

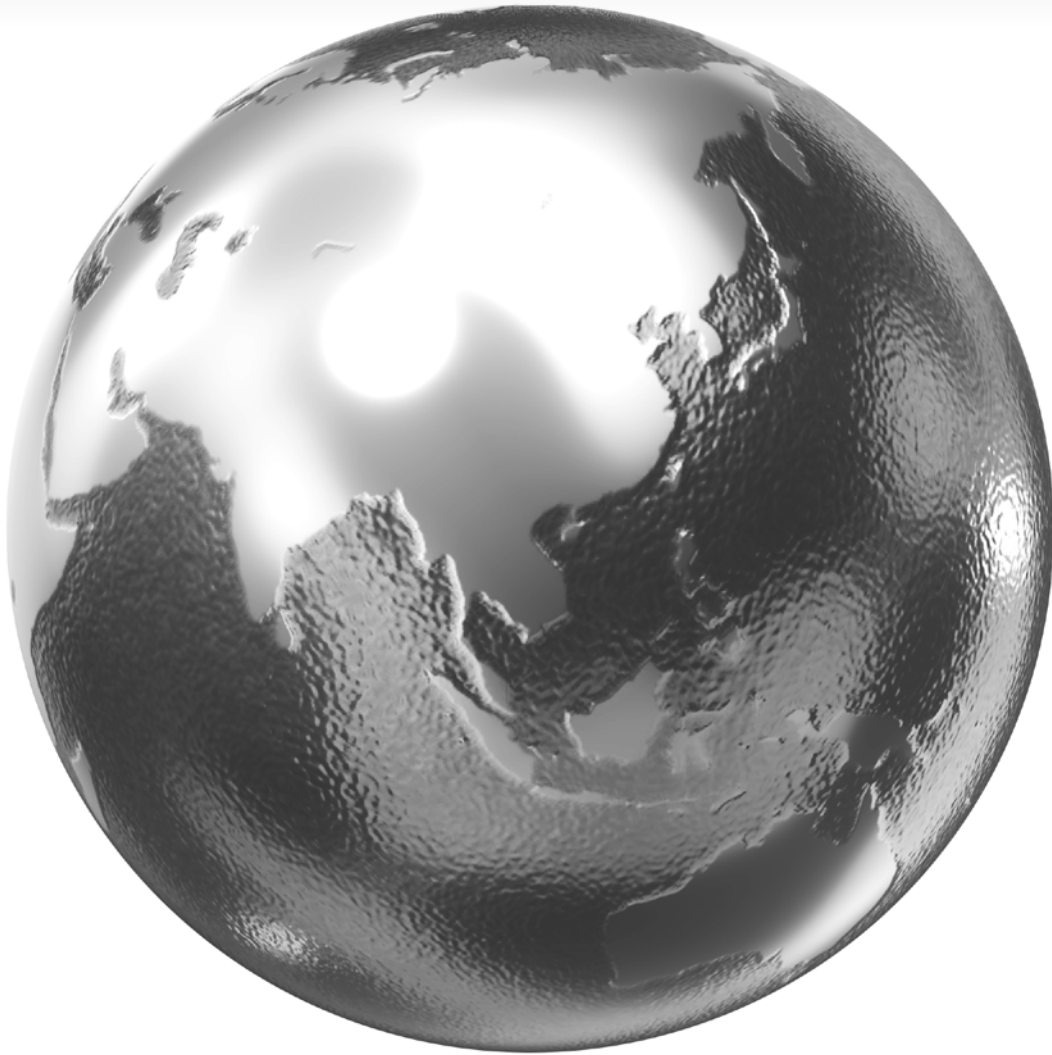
Van Shung Chong Holdings Limited
萬 順 昌 集 團 有 限 公 司



STEEL VALUE CHAIN

ANNUAL REPORT 2009 年報

Stock Code 股票代號 : 1001



VSC partners with its global and local customers to create competitive advantage for them. We do this through our expertise and China experience, with value-added processing, supply chain management and total solution service.

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CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Andrew Cho Fai YAO (*Chairman*)
Mr. Fernando Sai Ming DONG

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. CHOW Yei Ching
Mr. Harold Richard KAHLER
Mr. Kenny King Ching TAM
Mr. XU Lin Bao

COMPANY SECRETARY

Ms. TSE Sau Wai, FCS FCIS

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

SOLICITORS

JSM (on Hong Kong Laws)
Conyers Dill & Pearman (on Bermuda Laws)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas, Hong Kong Branch
Chong Hing Bank Limited
CITIC Ka Wah Bank Limited
DBS Bank (Hong Kong) Limited
Fortis Bank SA/NV, Singapore Branch
Industrial and Commercial Bank of China (Asia) Limited
Shanghai Commercial Bank Limited

SHARE REGISTRARS AND TRANSFER OFFICES

PRINCIPAL REGISTRAR

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

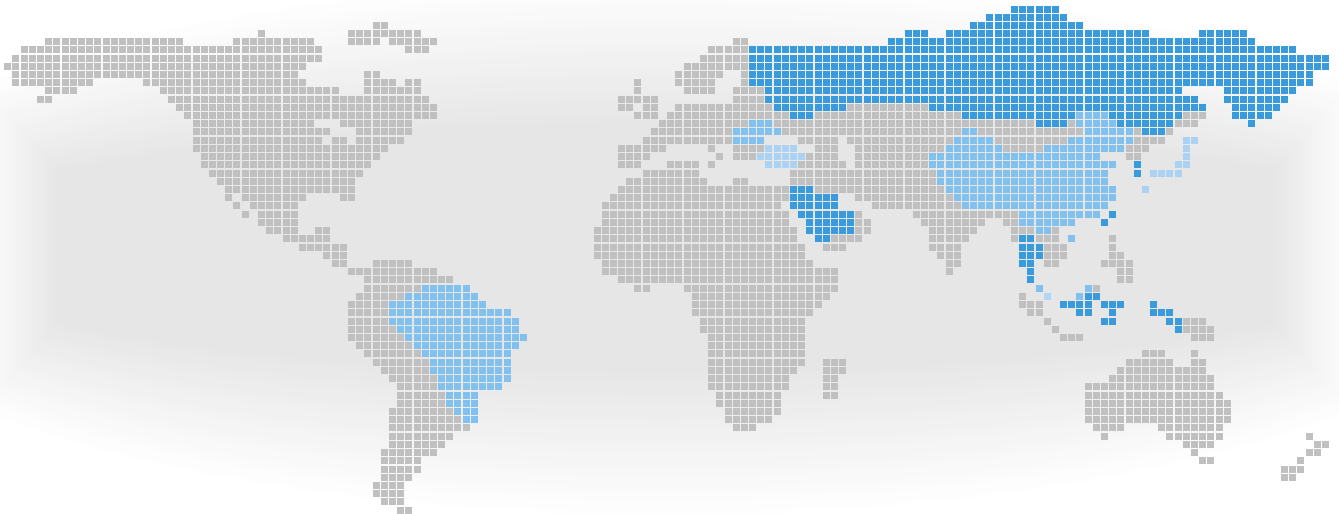
Rooms 4903-7, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Website : <http://www.vschk.com>
E-mail Address : vschk@vschk.com

LISTED ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Stock Code : 1001

OUR SELECTED MILLS



China

Anshan Iron & Steel
Baosteel Corp.
BenXi Iron & Steel
Fushan New Steel
Guangzhou Doowon
Guangzhou Iron & Steel
Jiangsu Shagang
Jiangyin Changfa
Jinan Steel
Jining Yauanda
Laiwu Steel
Lianzhong Stainless
Maanshan Iron & Steel
Shougang
Tianjin Tiantie
Wuhan Iron & Steel

Taiwan

China Steel Corporation
Feng Hsin Iron & Steel
Great Fortune
Hai Kwang
Tung Ho
Wei Chih

Japan

Chiyoda Steel
JFE
Kobe
Kyoei
NSC
Tokyo Steel
Yamato

Thailand

Siam Yamato
SCT
SUS
TCR
TCS

Korea

Dongbu
Dongkuk
Doowon
Hysco
Hyundai
Pocos
Posco
Union

Turkey

ICDAS
IDC

Russia

Zapsib

Brazil

Gerdau SA

Malaysia

Amsteel
Antara

Singapore

Natsteel

Ukraine

Krivorozhstal

Saudi Arabia

Hadeed

Indonesia

PT the Master

FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of these audited consolidated financial statements of Van Shung Chong Holdings Limited (the “Company” or “VSC”) and its subsidiaries (together the “VSC Group”) for the respective years as hereunder stated.

CONSOLIDATED INCOME STATEMENT

	Year ended 31st March 2005 HK\$'000	Year ended 31st March 2006 HK\$'000	Year ended 31st March 2007 HK\$'000	Year ended 31st March 2008 HK\$'000	Year ended 31st March 2009 HK\$'000
Revenue	4,138,621	4,574,939	4,867,657	5,677,792	4,659,507
Operating (loss)/profit	60,665	68,066	129,854	59,320	(194,978)
Net finance costs	(12,868)	(41,469)	(36,401)	(37,509)	(35,254)
(Loss)/profit before income tax	47,797	26,597	93,453	47,047	(256,740)
Income tax (expense)/credit	29	(68)	(12,534)	(1,876)	6,546
(Loss)/profit for the year	47,826	26,529	80,919	45,171	(250,194)
Attributable to:					
Equity holders of the Company	36,189	22,867	70,627	31,317	(278,252)
Minority interest	11,637	3,662	10,292	13,854	28,058
	47,826	26,529	80,919	45,171	(250,194)
Dividends	8,114	4,055	17,693	9,101	—

Note:

1. Certain prior years' figures have been reclassified to conform with the current year's presentation.

CONSOLIDATED BALANCE SHEET

	As at 31st March 2005 HK\$'000	As at 31st March 2006 HK\$'000	As at 31st March 2007 HK\$'000	As at 31st March 2008 HK\$'000	As at 31st March 2009 HK\$'000
Non-current assets	253,129	217,111	333,467	427,866	357,977
Current assets	2,019,703	1,630,092	1,915,225	2,425,056	901,342
Current liabilities	(1,376,754)	(1,083,826)	(1,148,069)	(1,652,470)	(682,959)
Non-current liabilities	(172,867)	(3,118)	(93,220)	(122,548)	(14,824)
Net assets	723,211	760,259	1,007,403	1,077,904	561,536
Equity:					
Share capital	36,861	36,861	36,861	38,043	38,143
Reserves	650,973	678,594	745,734	797,688	500,184
Capital and reserves attributable to equity holders	687,834	715,455	782,595	835,731	538,327
Minority interest	35,377	44,804	224,808	242,173	23,209
	723,211	760,259	1,007,403	1,077,904	561,536

CHAIRMAN'S STATEMENT

Fallout of the financial crisis:

2008–2009 was, by any standard, an unusual year. Our performance in the first half fiscal year was extremely encouraging as evidenced by the results announced in our interim report. For the first six months ended 30th September 2008, profit attributable to equity holders reached HK\$34.5 million on the back of reasonable returns from our steel trading and coil service center businesses.

In a separate development, currently up to 80% of VSC-Ryerson China Limited (“VSC-Ryerson China”) was successfully sold to Ryerson Pan-Pacific LLC (“Ryerson LLC”) as of 31st December 2008, and its holding company, Ryerson Inc., is a leading distributor and processor of metals in North America. VSC-Ryerson China, now an associate company of VSC Group, continued to thrive in the first half of the year, securing stamping and assembly orders from US Fortune 500 customers.

With the price of steel reaching an all-time high in August 2008, we continued to fare well in the first six months and secured some major Hong Kong infrastructure projects, covering our position with a full inventory. All indications pointed to a positive outlook.

But then, in October, as our steel inventory reached a record high, in both volume and an aggregate amount, the impact of the financial crisis began to take shape.

Business performance:

VSC Group's business was adversely impacted by these global developments. For the year ended 31st March 2009, VSC Group recorded a loss attributable to equity holders of approximately HK\$278 millions. The loss was caused mainly by some non-recurring items including the loss of approximately HK\$68 million on disposal of the 40% interest in VSC-Ryerson China; loss of approximately HK\$36 million incurred from the enclosure system manufacturing operation which has been scaled down and a write down in inventory value of approximately HK\$66 million to net realisable value. In addition, there was also a loss of around HK\$17 million on the revaluation of investment properties.

