on 16th May, 2009.

27. RELATED PARTY TRANSACTIONS

Details of balances with a director and subsidiaries are set out in note 19.

The Group's key management comprises of certain executive directors, who are also the shareholders of the Company. The details of remuneration of key management personnel are set out in note 11.

FINANCIAL SUMMARY

	Year ended 31st January,				
	2005	2006	2007	2008	**2009**
	HK$	*HK$*	*HK$*	*HK$*	***HK$***
	(restated)				
Revenue	304,000	45,757,333	2,796,661	4,630,522	**4,495,674**
Profit (loss) before taxation	3,300,743	(767,078)	25,957,246	1,441,683	**(9,686,131)**
Taxation credit (charge)	–	716,677	(1,246,088)	2,862,168	**1,395,006**
Profit (loss) for the year	3,300,743	(50,401)	24,711,158	4,303,851	**(8,291,125)**

	At 31st January,				
	2005	2006	2007	2008	**2009**
	HK$	*HK$*	*HK$*	*HK$*	***HK$***
	(restated)				
Total assets	62,522,818	60,000,994	105,968,235	131,938,922	**124,598,603**
Total liabilities	(6,989,018)	(4,517,595)	(19,270,552)	(16,434,521)	**(13,019,503)**
Shareholders' funds	55,533,800	55,483,399	86,697,683	115,504,401	**111,579,100**

Note: The Group's profit before taxation for the year ended 31st January, 2005 and total assets, total liabilities and total equity attributable to equity holders of the Company as at 31st January, 2005 are restated as a consequence of the adoption of HKAS 32 "Financial instruments: Disclosure and Presentation".