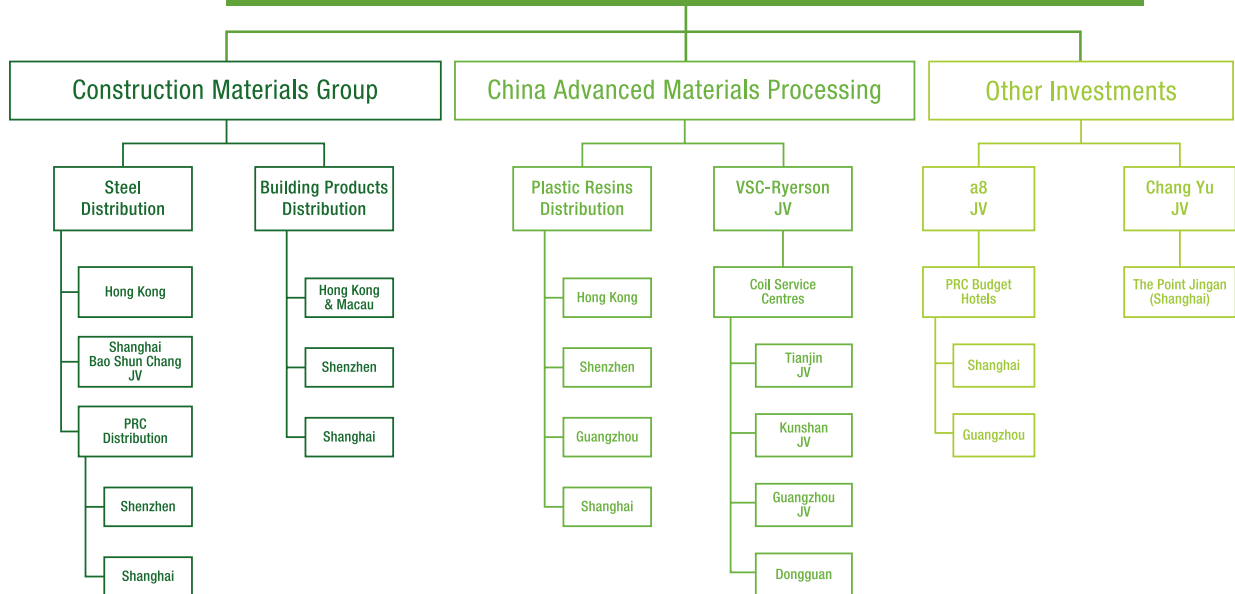
Crisis impact on the steel industry

Activity on construction projects worldwide, including the likes of the deferral on the construction of the Cathay Pacific Cargo Terminal in Hong Kong and some casino projects in Macau ground to a halt, triggered a major fall in the global demand for steel. The price of the raw material meanwhile fell by over 50% in the space of just one month.

The situation was further compounded by the fact that some of our customers, unable to fulfill their earlier commitments, defaulted on their contracts.

Our operations were also hampered by the new Law of The People's Republic of China On Employment Contracts, which had been revised recently, and raised the running costs of factories in Southern China to uncompetitive levels. Consequently, we were forced to scale down the operation of the enclosure system manufacturing business at our Shenzhen facility.

VAN SHUNG CHONG HOLDINGS LIMITED



Response measures:

Despite the tremendously tough operating environment, we responded rapidly to the challenges by implementing a series of measures that streamlined the overall efficiency of our operations.

A top priority was in consolidating human capital by restructuring our organization structure to reflect simplified and more efficient reporting lines. The scaling down of the enclosure system manufacturing operation in Shenzhen and the 80% stake sale of VSC-Ryerson China to Ryerson LLC also contributed towards the downsizing effort. We also have some cost cutting measures, such as slashed office space by 30%. As a result of these measures, we were able to cut fixed costs by more than 40%.

On the fiscal management side, by managing our working capital to a more efficient level during the year, we were able to cut back on our bank loans and improve on the overall gearing ratio. Our current cash balance is now at a healthy level, and we have every confidence this position can be maintained in the long run.

Improved management of our inventory has meanwhile kept reserves at a workable and reasonable level. Based on detailed customer analysis, our Hong Kong steel distribution business is now focusing its efforts on providing customers with quality value-added and tailor made services. The department has so far secured a total order of 150,000 tons, extending to fiscal 2010, representing a satisfactory increase in comparison to the same period last year.

We have also worked hard to successfully secure monetary compensation from some customers who earlier defaulted on fixed quantity high price contracts.

Future prospects:

Though the duration and scale of the global financial downturn remains uncertain, we are optimistic about the future economic outlook. VSC Group is particularly encouraged by the Hong Kong government's initiative to roll out ten major infrastructure projects over the next four years. These projects, which include the South Island Line, the Hong Kong-Zhuhai-Macao Bridge, West Kowloon Cultural District and the Kai Tak Development plan, will boost local employment and stimulate economic growth.

We are preparing for the emergence of these opportunities, which is expected to double the consumption of steel in the city. We will continue to carefully monitor our working capital level, widen our customers base and sales network, in an effort to broaden our market coverage.

Moving away from the steel trading business, we are also actively exploring other investment opportunities along the steel ecosystem as part of a broader effort to extract value along the chain and give shareholders maximum value.

Appreciation:

The steps taken during this year, though necessary, have been far from easy. I am particularly proud of the way our employees have come together to work as a cohesive team through both good and bad times. Their efforts have been critical to our success. I would also like to take this opportunity to extend my sincere gratitude to our long term bankers, loyal customers and long-term suppliers for their unwavering support through the years. I would like to thank our shareholders for their understanding and patience.

I am confident VSC Group will be well positioned to capture the opportunities ahead. With our balance sheet rebuilt, working capital strengthened, VSC Group's goals and objectives clearly identified, I am optimistic 2009–2010 will be a year of fruitful return.

Andrew Cho Fai Yao

Chairman & Chief Executive Officer

22nd July 2009

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was very challenging and difficult for both of our Construction Materials Group and China Advanced Materials Processing divisions. The global financial tsunami broken out in the last quarter of 2008 adversely affected our business environment as well as our operation results. For the FY2009, loss attributable to equity holders amounted to approximately HK\$278 million. The loss was mainly caused by some non-recurring items including loss of approximately HK\$68 million on disposal of 40% interest in VSC-Ryerson China Limited ("VSC-Ryerson China"); loss of approximately HK\$36 million was incurred with the enclosure system manufacturing operation which has been scaled down; write down in inventory value of approximately HK\$66 million to net realisable value. In addition, there was also a loss of approximately HK\$17 million on revaluation of investment properties.

However, stabilization and recovery measures implementing by respective governments, especially

launching of more infrastructure projects in faster steps, provides various business opportunities for the VSC Group in the year ending 31st March 2010 ("FY2010").

On operation efficiency of assets, the Days Sales Outstanding ("DSO"; average trade and bill receivables divided by revenue X 365 days) improved from about 50 days to about 41 days. Days of Supplies ("DOS"; average inventories divided by cost of sales X 365 days) decreased from about 48 days to about 43 days. Interest bearing borrowings reduced by approximately HK\$682 million to approximately HK\$501 million and interest expense decreased to approximately HK\$40 million. The VSC Group's gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to equity holders plus net debt) decreased from the last year's 45% to 40% at book close.



CONSTRUCTION MATERIALS GROUP (CMG)



The VSC Group's CMG operations comprise steel and building products distribution mainly in Hong Kong and the PRC.

As a result of the uncontrollable and unfavourable external factors caused by the global financial tsunami, loss of the CMG for FY2009 amounted to approximately HK\$99 million (FY2008: profit of approximately HK\$42 million) and a decrease in turnover of about 4% to HK\$3,296 million.

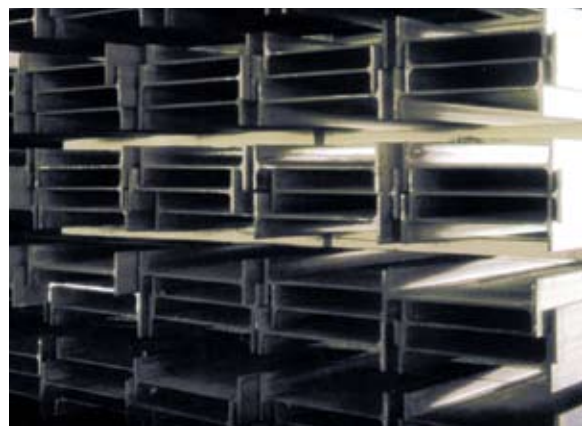
Steel Distribution

Steel distribution operations comprise of stockholding business of rebars, structural steel and engineering products in Hong Kong and steel distribution in the PRC. The VSC Group has a 66.7% owned joint venture — Shanghai Bao Shun Chang ("BSC"), which engages in the distribution of domestic steel products in Eastern China.



Hong Kong Steel Distribution ("HK Steel Department")

Global steel prices were experiencing dramatic increases in the first half of 2008 which came to a peak in August 2008. The global financial tsunami led by the US subprime mortgage in the last quarter of 2008 quickly reversed the direction of the steel prices which have decreased exceptional suddenly and sharply by more than 60% by early 2009. The steel sector has experienced a steep decline in demand while various construction projects in Hong Kong and Macau were suspended because of global recession and rigid credit markets caused by the global financial turmoil.



Despite the disappointed results for the reporting year, we believed that the global economy will gradually stabilize or recover as various governments and central banks around the world have implemented a series of economy stimulation actions. The global steel prices are now comparatively stable and the steel demand is gradually increasing. The HK Steel Department has recently obtained contracts to distribute steel rebars to various construction projects, such as the Central Wanchai Bypass, while the cumulated contracts in hand amounted to a total of about 150,000 tons.

The Hong Kong government has launched the plan of ten major infrastructure projects including the South Island Line, Hong Kong-Zhuhai-Macao Bridge, West Kowloon Cultural District and Kai Tak Development Plan. It is expected that the demand of steel will grow progressively in the FY2010. The VSC Group will continue to closely monitor the working capital level, widen the customers base and sales network to strengthen our market coverage, and will take a cautious approach to capture new business opportunities.

Mainland China Steel Distribution (“PRC Steel Department”)

Global steel price fluctuation also affected the steel trading business of the PRC Steel Department. Steel prices achieved its record high in the first half of last year and dropped sharply since last quarter of 2008. To minimise the impact and tried to hedge against the risk of fluctuation in steel prices as well as to maximise our gross profit margin, sales contracts are entered with a price variable clause to ensure our gross profit margin when there is any price fluctuation.

In respect of our 66.7% owned joint venture company, BSC also faced challenges in the reporting year. Nevertheless, its turnover increased by approximately 11% to about HK\$1,500 million when compared with that of last year. With the recovery of automobile industry in the PRC after the financial turmoil, BSC continues to operate with prosperous business opportunities.

Building Products Distribution

The business units of Building Products Distribution mainly engaged in distributing sanitary wares in Hong Kong, Shanghai, Shenzhen and Macau.

Hong Kong Building Products Department

operates a retail showroom in Wanchai, Hong Kong (“Leisure Plus”) which engages in distribution of sanitary wares to wholesalers and consumers as well as on project basis. Leisure Plus also engages in distribution of kitchen cabinets and home furniture in Hong Kong and distribution of sanitary wares to Macau. This department has maintained stable revenue in the reporting year of approximately HK\$86 million (FY2008: HK\$86 million).

Major outstanding projects currently secured by the department on project basis to supply sanitary wares for renovation including Hong Kong International Airport, Windsor House, World Trade Centre, Miramar Tower, HK Sanatorium & Hospital, Ocean Park, Housing Authority Ho Man Tin Headquarter, etc.

management discussion and analysis

Leisure Plus aims at helping customers to discover the art of quality scientific livelihood and stylish environment at home, it currently lined up with one of the most influential furnishing manufacturers in Italy — Santarossa to set up its first flagship store in Asia Pacific Region, introducing a new series of home furnishing products with functionality combined with aesthetics. Leisure Plus has enhanced its product range with kitchen carbinets and home furniture with its target to be a prestige one-stop home solution provider who fulfills all customers' needs about home.

Based on its sales and retail network, **Shanghai Leisure Plus** reported a revenue of approximately HK\$132 million (FY2008: HK\$121 million). To expand its retail channel, Shanghai Leisure Plus has opened an additional showroom during the reporting year. With expansion of retail channels, the showrooms and retail shops are expected to contribute steady revenue and profits to the VSC Group in the coming future.

During the FY2009, **Shenzhen Leisure Plus** realised a revenue of more than HK\$77 million (FY2008: HK\$36 million), and continued to operate a retail showroom in Shenzhen. The recent re-decoration of that showroom and a new retail shop opening soon are expected to facilitate Shenzhen Leisure Plus with future growth potential.



CHINA ADVANCED MATERIALS PROCESSING (CAMP)



CAMP division currently engages in plastic resins distribution and coil service centers operated under VSC-Ryerson China which is a joint venture with 20% owning by the VSC Group.

As announced in October and December 2008, respectively, the VSC Group has divested in aggregate 40% of its shareholding in VSC-Ryerson China during the year under review. In addition, due to high raw material cost and labour cost as a result of the new Law Of The People's Republic of China On Employment Contracts, the VSC Group scaled down the operation of the enclosure systems manufacturing business.

After the divestment in VSC-Ryerson China and the scaling down of the enclosure systems manufacturing business, the VSC Group continues to search for high potential investment opportunities to enhance the business of the CAMP division.

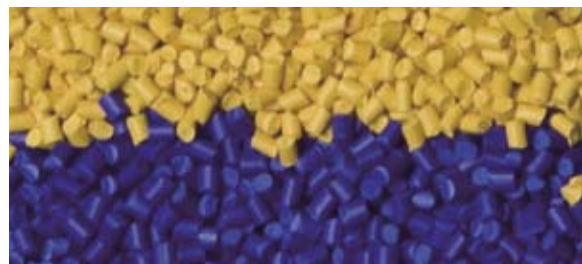
Plastic Resins Distribution (“Plastics Department”)

Plastics Department distributes general and engineering plastic resins, and services various industries including home appliances and toy manufacturers through innovative materials management programs. In recent months, Plastics Department has expanded its existing presence and is now actively selling in some cities of the PRC like Guangzhou, Shenzhen and Shanghai.

The reporting year provided growth and profits exceeding our plan in the first half of the year. However, the second half was very challenging and difficult as the global financial crisis caused commodities consumption to decrease significantly causing prices to collapse severely and suddenly.

The price of plastics dropped as much as 35%. Although volume decreases were very sudden, we were able to minimize the impact as a major metric is working capital management. We had changed our strategy to minimize inventory level and focus on back to back business. Another impact of the down market was that many customers started having cash flow issues. As we have managed a very conservative reserve policy for past due debt, the impact was manageable and planned.

Plastics Department will continue its expansion into the PRC. We will continue to aggressively manage working capital and accounts receivable risk. Expenses were also managed and reduced to reflect lower volume.



Coil Service Center Operations

The VSC Group currently owns a 20% shareholding interest of the Coil Service Center Operations which are operating by VSC-Ryerson China. It composed of four coil processing centers (Dongguan, Guangzhou, Kunshan and Tianjian), two sheet metal fabrication & manufacturing centers (Guangzhou and Kunshan) and one plate fabrication & manufacturing center (Kunshan).

The year under review provided growth and profits exceeding our plan in the first half of the year. However, the second half was very challenging and difficult as the global financial crisis caused steel consumption to decrease significantly causing steel prices to collapse severely and suddenly.

VSC-Ryerson China, while affected by volume decreases, was able to face the downturn as we had begun conservative working capital management and accounts receivable risk management long before the downturn. Our inventory levels as well as our collection had been managed in a very conservative manner thus allowing us to minimize the impact of the global downturn. In early 2008, we purchased credit insurance as we saw liquidity as a concern for small and medium size fabricators (50% of our sales). We are happy to report that the bad debt impact to VSC-Ryerson China was manageable and without consequence. Inventory management was a very important part of our strategy

even before the downturn. Because of our conservative inventory management discipline, we were able to minimize the impact of the severe price drops in the last part of 2008. In addition, the inventory reduction and conservative accounts receivable management greatly improved our cash flow.

As part of our differentiation strategy, we invested in two new facilities. Guangzhou sheet metal fabrication and manufacturing center opened in October 2008 and allowed us to penetrate new markets by increasing our offer of semi-finished sheet metal components. Kunshan plate fabrication and manufacturing center opened in September 2008. This facility allowed us to enter a new market. We are now actively providing semi-finished components to heavy equipment, access equipment and heating/ventilation industries. We have also started to export semi-finished, labor intensive components to the Americas and Europe.

VSC-Ryerson China continues to see the market as challenging for the months to come and we look to continue to manage working capital cautiously. We will continue to focus on value added services, commitment to quality and service to differentiate ourselves. We are proud of how our management team managed the downturn and feel that our current actions and strategy have positioned us to maximize the upturn when it comes.





OTHER INVESTMENTS

The VSC Group has invested in hotel and property businesses mainly operating in the PRC. In addition to monitor the expansion of these two businesses, the VSC Group will also continue to search for other potential investment opportunities to enhance the development of business.

Hotel business

The VSC Group owns 44% interest in a business of budgeted hotels chain operating in the PRC, namely a8 Hotel ("a8"), which currently operates 3 hotels in Shanghai and 2 hotels in Guangzhou, with one more hotel in Shanghai joined a8 as a franchisee. During the year under review, despite the economy downturn, a8 recorded a growth in turnover by approximately 253% as compared with last year. While the hotel business is self-sustained in terms of cash flow, there is no need to make further cash investment in it.



Property

The VSC Group invested in property business by holding a 33.33% stake in an 11-storey office building in Jiang An District, Shanghai, in which the VSC Group's PRC headquarter being located. Currently, the property has a rented out rate of about 94%, representing an increase of approximately 42 percentage points as compared with that as disclosed in the VSC Group's last annual report. The high rented out rate with tenants consists of various international companies which provides a stable income for the property business.



HUMAN CAPITAL

Human Resources are the most valuable assets of the VSC Group, which are reflected in every aspect of our operations. Our HR strategy is to build up capable management teams in all business units and headquarters that are competent, excel in business, high in ethical standard, and good at change and risk management.

Corporate Culture:

Every effort was dedicated in enhancing the Company's corporate culture in eCSC (Employee, Customer, Supplier & Co-opetitor) as well as our core values in Professionalism, Continuous Improvement, Teamwork and Integrity, which all with the aim to provide a more transparent environment to our staff to assist them to quickly merge with the VSC family. We see employee engagement is a key driver of organizational performance for getting better business results in terms of quality, cost saving and customer services, passion and profit mix. We believe developing a culture that creates competitive advantage is a strategy for business success. We cannot have one without the other, and it is crucial we work on both.

Training & Development:

With our core value — Continuous Improvement, our staff are always encouraged to be equipped with skills and expertise for the challenges and the new era. Various in-house training by sponsorship training programs as well as different management training both through our in-house experts as well as external consultants.

Rewards and Compensation:

To balance with the various cost saving plans and remain competitive in the talent market to recruit and retain our talents, benchmarking exercise of our pay structure with the market has been done. Linking reward with performance, tailor-made incentive schemes for bonuses and commission with measurable targets in achieving key success are further re-designed for respective business units and supporting functions.

Social Responsibility:

The Company believes corporate social responsibility and responsible citizenship. Our staff is committed to participate various charitable activities: Orbis Pin Day, Dress Special Day and Corporate Challenge organized by Outward Bound. The continuous award of the accreditation of Caring Company 2008/2009 Logo is a recognition of the Company's effort of giving back to community and fostering a caring environment.

Staffing:

In March 2009, the VSC Group employed 212 staffs, the significant decrease in number of staff was mainly because of excluding VSC-Ryerson China operations from the VSC subsidiaries due to the change of shareholding of VSC to VSC-Ryerson China. The Company is focusing in the building an elite team in driving the directions of the Company to success. During the year under review, no options have been offered and/or granted to its employees under the share option scheme adopted since 12th November 2001.

FINANCIAL RESOURCES AND LIQUIDITY

1) Liquidity and Financing

The VSC Group's cash and cash equivalents were approximately HK\$101 million as at 31st March 2009 (FY2008: HK\$271 million) of which about 8.3% were in US dollar, about 28.0% were in Chinese Renminbi ("RMB"), about 63.5% were in HK dollar and about 0.2% in other currencies. Net cash flow generated from operating activities for the year was approximately HK\$327 million.

As at 31st March 2009, the VSC Group's total borrowings amounted to approximately HK\$501 million of which 100% were interest-bearing borrowings (FY2008: HK\$1,183 million). Net interest-bearing borrowings, after deducting pledged bank deposits of approximately HK\$36

million (FY2008: HK\$215 million) and cash and bank deposits of approximately HK\$101 million (FY2008: HK\$271 million), amounted to approximately HK\$364 million (FY2008: HK\$697 million).

Gearing ratio as at 31st March 2009, calculated on the basis of net interest-bearing borrowings to total capital which is capital and reserves attributable to equity holders plus net interest-bearing borrowings decreased from 45% to 40% and current ratio was slightly dropped from 1.47 times to 1.32 times as compared to 31st March 2008. The VSC Group takes effort to maintain these financial ratios at current level, after taking consideration of current market situation and risk assessment on overall exposure against industry norm. The VSC Group's business operations were generally financed by cash generated from its business activities and bank facilities provided by its banks.

2) Treasury Policies

All of the VSC Group's financing and treasury activities are centrally managed and be controlled at the corporate level. The VSC Group's overall treasury and funding policies focus on managing financial risks, including interest rate and foreign exchange risks, and on cost efficient funding of the VSC Group and its group companies. The VSC Group has always adhered to prudent financial management principles.

The VSC Group's businesses are primarily transacted in Hong Kong dollar, US dollar and Chinese Renminbi ("RMB"). As exchange rate between HK dollar and the US dollar is pegged, the VSC Group believes its exposure to exchange rate risk arising from US dollar is not material. Facing the appreciation of RMB, the VSC Group will continue to match RMB payments with RMB receipts to minimise the exchange exposure.

As at 31st March 2009, about 73.6% of the VSC Group's interest-bearing borrowings were denominated in HK dollar, about 7.9% in US dollar and about 18.5% in RMB. Forward foreign exchange contracts and currency swap contracts would be entered into when suitable opportunities arise and when the management of the VSC Group consider appropriate, to hedge against major non-HK dollar currency exposures. As at 31st March 2009, the VSC Group had forward foreign exchange contracts and currency swap contracts to hedge principal repayment of future US dollar debts under letters of credit in the amount of approximately HK\$57 million and to hedge future RMB payment in the amount of approximately RMB137 million respectively.

All of the VSC Group's borrowings as at 31st March 2009 were on floating rate basis. In May 2008, VSC Group has entered into an interest rate swap contract to hedge against the risk on a long term debt. The use of derivative financial instruments is strictly controlled and mainly used to hedge against the interest rate and foreign currency exchange rate exposures in connection with the borrowings. It is the VSC Group's policy not to enter into derivative transactions for speculative purposes.

3) Contingent Liabilities

As at 31st March 2009, the VSC Group had outstanding performance bonds for its sanitary wares supply projects amounting to approximately HK\$0.6 million (FY2008: HK\$1.4 million).

4) Charges on Assets

As at 31st March 2009, the VSC Group had certain charges on assets which included (i) inventories of approximately HK\$28 million pledged for certain of the VSC Group's short-term bank loan, (ii) certain inventories which were held under short-term trust receipts bank loan arrangements, and (iii) bank deposits of approximately HK\$36 million which were pledged as collateral for the VSC Group's banking facilities.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

The Board of Directors (the “Board”) of Van Shung Chong Holdings Limited (the “Company”) is committed to maintaining high standards of corporate governance. It believes that high standard of corporate governance provides a framework and solid foundation for the Company and its subsidiaries (the “VSC Group”) to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders’ interest in general. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) for the year ended 31st March 2009, save for the deviations discussed below. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 of the Listing Rules as its own code of conduct (“Company’s Model Code”) regarding securities transactions by the directors of the Company (“Directors”) on 31st March 2004. Various amendments have been made to the Company’s Model Code in order to conform with the recent amendments made to Appendix 10 of the Listing Rules effective 1st January 2009 and 1st April 2009. Having made specific enquiry of all Directors, they all confirmed that they have complied with the required standard set out in the Company’s Model Code during the year ended 31st March 2009. The Company’s Model Code also applies to other specified relevant employees of the VSC Group in respect of their dealings in the securities of the Company.

BOARD OF DIRECTORS

Currently, the Board consists of two executive Directors and four independent non-executive Directors. One of the independent non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise. Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Board members have no financial, business, family or other material relevant relationships with each other. The Company has arranged appropriate insurance cover in respect of legal actions against the directors within the VSC Group.

The executive Directors are responsible for managing the overall business. They mainly involve in the formulation and execution of the corporate strategies. The independent non-executive Directors consist of eminent business executives from Hong Kong, Mainland China and United States, who provide independent advices to the management through their wide range of skills and experiences. The executive Directors have regular meetings with general managers of respective business units and key staff of support units to discuss major business plans and review operational and financial performance. Independent non-executive Directors are also invited to participate in special review meetings.

The Board members have access to appropriate business documents and information about the VSC Group in a timely basis. The Directors are free to have access to the management for enquiries and to obtain further information when required. The Directors are encouraged to update their skills and knowledge, and familiarity with the VSC Group through ongoing participation at board and committee meetings. All

Directors also have access to external legal counsel and other professionals for independent advice at the Company's expense if they require it.

Three Board committees, namely the Executive Committee, the Remuneration Committee and the Audit Committee, have been established to oversee various aspects of the VSC Group's affairs. The Board has delegated the execution and daily operations of the VSC Group's business to general managers of respective business units, HR Director and CFO under the leadership of the CEO.

Minutes of Board meetings are taken by the Company Secretary and these minutes, together with any supporting board papers, are freely accessed by all board members for inspection.

The number of Board meetings, Remuneration Committee meetings and Audit Committee meeting attended by each Director during the year is as follows:

Directors	Board meetings	Remuneration Committee meetings	Audit Committee meetings
<i>Executive Directors:</i>			
Mr. Andrew Cho Fai Yao (<i>Chairman</i>)	5/5	1/1	N/A
Mr. Fernando Sai Ming Dong	5/5	N/A	N/A
<i>Independent Non-Executive Directors:</i>			
Dr. Chow Yei Ching	1/5	N/A	0/2
Mr. Harold Richard Kahler	5/5	1/1	2/2
Mr. Kenny King Ching Tam	5/5	1/1	2/2
Mr. Xu Lin Bao	5/5	N/A	2/2

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The CG Code provision A.2.1 stipulates that the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. The Company has both the positions of chairman and chief executive officer held by Mr. Andrew Cho Fai Yao. The Board believes that vesting the roles of both chairman and chief executive officer in the same person provides the VSC Group with strong and consistent leadership, efficiency usage of resources and allows for effective planning, formulation and implementation of the Company's business strategies which will enable the VSC Group to sustain the development of the VSC Group's business efficiently.

SPECIFIC TERMS OF NON-EXECUTIVE DIRECTORS

The CG Code provision A.4.1 stipulates that the non-executive directors should be appointed for a specific term, subject to re-election. The Company's non-executive Directors (except for Mr. Harold Richard Kahler) are not appointed for a specific term. They are (including all other Directors) however, subject to retirement by rotation and re-election every three years according to the Company's Bye-Laws.

EXECUTIVE COMMITTEE

Executive Committee has been set up in March 2006 and now consists of all executive Directors with Mr. Andrew Cho Fai Yao as chairman and Mr. Fernando Sai Ming Dong as member.

When the Board is not in session, the Executive Committee can discharge the specific power and administrative functions authorised by the Board. The Executive Committee is mainly responsible for monitoring the daily operations of the VSC Group.

Minutes of committee meetings are taken by the Company Secretary and, together with any supporting committee papers, are available to all board members.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up in July 2005 and includes the executive Director Mr. Andrew Cho Fai Yao (as chairman) and two independent non-executive Directors, Mr. Harold Richard Kahler and Mr. Kenny King Ching Tam. The Remuneration Committee's role is to make recommendation 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 VSC 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 associates may be involved in any decisions as to his own remuneration. The Remuneration Committee has adopted its terms of reference, which is in line with the CG Code, was posted to the Company's website at <http://www.vschk.com>.

Minutes of committee meetings are taken by the Company Secretary and, together with any supporting committee papers, are available to all board members.

The attendance record of the Remuneration Committee meeting is stated in the table under "BOARD OF DIRECTORS".

AUDIT COMMITTEE

The Audit Committee has been set up since December 1998 and now consists of four independent non-executive Directors with Mr. Kenny King Ching Tam as chairman and Dr. Chow Yei Ching, Mr. Harold Richard Kahler and Mr. Xu Lin Bao as members. Mr. Kenny King Ching Tam who is an independent non-executive Director with appropriate professional accounting expertise as required under Rule 3.10 of the Listing Rules.

The VSC Group's financial statements for the year ended 31st March 2009 now reported on have been reviewed by the Audit Committee, who is of opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

The Audit Committee meetings are held not less than twice a year to review and discuss the various audit issues as reported by the external auditor. It also reviews the interim and final financial data. The Audit Committee reviewed the remuneration of the external auditor. There was no disagreement between the Board and the Audit Committee on the selection or appointment of the external auditor. Additional meetings may also be held by the Audit Committee from time to time to discuss special projects or other issues, which the members consider necessary.

Scope of the work of the Audit Committee is defined and approved by the Board in relation to various internal control and audit issues with a view to further improving our corporate governance. The Company adopted a new terms of reference of the Audit Committee on 20th March 2009 in order to conform with the recent amendments made to the CG Code. The Audit Committee has adopted its terms of reference, which is in line with the CG Code was posted to the Company's website at <http://www.vschk.com>.

Minutes of committee meetings are taken by the Company Secretary and, together with any supporting committee papers, are available to all board members.

The attendance record of the Audit Committee meetings is stated in the table under “BOARD OF DIRECTORS”.

INTERNAL CONTROL

The Board is responsible for ensuring sound and effective internal control systems to safeguard the shareholders’ investment and the Company’s assets. During the year, the Company has engaged one of the big four accounting firms to perform an Internal Control Review of one of the VSC Group’s key operations.

A review of the abovementioned actions on the effectiveness of the VSC Group’s internal control system and procedures covering all controls, including financial, operational and compliance controls and risk management functions, was conducted by the Audit Committee and subsequently reported to the Board. The Board has also considered the adequacy of resources, qualification and experiences of staff of Company’s accounting and financial reporting function, and their training programmes and budget.

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. The Board is empowered under the Company’s Bye-laws to appoint any person as Director either to fill a casual vacancy or as an additional member of the Board. The selection criteria are mainly based on the professional qualification and experience of the candidate. According to the Company’s Bye-laws, a newly-appointed Director must retire and be re-elected at the first annual general meeting or any special general meeting after his/her appointment. At each annual general meeting, one-third of the directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election.

AUDITOR’S REMUNERATION

During the year ended 31st March 2009, PricewaterhouseCoopers, the external auditor of the Company, provided the following services to the VSC Group and their respective fees charges are set out below:

Types of services	HK\$’000
Audit fee for the VSC Group	2,180
Taxation services	85
Special engagements	200
Total	2,465

RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The Directors 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 its reporting responsibilities is set out in the independent auditor’s report included in 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.

INVESTOR RELATIONS AND COMMUNICATION

The VSC Group is committed to promoting transparency and maintaining effective communication with investors, analysts and the press. The management periodically meets with existing and potential investors to make corporate presentations. Regular plant visits to our various manufacturing facilities were arranged for various interested fund managers, research analysts and bankers. Our user-friendly website, <http://www.vschk.com>, provides investors with the latest news, senior management interviews, corporate and financial information including announcements and annual and interim reports. The VSC Group continues to maintain a high level of transparency in information disclosures.

REPORT OF THE DIRECTORS

The Board of Directors (“Board”) of Van Shung Chong Holdings Limited (the “Company”) are pleased to present their annual report together with the audited accounts of the Company and its subsidiaries (together the “VSC Group”) for the year ended 31st March 2009.

PRINCIPAL ACTIVITIES

The VSC Group are principally engaged in (i) Construction Materials Group, including stockholding and trading of construction materials such as steel products, sanitary wares, kitchen cabinets and home furniture, and installation work of kitchen cabinets, and (ii) China Advanced Materials Processing, including processing/manufacturing of industrial products such as rolled flat steel products, stainless steel and enclosure systems, and trading of plastic resins.

Details of the VSC Group’s revenue and segment results by business segment and geographical segment are set out in Note 5 to the accompanying accounts.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March 2009, the five largest customers of the VSC Group accounted for less than 30% of the VSC Group’s total turnover, while the five largest suppliers of the VSC Group accounted for approximately 32% of the VSC Group’s total purchases. In addition, the largest supplier of the VSC Group accounted for approximately 9% of the VSC Group’s total purchases.

None of the directors, their associates, or any shareholders (which to the knowledge of the Company’s directors owned more than 5% of the Company’s share capital) had a beneficial interest in the five largest suppliers of the VSC Group.

RESULTS AND APPROPRIATIONS

Details of the VSC Group’s results for the year ended 31st March 2009 are set out in the consolidated income statement on page 38 of this annual report.

No interim cash dividend was paid to the shareholders during the year (2008: HK\$1.1 cents per ordinary share). The Directors do not recommend the payment of a final cash dividend for the year ended 31st March 2009 (2008: HK\$1.3 cents per ordinary share).

SHARE CAPITAL AND SHARE OPTIONS

Details of share capital and share options of the Company are set out in Notes 32 and 33 respectively, to the accompanying accounts.

RESERVES AND RETAINED EARNINGS

Movements in reserves and retained earnings of the VSC Group and the Company during the year are set out in Note 34 to the accompanying accounts.

As at 31st March 2009, approximately HK\$53,986,000 (FY2008: HK\$53,986,000) of the Company’s reserves and approximately HK\$16,752,000 (FY2008: HK\$8,842,000) of the Company’s retained earnings were available for distribution to its equity holders.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the year ended 31st March 2009.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and the laws of Bermuda.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND LEASEHOLD LAND AND LAND USE RIGHTS

Details of movements of property, plant and equipment, investment properties and leasehold land and land use rights during the year are set out in Notes 15, 16 and 17, respectively, to the accompanying accounts.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates are set out in Notes 19 and 20, respectively, to the accompanying accounts.

BORROWINGS

Particulars of borrowings as at 31st March 2009 are set out in Note 31 to the accompanying accounts.

PENSION SCHEMES

Details of the pension schemes are set out in Note 8 to the accompanying accounts.

CHARITABLE DONATIONS

During the year, the VSC Group made charitable donations of approximately HK\$1,328,000 (FY2008: HK\$1,510,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company ("Directors") who held office during the year and up to the date of this annual report were:

Executive Directors

Mr. Andrew Cho Fai Yao, *Chairman*
Mr. Fernando Sai Ming Dong

Independent Non-executive Directors

Dr. Chow Yei Ching
Mr. Harold Richard Kahler
Mr. Kenny King Ching Tam
Mr. Xu Lin Bao

In accordance with the Company's Bye-law 87(1), Mr. Andrew Cho Fai Yao and Mr. Xu Lin Bao will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Mr. Harold Richard Kahler has entered into an employment contract with the Company for a term of 3 years until 31st December 2009.

Saved as disclosed above, none of the directors has a service contract with the VSC Group which is not determinable by the VSC Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March 2009, the interests and short positions of the Directors and chief executives of the Company in the shares of HK\$0.10 each in the capital of the Company ("Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a)

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 and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in Shares and options of the Company

Name of Directors	Nature of interest	Attributable interest to the Directors	Number of Shares	Approximate percentage	Number of share options (Note b)	Aggregate interest
Mr. Andrew Cho Fai Yao ("Mr. Yao")	Corporate interest held by Huge Top (Note a)	deemed interest (indirectly)	173,424,000	45.47%	—	173,424,000
	Personal interest	100% (directly)	1,614,000	0.42%	1,500,000	3,114,000
			175,038,000	45.89%	1,500,000	176,538,000
Mr. Fernando Sai Ming Dong	Personal interest	100% (directly)	142,000	0.04%	500,000	642,000
Dr. Chow Yei Ching	Personal interest	100% (directly)	1,000,000	0.26%	—	1,000,000
Mr. Harold Richard Kahler	Personal interest	100% (directly)	66,000	0.02%	1,000,000	1,066,000
Mr. Kenny King Ching Tam	Personal interest	100% (directly)	—	—	1,000,000	1,000,000
Mr. Xu Lin Bao	Personal interest	100% (directly)	—	—	1,000,000	1,000,000

Notes:

a. As at 31st March 2009, Huge Top Industrial Ltd. ("Huge Top") holds 173,424,000 Shares. Mr. Yao is one of the two directors of Huge Top while the remaining director of Huge Top is Ms. Miriam Che Li Yao who is the sister of Mr. Yao. Mr. Yao directly holds approximately 11.90% and indirectly through Perfect Capital International Corp. ("Perfect Capital") owns approximately 42.86% of the issued shares of Huge Top and is entitled to exercise

more than one-third of the voting power at general meetings of Huge Top. Mr. Yao owns the entire issued share capital of Perfect Capital. These interests of the aforesaid Director in the Shares were corporate interests.

b. The interests of the Director in the share options of the Company are separately disclosed in the section headed "Share Option Scheme" below.

(ii) Long positions in associated corporation – Huge Top

Name of Directors	Nature of interest	Attributable interest to the Directors	Number of shares	Approximate percentage
Mr. Yao (Refer to Note a in (i) above)	Corporate interest held by Perfect Capital	deemed interest (indirectly)	36	42.86%
	Personal interest	100% (directly)	10	11.90%
			46	54.76%
Mr. Fernando Sai Ming Dong	Personal interest	100% (directly)	5	5.95%

Save as disclosed above, as at 31st March 2009, none of the Directors, chief executives of the Company and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (include interests and short positions which they are taken or deemed to have under such provisions of SFO); or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under the 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and no Directors or chief executives or their respective spouses or children under 18 years of age had been granted any right to subscribe for equity or debt securities of the Company nor exercised any such right.

DIRECTOR'S INTEREST IN CONTRACTS

Save as disclosed in Note 9 to the accompanying accounts, no contracts of significance in relation to the Company Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERSONS WHO HAVE INTERESTS OR SHORT POSITIONS WHICH ARE DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

Other than interests disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 31st March 2009, according to the register of interests kept by the Company under section 336 of the SFO, the following entities have interests or short positions in the shares and underlying Shares of the Company which fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

Name	Nature of interest	Number of Shares	Approximate percentage	Number of share options	Aggregate interest
Huge Top	Directly	173,424,000	45.47%	—	173,424,000
Ms. Miriam Che Li Yao	Corporate	173,424,000 (Note)	45.47%	—	173,424,000
	Personal	2,000,000	0.52%	1,000,000	3,000,000
		175,424,000	45.99%	1,000,000	176,424,000

Note: As at 31st March 2009, Huge Top held 173,424,000 Shares. Ms. Miriam Che Li Yao is one of the two directors of Huge Top while the remaining director of Huge Top is Mr. Yao who is the brother of Ms. Miriam Che Li Yao and therefore is deemed to be interested in these Shares through Huge Top.

Save as disclosed above, as at 31st March 2009, the Directors are not aware of any other persons (other than Directors or chief executives of the Company) who have interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

A share option scheme has been adopted by the Company since 12th November 2001 (the "Share Option Scheme") and the Company may grant options to the participants as set out in the Share Option Scheme. The terms of the Share Option Scheme are contained in a circular sent to shareholders of the Company in October 2001. Summary of the Share Option Scheme was as follows:

1. PURPOSE OF THE SHARE OPTION SCHEME

To provide incentives to participants to contribute to the VSC Group and/or to enable the VSC Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the VSC Group.

2. PARTICIPANTS OF THE SHARE OPTION SCHEME

Employee, agent, consultant or representative, including any executive or non-executive Director, of any member of the VSC Group or any other person who satisfies the selection criteria as set out in the Share Option Scheme.

3. TOTAL NUMBER OF SHARES AVAILABLE FOR ISSUE UNDER THE SHARE OPTION SCHEME AND PERCENTAGE OF ISSUED SHARE CAPITAL AS AT THE DATE OF THE ANNUAL REPORT

After the refreshment of Share Option Scheme mandate limit has been approved at the annual general meeting of the Company held on 31st August 2006 ("2006 AGM"), the Company may initially grant options representing 36,860,525 Shares under the Share Option Scheme (i.e. approximately 10% of the issued share capital of the Company as at 31st August 2006 (the date of the 2006 AGM) and approximately 9.7% of the issued share capital of the Company as at the date of this annual report).

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company and/or its subsidiaries must not exceed 30% of the Shares in issue from time to time. No options shall be granted under any share option scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT UNDER THE SHARE OPTION SCHEME

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) within any twelve-month period under the Share Option Scheme and any other share option scheme(s) of the Company and/or any of its subsidiaries must not exceed 1% of the number of Shares in issue.

5. THE PERIOD WITHIN WHICH THE SHARES MUST BE TAKEN UP UNDER AN OPTION

Must not be more than ten years from the date of offer of grant of the option.

6. THE MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

No such minimum period specified and an option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee.

7. THE AMOUNT PAYABLE ON APPLICATION OR ACCEPTANCE OF THE OPTION AND THE PERIOD WITHIN WHICH PAYMENTS OR CALLS MUST OR MAY BE MADE OR LOANS FOR SUCH PURPOSES MUST BE PAID

The acceptance of an option, if accepted, must be made within 28 days from the date on which the offer is made with a non-refundable payment of HK\$10 from the grantee to the Company.

8. THE BASIS OF DETERMINING THE EXERCISE PRICE

The exercise price of an option will be at least the highest of:

- a. the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the grant of the option, which must be a business day;
- b. the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of the grant of the option; and
- c. the nominal value of the Shares.

9. THE REMAINING LIFE OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 12th November 2001.

The share options outstanding under the Share Option Scheme during the year were as follows:

Name of category of participant	Date of grant	Exercise period	Exercise price per Share	Number of share options				End of the year
				Beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	
				'000	'000	'000	'000	'000
Directors:								
Mr. Yao	13th September 2006	13th September 2007 to 12th September 2016	HK\$0.90	1,500	—	—	—	1,500
Mr. Fernando Sai Ming Dong	19th September 2003	19th September 2005 to 18th September 2013	HK\$1.418	300	—	—	—	300
	13th September 2006	13th September 2007 to 12th September 2016	HK\$0.90	200	—	—	—	200
Dr. Chow Yei Ching	19th June 2008	19th June 2008 to 18th June 2018	HK\$0.78	—	1,000	(1,000)	—	—
Mr. Kenny King Ching Tam	19th June 2008	19th June 2008 to 18th June 2018	HK\$0.78	—	1,000	—	—	1,000
Mr. Harold Richard Kahler	19th June 2008	19th June 2008 to 18th June 2018	HK\$0.78	—	1,000	—	—	1,000
Mr. Xu Lin Bao	19th June 2008	19th June 2008 to 18th June 2018	HK\$0.78	—	1,000	—	—	1,000
Sub-total				2,000	4,000	(1,000)	—	5,000
Employees:								
In aggregate	7th May 2003	7th May 2005 to 6th May 2013 (Note 2)	HK\$0.97	1,500	—	—	(720)	780
In aggregate	19th September 2003	19th September 2005 to 18th September 2013	HK\$1.418	1,000	—	—	—	1,000
In aggregate	13th September 2006	13th September 2007 to 12th September 2016	HK\$0.90	2,600	—	—	(1,800)	800
Sub-total				5,100	—	—	(2,520)	2,580
Others:								
In aggregate	2nd May 2003	2nd May 2003 to 1st May 2013	HK\$0.98	1,000	—	—	—	1,000
Sub-total				1,000	—	—	—	1,000
Total of Share Option Scheme				8,100	4,000	(1,000)	(2,520)	8,580

Notes:

1. For the Share Option Scheme, the vesting period of the share options is from the date of the grant until the commencement of the exercise period.
 - (ii) During the period starting from 7th May 2006 to 6th May 2007, the option may (to the extent not exercised in accordance with (i) above) be exercised up to 70% of such Shares.
2. The options to subscribe for Shares at a price of HK\$0.97 per Share are to be exercisable in whole or in part in the following manner:
 - (i) During the period starting from 7th May 2005 to 6th May 2006, the option may be exercised up to 30% of such Shares.
 - (iii) During the period starting from 7th May 2007 to 6th May 2013, the option may (to the extent not exercised in accordance with (i) and (ii) above) be exercised in full.

Save as disclosed above, no share options were granted, exercised, lapsed or cancelled during the year.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in Note 38 to the accompanying accounts.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31st March 2009, the VSC Group has the following continuing connected transactions (the "Transactions") in accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Transactions had been approved by the shareholders of the Company on 28th March 2007 and the details of the Transactions had been disclosed in the circular of the Company dated 8th March 2007 (the "Circular").

Pursuant to the supply agreement (the "Supply Agreement") dated 15th February 2007 entered into between Shinsho Corporation ("Shinsho") and VSC Shinsho Company Limited ("VSC Shinsho", a company which was an indirect subsidiary of the Company until 31st October 2008 and Shinsho owns it by 30%) agreed that VSC Shinsho and other subsidiaries of the Company may purchase from Shinsho and its associates (the "Shinsho Group"), from time to time, various steel products for a term commencing from 1st April 2007 up to 31st March 2010. Under the terms of the Supply Agreement, Shinsho may procure members of the Shinsho Group to carry into effect the transactions contemplated under the Supply Agreement while VSC Shinsho may procure other subsidiaries of the Company to carry into effect the transactions contemplated under the Supply Agreement.

The price for each transaction contemplated under the Supply Agreement will be agreed from time to time between the parties thereto based on the market price of the type of steel products concerned prevailing at the relevant time. The annual aggregate amount payable by VSC Shinsho and other subsidiaries of the Company for such purchases under the Supply Agreement has been capped at HK\$240,000,000, HK\$280,000,000 and HK\$320,000,000 for the three financial years ended 31st March 2008 and 2009, and ending 2010 respectively according to the Circular.

The Directors, including the independent non-executive Directors, are of the view that the Transactions are essential for the efficient and continuous operation of the VSC Group. Given the Transactions will occur on a regular and continuing basis, the Directors consider that it would not be practicable to announce, or if necessary, obtain prior approval from the shareholders of the Company on each occasion they arise. Accordingly, the Company convened and held a special general meeting on 28th March 2007 and the ordinary resolution to approve the Transactions and the relevant caps for a 3-year period ending 31st March 2010 was approved by the independent shareholders of the Company.

The independent non-executive Directors have confirmed that the Transactions have been entered into (a) in the ordinary and usual course of business of the VSC Group; (b) on normal commercial terms or on terms no less favourable to the VSC Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreement(s) governing them on terms that are fair and reasonable and in the interests of the shareholders of VSC as a whole.

PricewaterhouseCoopers, the auditor of VSC have also performed agreed-upon procedures and have issued a report to the board of directors stating the factual findings resulting from their work, the Transactions:- (a) have been approved by the Board of Directors of the Company; (b) are in accordance with the pricing policies of the Company as disclosed on page 2 of the Company's Circular; (c) have been entered into in accordance with the relevant agreements governing the Transactions; and (d) did not exceed the annual monetary caps agreed by the Stock Exchange as disclosed on page 5 of the Circular.

As from 1st November 2008, VSC Shinsho ceased to be an indirect non-wholly subsidiary of the Company and thus no longer a connected person of the Company within the meaning of the Listing Rules.

COMPETING INTERESTS

Save as 31st March 2009, none of the Directors or the controlling shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete directly or indirectly with the businesses of the VSC Group or has any other conflict of interests with the VSC Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

The accompanying accounts were audited by PricewaterhouseCoopers. A resolution for their re-appointment as the Company's auditor for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Andrew Cho Fai Yao
Chairman

Hong Kong, 22nd July 2009

DIRECTORS' PROFILE

EXECUTIVE DIRECTORS (As at 31st March 2009)



MR. ANDREW CHO FAI YAO

aged 43, is the chairman and chief executive officer of the Company. Mr. Yao graduated from the University of California, Berkeley and Harvard Graduate School of Business. He is responsible for the VSC Group's overall corporate strategy and objectives. He serves as a Standing Committee Member of the Shanghai China People's Political Consultative Conference, the Standing Committee Member of All-China Youth Federation, the Vice Chairman of Youth Federation of State-owned Enterprises and Shanghai Youth Federation, the First Advisor and Former Chairman of Hong Kong United Youth Association, the Board Member of Fudan University in Shanghai, the Court Member of The University of Hong Kong and the Member of the Barristers Disciplinary Tribunal Panel. He was awarded "Young Industrialist Award of Hong Kong" in 2004. He is awarded Justice of Peace by HKSAR in 2008. Mr. Yao is an independent non-executive director of Kader Holdings Company Limited which is a company listed on main board of The Stock Exchange of Hong Kong Limited. He is also a non-executive director of North Asia Strategic Holdings Limited which is a company listed on GEM board of The Stock Exchange of Hong Kong Limited. Mr. Yao was an independent non-executive director of Grand Investment International Ltd. which is a company listed on main board of The Stock Exchange of Hong Kong Limited, and he resigned his directorship in this company on 1st June 2009.



MR. FERNANDO SAI MING DONG

aged 47, is an executive director of the Company responsible for general administration. He has over nineteen years' experience in international trading. Mr. Dong is extensively involved in warehouse management, property investment and the China operations of the VSC Group. He has also been assisting the VSC Group to establish new manufacturing facilities in both Hong Kong and Mainland China. Mr. Dong is also a Chinese People's Political Consultative Conference Guangzhou, Huangpu District Committee. Mr. Dong joined the VSC Group in 1987.

INDEPENDENT NON-EXECUTIVE DIRECTORS (As at 31st March 2009)



DR. CHOW YEI CHING

aged 73, is the founder and chairman of Chevalier Group that comprises two public-listed companies on the main board of The Stock Exchange of Hong Kong, namely Chevalier International Holdings Limited and Chevalier Pacific Holdings Limited. He is an independent non-executive director of Towngas China Company Limited and a non-executive director of Television Broadcasts Limited, both companies are listed on the main board of The Stock Exchange of Hong Kong Limited. Dr. Chow was an independent non-executive director of Shaw Brothers (Hong Kong) Limited which was delisted from the main board of The Stock Exchange of Hong Kong Limited on 19 March 2009. Thereafter, he resigned his directorship in Shaw Brothers (Hong Kong) Limited on 16 April 2009. Dr. Chow is the Honorary Consul of The Kingdom of Bahrain in Hong Kong. Dr. Chow holds an Honorary Degree of Doctor of Laws from The University of Hong Kong and an Honorary Degree of Doctor of Business Administration from The Hong Kong Polytechnic University. He also serves in a number of positions in various educational, charitable and trade organisations.



MR. HAROLD RICHARD KAHLER

aged 61, is an experienced international business executive, specialised in advising companies that are expanding their presence in the Greater China region. Mr. Kahler graduated from George Washington University with a Master Degree in Economics and received his Juris Doctor from Georgetown University. Mr. Kahler has extensive Asia experience. From 1990 to mid-2002, he served Caterpillar Inc., in Asia — first as managing director of P.T. Natra Raya, a manufacturing and assembly operation in Indonesia; then as president of Caterpillar China, where he was responsible for establishing a new business subsidiary to manage Caterpillar's growing interests and investments in the region. Other assignments with Caterpillar and the US Government have provided Mr. Kahler experience with Japan, Vietnam and other Asian economies. In 2002, Mr. Kahler served as chairman of the American Chamber of Commerce in Hong Kong.



MR. KENNY KING CHING TAM

aged 59, he joined the VSC Group in September 2004. He is a practising Certified Public Accountant in Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr. Tam is serving as a member of the Ethics Committee and Practice Review Committee in the Hong Kong Institute of Certified Public Accountants. He is also a Past President of The Society of Chinese Accountants and Auditors.

Mr. Tam also serves as an independent non-executive director of four other listed companies on the main board of The Stock Exchange of Hong Kong Limited, namely, CCT Telecom Holdings Limited, Kingmaker Footwear Holdings Limited, Shougang Concord Grand (Group) Limited and Starlite Holdings Limited and a company listed on the GEM board of The Stock Exchange of Hong Kong Limited, namely, North Asia Strategic Holdings Limited. He resigned as an independent non-executive director of Yun Sky Chemical (International) Holdings Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited, on 4th September 2008.



MR. XU LIN BAO

aged 60, holds an EMBA degree from Fudan University, Shanghai. He is a senior qualified economist. Mr. Xu has been an administrative director of China Real Estate Association from 1999 to May 2006, and currently chairman of directors of the Committee of Management of China Real Estate Association, vice chairman of Real Estate Research Center of Shanghai Academy of Social Sciences and chairman of directors of Yi-ju China Real Estate Research Center. Mr. Xu served as the vice chairman in Shanghai Real Estate Trade Association from 1999 to January 2006 and the chairman of directors in Shanghai Housing and Land Group from 1996 to September 2005.

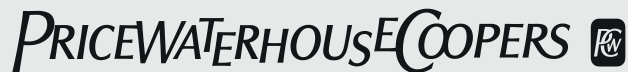
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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
VAN SHUNG CHONG HOLDINGS LIMITED**
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Van Shung Chong Holdings Limited (the "Company") and its subsidiaries (together, the "VSC Group") set out on pages 38 to 170, which comprise the consolidated and company balance sheets as at 31st March 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
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 disclosure requirements of 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 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.

**獨立核數師報告
致萬順昌集團有限公司
股東**

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第38至170頁萬順昌集團有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零零九年三月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 90 of the Companies Act 1981 of Bermuda 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達一九八一年《公司法》第90條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 VSC Group as at 31st March 2009 and of the VSC 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 disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22nd July 2009

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零九年三月三十一日的事務狀況及 貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，二零零九年七月二十二日

CONSOLIDATED INCOME STATEMENT

綜合損益表

FOR THE YEAR ENDED 31ST MARCH 2009

截至二零零九年三月三十一日止年度

	Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Revenue	5	4,659,507	5,677,792	收入
Cost of sales	7	(4,513,743)	(5,370,773)	銷售成本
Gross profit		145,764	307,019	毛利
Other (losses)/gains				其他(虧損)/收益—
— net	6	(90,363)	42,822	淨額
Selling and distribution expenses	7	(36,288)	(43,328)	銷售及分銷支出
General and administrative expenses	7	(214,091)	(247,193)	一般及行政支出
Operating (loss)/profit		(194,978)	59,320	經營(虧損)/溢利
Finance income	10	4,281	9,312	財務收入
Finance costs	10	(39,535)	(46,821)	財務費用
Share of (loss)/profit of associates	20	(26,508)	25,236	應佔聯營公司(虧損)/溢利
(Loss)/profit before income tax		(256,740)	47,047	除稅前(虧損)/溢利
Income tax credit/(expense)	11	6,546	(1,876)	所得稅計入/(支出)
(Loss)/profit for the year		(250,194)	45,171	年度(虧損)/溢利
Attributable to:				應佔:
Equity holders of the Company	12	(278,252)	31,317	本公司股權持有人
Minority interest		28,058	13,854	少數股東權益
		(250,194)	45,171	
Dividends	13	—	9,101	股息
(Losses)/earnings per share for (loss)/profit attributable to the equity holders of the Company during the year				本公司本年度股權持有人應佔(虧損)/溢利計算之每股(虧損)/盈利
— Basic	14	HK(73.01) cents港仙	HK8.29 cents港仙	— 基本
— Diluted	14	HK(73.01) cents港仙	HK8.24 cents港仙	— 攤薄

The notes are an integral part of these consolidated financial statements.

附註為綜合財務報表整體之一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31ST MARCH 2009

於二零零九年三月三十一日

	Note 附註	Consolidated 綜合		Company 本公司		
		2009 二零零九年	2008 二零零八年	2009 二零零九年	2008 二零零八年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Non-current assets						非流動資產
Property, plant and equipment	15	22,017	140,422	—	—	物業、廠房及設備
Investment properties	16	28,000	44,800	—	—	投資物業
Leasehold land and land use rights	17	11,132	27,417	—	—	租賃土地及土地使用權
Goodwill	18	—	16,585	—	—	商譽
Investments in subsidiaries	19	—	—	523,094	513,759	於附屬公司之投資
Investments in associates	20	253,515	158,882	—	—	於聯營公司之投資
Deferred income tax assets	21	42,733	31,395	—	—	遞延所得稅資產
Available-for-sale financial assets	22	580	7,055	—	—	可供出售之財務資產
Derivative financial instruments	23	—	1,310	—	—	衍生金融工具
Total non-current assets		357,977	427,866	523,094	513,759	非流動資產總額
Current assets						流動資產
Inventories	24	259,697	815,377	—	—	存貨
Due from customers on installation contract work	25	700	2,700	—	—	應收客戶之安裝合約工程
Trade and bill receivables	26	257,189	794,798	—	—	應收賬款及票據
Loan receivables	26	21,000	22,472	—	—	應收貸款
Prepayments, deposits and other receivables	27	163,989	264,314	—	—	預付款項、按金及其他應收賬款
Derivative financial instruments	23	130	15,356	—	3,564	衍生金融工具
Amounts due from associates	20	62,065	16,927	—	—	應收聯營公司
Non-current assets held for sale	16	—	7,100	—	—	持作出售之非流動資產
Pledged bank deposits	28	35,893	214,577	12,156	15,317	已抵押銀行存款
Cash and cash equivalents	28	100,679	271,435	325	693	現金及現金等值
Total current assets		901,342	2,425,056	12,481	19,574	流動資產總額

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31ST MARCH 2009

於二零零九年三月三十一日

	Note 附註	Consolidated 綜合		Company 本公司		
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Current liabilities						流動負債
Trade and bill payables	29	81,687	401,417	—	—	應付賬款及票據
Receipts in advance		59,975	110,524	—	—	預收款項
Accrued liabilities and other payables	30	43,790	61,619	103	194	應計負債及其他 應付賬款
Amounts due to an associate	20	1,568	—	—	—	應付一間聯營 公司
Current income tax liabilities		5,783	10,552	—	—	流動所得稅負債
Derivative financial instruments	23	739	3,319	—	—	衍生金融 工具
Borrowings	31	489,417	1,065,039	7,750	7,780	借貸
Total current liabilities		682,959	1,652,470	7,853	7,974	流動負債總額
Net current assets		218,383	772,586	4,628	11,600	流動資產淨額
Total assets less current liabilities		576,360	1,200,452	527,722	525,359	總資產減 流動負債
Non-current liabilities						非流動負債
Derivative financial instruments	23	3,172	2,590	3,172	1,378	衍生金融 工具
Deferred income tax liabilities	21	5	2,268	—	—	遞延所得稅 負債
Borrowings	31	11,647	117,690	11,647	19,450	借貸
Total non-current liabilities		14,824	122,548	14,819	20,828	非流動負債總額
Net assets		561,536	1,077,904	512,903	504,531	資產淨額

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31ST MARCH 2009

於二零零九年三月三十一日

	Note 附註	Consolidated 綜合		Company 本公司		
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Equity						權益
Capital and reserves attributable to equity holders of the Company						本公司股權 持有人應佔 股本及儲備
Share capital	32	38,143	38,043	38,143	38,043	股本
Reserves	34	500,184	797,688	474,760	466,488	儲備
		538,327	835,731	512,903	504,531	
Minority interest		23,209	242,173	—	—	少數股東權益
Total equity		561,536	1,077,904	512,903	504,531	權益總額

Yao Cho Fai, Andrew

姚祖輝

Chairman

主席

Dong Sai Ming, Fernando

唐世銘

Executive Director

執行董事

The notes are an integral part of these consolidated financial statements.

附註為綜合財務報表整體之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31ST MARCH 2009

截至二零零九年三月三十一日止年度

	Attributable to equity holders of the Company 本公司股權持有人應佔				Minority interest 少數股東 權益	Total equity 權益總額	
	Share capital 股本 HK\$'000 千港元 (Note 32) (附註32)	Other reserves 其他儲備 HK\$'000 千港元 (Note 34) (附註34)	Retained earnings 保留盈利 HK\$'000 千港元 (Note 34) (附註34)	Total Total 總額 HK\$'000 千港元			
As at 1st April 2007	36,861	471,137	274,597	782,595	224,808	1,007,403	於二零零七年 四月一日
Profit for the year	—	—	31,317	31,317	13,854	45,171	年度溢利
Transfer from retained earnings	—	3,518	(3,518)	—	—	—	轉撥自保留 盈利
Change in fair value of available-for-sale financial assets	—	756	—	756	—	756	可供出售之財務 資產之公平價值 變動
Disposal of available-for- sale financial assets	—	(1,616)	—	(1,616)	—	(1,616)	出售可供出售之 財務資產
Issuance of shares	1,182	10,162	—	11,344	—	11,344	股份發行
Share option scheme — value of services	—	652	—	652	—	652	購股權計劃 — 服務價值
Dividends paid to equity holders of the Company	—	—	(13,983)	(13,983)	—	(13,983)	已付本公司股權 持有人之股息
Dividends paid to a minority shareholder of a subsidiary	—	—	—	—	(924)	(924)	已付一間附屬公司 之一位少數股東 之股息
Disposal of certain interests in a subsidiary and recognised it as an associate	—	—	—	—	(745)	(745)	出售於一間附屬 公司之若干權益 及確認為一間聯 營公司
Deemed disposal of certain interests in a subsidiary	—	—	—	—	5,012	5,012	視作出售於一間附 屬公司之若干 權益
Currency translation differences	—	24,666	—	24,666	168	24,834	貨幣滙兌差額
As at 31st March 2008	38,043	509,275	288,413	835,731	242,173	1,077,904	於二零零八年 三月三十一日

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31ST MARCH 2009

截至二零零九年三月三十一日止年度

	Attributable to equity holders of the Company 本公司股權持有人應佔						Minority interest 少數股東 權益	Total equity 權益總額
	Share capital 股本 HK\$'000 千港元 (Note 32) (附註32)	Other reserves 其他儲備 HK\$'000 千港元 (Note 34) (附註34)	Retained earnings 保留盈利 HK\$'000 千港元 (Note 34) (附註34)	Total				
As at 1st April 2008	38,043	509,275	288,413	835,731	242,173	1,077,904	於二零零八年 四月一日	
Loss for the year	—	—	(278,252)	(278,252)	28,058	(250,194)	年度虧損	
Transfer from retained earnings	—	1,033	(1,033)	—	—	—	轉撥自保留盈利	
Impairment loss of available-for-sale financial assets	—	(172)	—	(172)	—	(172)	可供出售之財務資 產之減值虧損	
Issuance of shares	100	680	—	780	—	780	股份發行	
Lapse of share options	—	(1,610)	1,610	—	—	—	失效之購股權	
Share option scheme — value of services	—	1,292	—	1,292	—	1,292	購股權計劃一服 務價值	
Dividends paid to equity holders of the Company	—	—	(4,959)	(4,959)	—	(4,959)	已付本公司股權持 有人之股息	
Dividends payable to a minority shareholder of a subsidiary	—	—	—	—	(654)	(654)	應付一間附屬公司 之一位少數股東 之股息	
Disposal of a subsidiary (Note 35(f))	—	(19,225)	—	(19,225)	(250,240)	(269,465)	出售一間附屬公司 (附註35(f))	
Currency translation differences	—	3,132	—	3,132	3,872	7,004	貨幣滙兌差額	
As at 31st March 2009	38,143	494,405	5,779	538,327	23,209	561,536	於二零零九年 三月三十一日	

The notes are an integral part of these consolidated financial statements.

附註為綜合財務報表整體之一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31ST MARCH 2009

截至二零零九年三月三十一日止年度

	Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Cash flows from operating activities				經營活動之現金流
Cash generated from/(used in) operations	35(a)	377,776	(179,117)	經營產生/(所用)之現金
Interest received		4,281	9,312	已收利息
Interest paid		(39,535)	(46,821)	已付利息
Hong Kong profits tax paid		(2,103)	(6,293)	已付香港利得稅
China corporate income tax paid		(13,296)	(8,717)	已付中國企業所得稅
Macau profits tax paid		(63)	(49)	已付澳門利得稅
Net cash generated from/(used in) operating activities		327,060	(231,685)	經營活動產生/(所用)之現金淨額
Cash flows from investing activities				投資活動之現金流
Purchase of property, plant and equipment		(14,874)	(31,807)	購置物業、廠房及設備
Proceeds from disposals of property, plant and equipment	35(b)	1,050	343	出售物業、廠房及設備之所得款項
Proceeds from disposals of available-for-sale financial assets		—	11,429	出售可供出售之財務資產之所得款項
Dividends received from an available-for-sale financial asset		4,302	611	一項可供出售之財務資產之股息收入
Additional investment in associates		—	(61,129)	增加於聯營公司之投資
Net cash outflow from disposal of certain interests in a subsidiary and recognised it as an associate	35(f)	(167,466)	3,723	出售於一間附屬公司之若干權益之淨現金流出及確認為一間聯營公司
Increase in investment in an associate to a subsidiary	35(e)	—	(36,660)	增持於一間聯營公司之投資成為一間附屬公司
Proceeds from disposal of certain interest in an associate	35(f)	110,078	—	出售一間聯營公司之若干權益之所得款項
Proceeds from deemed disposal of certain interests in a subsidiary	35(c)	—	9,103	視作出售於一間附屬公司之若干權益之所得款項
Proceeds from disposal of non-current assets held for sale		7,100	—	出售持作出售之非流動資產之所得款項
Proceeds from disposal of certain interests in a subsidiary in the prior year		—	7,800	往年出售於一間附屬公司之若干權益之所得款項

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31ST MARCH 2009

截至二零零九年三月三十一日止年度

	Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Amount recovered from fully impaired available-for-sale financial asset		194	—	收回已全數減值之可供出售之財務資產
Decrease/(increase) in pledged bank deposits		142,667	(184,727)	已抵押銀行存款減少／(增加)
Translation adjustments		1,537	11,681	滙兌調整
Net cash inflow /(outflow) from investing activities		84,588	(269,633)	投資活動產生／(所用)之現金淨額
Cash flows from financing activities				
				融資活動之現金流
New bank loans		60,175	214,977	新增銀行貸款
Repayment of bank loans		(188,579)	(21,702)	償還銀行貸款
Net (decrease)/increase in trust receipt bank loans		(449,821)	278,467	信託收據銀行貸款之淨(減少)／增加
Dividends paid to a minority shareholder of a subsidiary		—	(924)	已付一間附屬公司之一位少數股東之股息
Dividends paid to equity holders of the Company		(4,959)	(13,983)	已付本公司股權持有人的股息
Proceeds from issuance of ordinary shares		780	11,344	發行普通股之所得款項
Net cash (outflow)/inflow financing activities		(582,404)	468,179	融資活動(流出)／流入之現金淨額
Decrease in cash and cash equivalents		(170,756)	(33,139)	現金及現金等值之減少
Cash and cash equivalents, beginning of the year		271,435	304,574	年初之現金及現金等值
Cash and cash equivalents, end of the year		100,679	271,435	年終之現金及現金等值

The notes are an integral part of these consolidated financial statements.

附註為綜合財務報表整體之一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

Van Shung Chong Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda on 12th January 1994 as an exempted company under the Companies Act 1981 of Bermuda. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 18th February 1994. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company and its subsidiaries (together the “VSC Group”) are principally engaged in (i) Construction Materials Group, including stockholding and trading of construction materials such as steel products, sanitary wares, kitchen cabinets and home furnitures, and installation work of kitchen cabinets, and (ii) China Advanced Materials Processing, including processing/manufacturing of industrial products such as rolled flat steel products, stainless steel and enclosure systems, and trading of plastic resins.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 22nd July 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

1 一般資料

萬順昌集團有限公司(「本公司」)於一九九四年一月十二日於百慕達註冊成立為有限責任公司，並根據百慕達公司法1981，成為一間豁免公司。自一九九四年二月十八日起，本公司於香港聯合交易所有限公司主板上市。其註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司及其附屬公司(統稱「萬順昌集團」)主要從事(i)建築材料，包括存銷及買賣建築材料，例如鋼材產品、潔具、廚櫃及家具與及安裝廚櫃，及(ii)中國先進材料加工；包括加工／製造工業產品例如卷鋼產品、不銹鋼及系統設備外殼與及買賣塑膠樹脂。

除另有指明外，本綜合財務報表以港元(「港元」)列示。本綜合財務報表已於二零零九年七月二十二日經董事會核准刊發。

2 主要會計政策概要

編製本綜合財務報表採用之主要會計政策載列如下。除另有說明外，該等政策於所呈列之所有年度一直貫徹應用。

2.1 編製基準

本綜合財務報表依照香港財務報告準則(「香港財務報告準則」)編製。且乃按歷史成本慣例編製，並已就可供出售之財務資產、財務資產及財務負債(包括衍生工具)按公平價值計入損益及投資物業以公平價值列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

During the year ended 31st March 2009, the VSC Group incurred a loss attributable to equity holders of the Company of HK\$278,252,000. As at 31st March 2009, the VSC Group had borrowings of HK\$501,064,000 (2008: HK\$1,182,729,000) and has breached certain financial covenants of the loan facilities and accordingly, a non-current portion of borrowings, amounting to HK\$6,000,000 have been reclassified as repayable on demand as at 31st March 2009.

In order to improve the VSC Group's financial position, liquidity and cash flows, the directors of the Company have obtained waivers from the relevant banks on the compliance of the financial covenants and are in the process of taking measures which include, but are not limited to:

- negotiating additional new credit facilities with banks; and
- managing closely the VSC Group's cash flow position overall.

The directors of the Company consider that the VSC Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due and accordingly, are satisfied that it is appropriate to prepare the financial statements on a going concern basis. These consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities, other than those mentioned above, that might be necessary should the VSC Group be unable to continue as a going concern.

2 主要會計政策概要(續)

2.1 編製基準(續)

截至二零零九年三月三十一日止年度，萬順昌集團所產生之本公司股權持有人應佔虧損為278,252,000港元。於二零零九年三月三十一日，萬順昌集團之借貸為501,064,000港元(二零零八年：1,182,729,000港元)及違反若干關於貸款融資之財務契約，因此，非當期部份之借貸合共6,000,000港元已於二零零九年三月三十一日重新分類為即期償還。

為改善萬順昌集團之財務表現、流動資金及現金流量，本公司之董事已就遵守財務契約向有關銀行取得豁免，目前正在執行有關措施，包括但不限於：

- 與銀行磋商增加新信貸融資額；及
- 嚴密管理萬順昌集團的整體現金流量狀況。

本公司之董事認為萬順昌集團將擁有充足營運資金支持本身的業務運作，以及於財務責任到期時，履行有關財務責任，因此，本公司之董事認為按持續基準編製財務報表，誠屬合宜。除上述者外，該等綜合財務報表並不包括對若萬順昌集團未能按持續基準營運賬面金額和重新分類資產及負債之任何調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The VSC Group is engaged in the trading of steel products and exposes to the commodity price risk. At the date of approving these consolidated financial statements, the VSC Group's committed sale orders exceed the aggregate amount of inventories on hand and committed purchase orders and fluctuations of steel price could affect the VSC Group's financial performance significantly. The ongoing global financial crisis has resulted in high volatility in the commodity market which makes the future steel price trends even more difficult to predict. Further details of financial risk factors are set out in Note 3 of these consolidated financial statements.

Although the risk cannot be completely guarded against, the VSC Group has plans to minimise the potential impacts. These plans, including adjusting the level of inventory on hand, committing to supply contracts with suppliers and/or entering into commodity futures on steel price, are primarily aimed at reducing the potential exposure to steel price fluctuation.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the VSC Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2 主要會計政策概要(續)

2.1 編製基準(續)

萬順昌集團經營鋼材產品買賣業務並受商品價格風險的影響。於批准此等財務報表日期，萬順昌集團手頭上已確定之銷售訂單超過手頭上之存貨和已確定之購貨訂單總額，而鋼材價格波動可能對萬順昌集團之財務表現有重大影響。全球金融危機持續未止，導商品市場不穩定，令未來的鋼材價格走勢更難以預測。財務風險因素的更多詳情載於此等綜合財務報表附註3。

雖然無法完全防避有關風險，然而萬順昌集團計劃盡量減少蒙受的潛在影響。此等計劃，包括調整手頭上的存貨水平，與供應商訂定供貨合約及／或就鋼材價格訂立商品期貨合約，主要旨在減少鋼材價格波動造成的風險。

編製符合香港財務準則之綜合財務報表需要使用若干關鍵會計推算。這亦需要管理層在應用萬順昌集團之會計政策過程中行使其判斷。涉及高度之判斷或高度複雜性之範疇，或涉及對綜合財務報表屬重大假設及推算之範疇已在附註4中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The following new amendments to existing standards and interpretations are mandatory for the financial year beginning on or after 1st April 2008 but the adoption of these new amendments to existing standards and interpretations do not have impact to the VSC Group's consolidated financial statements;

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
HKAS 39 and HKFRS 7 (Amendments)	Financial Instruments: Recognition and Measurement — Reclassification of Financial Assets

The following new/revised standards, amendments to existing standards and interpretations have been issued but are not yet effective and have not been early adopted by the VSC Group as at and for the year ended 31st March 2009;

HKAS 1 (Revised)	Presentation of Financial Statements (effective for annual period beginning on or after 1st January 2009)
HKAS 23 (Revised)	Borrowing Costs (effective for annual period beginning on or after 1st January 2009)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective for annual period beginning on or after 1st July 2009)

2 主要會計政策概要(續)

2.1 編製基準(續)

必須採納下列對於二零零八年四月一日起之財政年度之現有準則及詮釋之新修訂，但現階段採納此新修訂對現有準則及詮釋預期萬順昌集團之綜合財務報表並無影響；

香港(國際財務報告詮釋委員會) — 詮釋第12號	服務特許權安排
香港(國際財務報告詮釋委員會) — 詮釋第14號	香港會計準則第19號 — 界定福利資產限制、最低融資規定及相互之間之關係
香港會計準則第39號及香港財務報告準則第7號(修訂)	金融工具：確認及計量 — 財務資產之重新分類

萬順昌集團並無於及截至二零零九年三月三十一日止年度提前採納下列對現有已頒佈但並未生效之準則及詮釋之新訂／經修訂之準則及修訂：

香港會計準則第1號(經修訂)	財務報表之呈列(於二零零九年一月一日起或以後年度期間生效)
香港會計準則第23號(經修訂)	借貸成本(於二零零九年一月一日起或以後年度期間生效)
香港會計準則第27號(經修訂)	綜合及獨立財務報表(於二零零九年七月一日起或以後年度期間生效)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

HKAS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for annual period beginning on or after 1st January 2009)
HKFRS 1 (Revised)	First-time Adoption of HKFRS (effective for annual period beginning on or after 1st July 2009)
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations (effective for annual period beginning on or after 1st January 2009)
HKFRS 3 (Revised)	Business Combinations (effective for annual period beginning on or after 1st July 2009)
HKFRS 8	Operating Segments (effective for annual period beginning on or after 1st January 2009)
HK(IFRIC) — Int 9 and HKAS 39 (Amendments)	Embedded Derivatives (effective for annual periods beginning on or after 30th June 2009)
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1st July 2009)

2 主要會計政策概要 (續)

2.1 編製基準 (續)

香港會計準則第1號及香港會計準則第27號 (修訂)	於附屬公司·共同控制實體或聯營公司之投資成本 (於二零零九年一月一日起或以後年度期間生效)
香港財務報告準則第1號 (經修訂)	首次採納香港財務報告準則 (於二零零九年七月一日起或以後年度期間生效)
香港財務報告準則第2號 (修訂)	以股份為基礎之補償計劃之歸屬條件及取消 (於二零零九年一月一日起或以後年度期間生效)
香港財務報告準則第3號 (經修訂)	業務合併 (於二零零九年七月一日起或以後年度期間生效)
香港財務報告準則第8號	經營分部 (於二零零九年一月一日起或以後年度期間生效)
香港 (國際財務報告詮釋委員會) — 詮釋第9號及香港會計準則第39號 (修訂)	嵌入式衍生工具 (於二零零九年六月三十日起或以後年度期間生效)
香港 (國際財務報告詮釋委員會) — 詮釋第17號	向擁有人分派非現金資產 (於二零零九年七月一日起或以後年度期間生效)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

In addition, the HKICPA has also issued Improvements to HKFRS which sets out amendments to HKFRS 2, HKFRS 5, HKFRS 7, HKFRS 8, HKAS 1, HKAS 7, HKAS 8, HKAS 10, HKAS 16, HKAS 17, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40, HKAS 41, HK(IFRIC) – Int 9 and HK(IFRIC) – Int 16, primarily with a view to remove inconsistencies and clarify wordings. These amendments are effective for the financial periods on or after 1st January 2009, 1st July 2009 or 1st January 2010.

The VSC Group is in the process of making an assessment of the impact of these new/revised standards, amendments to existing standards and interpretations upon initial application. The preliminary assessment is that the adoptions of HKFRS 8 and HKAS 1 (Revised) will result in new or amended disclosures and the adoption of HKAS 27 (Revised) will result in changes in accounting policies, these new/revised standards, amendments to existing standards and interpretations are unlikely to have a significant impact on the VSC Group's results of operations and financial position. The VSC Group plans to adopt these new/revised standards, amendments to existing standards and interpretations when they become effective.

2 主要會計政策概要(續)

2.1 編製基準(續)

再者，香港會計師公會亦已頒佈對香港財務報告準則的改進，當中載列對以下準則的修訂：香港財務報告準則第2號、香港財務報告準則第5號、香港財務報告準則第7號、香港財務報告準則第8號、香港會計準則第1號、香港會計準則第7號、香港會計準則第8號、香港會計準則第10號、香港會計準則第16號、香港會計準則第17號、香港會計準則第18號、香港會計準則第19號、香港會計準則第20號、香港會計準則第23號、香港會計準則第27號、香港會計準則第28號、香港會計準則第29號、香港會計準則第31號、香港會計準則第34號、香港會計準則第36號、香港會計準則第38號、香港會計準則第39號、香港會計準則第40號、香港會計準則第41號、香港(國際財務報告詮釋委員會)－詮釋第9號及香港(國際財務報告詮釋委員會)－詮釋第16號，有關修訂主要清除不統一之處及澄清字眼。此等修訂於二零零九年一月一日，二零零九年七月一日或二零一零年一月一日生效。

萬順昌集團已在評估此等新訂／經修訂之準則、修訂在初次應用時對現有之準則及詮釋有何影響。初步評估，當採納香港財務報告第8號及香港會計準則第1號(經修訂)會導致新或修訂披露，而採納香港會計準則第27號(經修訂)會導致會計政策之更改。此等新訂／經修訂之準則、修訂對現有準則及詮釋預期對萬順昌集團之營運業績及財政狀況並無重大影響。萬順昌集團計劃對現有準則及詮釋生效後，採納此等新訂／經修訂之準則及修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The following amendments to existing standards and interpretations have not yet been effective and are not relevant to the VSC Group's operations:

HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation (effective for annual period beginning on or after 1st January 2009)
HKAS 39 (Amendment)	Eligible Hedged Items (effective for annual period beginning on or after 1st July 2009)
HK(IFRIC) — Int 13	Customer Loyalty Programmes (effective for annual period beginning on or after 1st July 2008)
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate (effective for annual period beginning on or after 1st January 2009)
HK(IFRIC) — Int 16	Hedges of a Net Investment in Foreign Operation (effective for annual period beginning on or after 1st October 2008)
HK(IFRIC) — Int 18	Transfers of Assets from Customers (effective for transfer of assets from customers received on or after 1st July 2009)

2 主要會計政策概要 (續)

2.1 編製基準 (續)

以下對現有準則及詮釋之修訂並未生效及與萬順昌集團之業務無關：

香港會計準則第32號及香港會計準則第1號 (修訂)	清盤產生之可沽售金融工具及責任 (於二零零九年一月一日起或以後年度期間生效)
香港會計準則第39號 (修訂)	合資格對沖項目 (於二零零九年七月一日起或以後年度期間生效)
香港 (國際財務報告詮釋委員會) — 詮釋第13號	客戶忠誠計劃 (於二零零八年七月一日起或以後年度期間生效)
香港 (國際財務報告詮釋委員會) — 詮釋第15號	房地產建築協議 (於二零零九年一月一日起或以後年度期間生效)
香港 (國際財務報告詮釋委員會) — 詮釋第16號	海外業務投資淨額對沖 (於二零零八年十月一日起或以後年度期間生效)
香港 (國際財務報告詮釋委員會) — 詮釋第18號	獲客戶轉讓資產 (生效於二零零九年七月一日或以後從客戶收到之資產轉讓)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31st March 2009.

(a) *Subsidiaries*

Subsidiaries are all entities over which the VSC Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the VSC Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the VSC Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the VSC Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the VSC Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

2 主要會計政策概要(續)

2.2 綜合賬目

綜合賬目包括本公司及其所有附屬公司截至二零零九年三月三十一日止之財務報表。

(a) *附屬公司*

附屬公司指萬順昌集團有權管控其財政及經營政策之所有實體，一般附帶超過半數投票權之股權。在評定萬順昌集團是否控制另一實體時，目前可行使或可兌換之潛在投票權之存在及影響均予考慮。附屬公司在控制權轉移至萬順昌集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

萬順昌集團採用會計採購法將萬順昌集團收購附屬公司入賬。收購成本根據於交易日期所提供資產公平價值、已發行股本工具及所產生或承擔之負債加上收購直接應佔之成本計量。於業務合併中所收購可識別的資產與所承擔之負債及或然負債初步按於收購日期之公平價值計算，與任何少數股東權益無關。收購成本超出萬順昌集團應佔所收購可識別資產淨值之公平價值之數額列作商譽。倘收購成本低於所收購附屬公司資產淨值之公平價值，則差額直接於損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(a) *Subsidiaries (Continued)*

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the VSC Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.11), if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) *Transactions with minority interests*

The VSC Group applies a policy of treating transactions with minority interests as transactions with parties external to the VSC Group. Disposals to minority interest result in gains and losses for the VSC Group and are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2 主要會計政策概要(續)

2.2 綜合賬目(續)

(a) *附屬公司(續)*

集團內公司之間之交易、交易之結餘及未實現收益予以對銷。未實現虧損亦予以對銷。綜合財務報表中，附屬公司之會計政策於已按需要作出改變，以確保與萬順昌集團採用的政策符合一致。

在本公司之資產負債表內，於附屬公司之投資按成本值扣除或有之減值虧損撥備列賬(附註2.11)。本公司將附屬公司之業績按已收及應收股息基準入賬。

(b) *與少數股東權益之交易*

按萬順昌集團之政策，萬順昌集團與少數股東權益之交易均列為與萬順昌集團對外人仕進行之交易處理。出售予少數股東權益而導致萬順昌集團之盈虧於綜合損益表記賬。向少數股東進行採購而導致之商譽，相當於所支付之任何代價與相關應佔所收購附屬公司淨資產之賬面價值之差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

(c) Associates

Associates are all entities over which the VSC Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The VSC Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.11 for the impairment of non-financial assets including goodwill.

The VSC Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the VSC Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the VSC Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the VSC Group and its associates are eliminated to the extent of the VSC Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the VSC Group.

Dilution gains and losses in investments in associates are recognised in the consolidated income statement.

2 主要會計政策概要(續)

2.2 綜合賬目(續)

(c) 聯營公司

聯營公司是指凡萬順昌集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。萬順昌集團於聯營公司之投資包括收購時已識別之商譽，並扣除任何累計減值虧損。詳見附註2.11，包括商譽之非財務資產之減值。

萬順昌集團應佔收購後聯營公司的溢利或虧損於損益表中確認，而應佔收購後儲備之變動則於儲備賬中確認。投資賬面金額會根據累計之收購後儲備變動而作出調整。如萬順昌集團應佔一間聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押之應收賬款，萬順昌集團不會確認進一步虧損，除非萬順昌集團已代聯營公司承擔責任或作出付款。

萬順昌集團與其聯營公司之間交易之未實現收益按萬順昌集團於聯營公司權益之數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與萬順昌集團採用的政策符合一致。

於聯營公司之投資之攤薄盈虧已於綜合損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the VSC Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is the Company's functional and the VSC Group's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in equity.

2 主要會計政策概要(續)

2.3 分部報告

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務之風險及回報與其他業務分部不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務之風險及回報與其他經濟環境中經營的分部不同。

2.4 外幣換算

(a) *功能和呈列貨幣*

萬順昌集團每個實體之財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量(「功能貨幣」)。本綜合財務報表以港元呈報，港元為本公司的功能及萬順昌集團之呈列貨幣。

(b) *交易及結餘*

外幣交易採用交易日之匯率，或當項目經重新計量則按估值當日之匯率，換算為功能貨幣。結算此等交易產生的滙兌盈虧以及將外幣計值之貨幣資產及負債以年終匯率換算而產生之滙兌盈虧於損益表中確認。

以外幣為單位之可供出售之貨幣性證券之公平價值變動，按照證券之攤銷成本變動與該證券賬面金額之其他變動所產生之滙兌差額進行分析。與攤銷成本變動有關之滙兌差額已在損益表中確認，賬面金額之其他變動則於權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) Group companies

The results and financial position of all the VSC Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2 主要會計政策概要(續)

2.4 外幣換算(續)

(b) 交易及結餘(續)

非貨幣性財務資產及負債(例如按公平價值計入損益之權益工具)之換算差額在損益表中確認為公平價值盈虧之一部份。非貨幣性財務資產(例如分類為可供出售之權益)之換算差額包括在權益中可供出售儲備內。

(c) 集團公司

功能貨幣與呈列貨幣不同之所有萬順昌集團實體(當中沒有嚴重通脹貨幣)之業績及財務狀況均按以下方法換算為列賬貨幣：

- (i) 各資產負債表呈列之資產及負債均以該資產負債表結算日之收市匯率換算；
- (ii) 各損益表之收入及支出均按平均匯率換算(除非該平均價值並非於交易日通行匯率累計影響之合理近似值，在此情況下收入及支出乃按交易日之匯率換算)；及
- (iii) 所有由此產生之滙兌差額確認為權益之獨立組成項目。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the VSC Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the income statement during the financial year in which they are incurred.

2 主要會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

於綜合賬目，換算境外實體之投資淨額及借貸及其他用以抵押其他貨幣工具如投資所產生之滙兌差額乃計入股權持有人之權益內。當出售或部份出售境外業務時，計入股權持有人權益內之滙兌差額會於損益表中確認為出售收益或虧損部份。

收購境外實體時產生之商譽及公平價值調整乃作為該境外實體之資產及負債處理，並以期終滙率換算。

2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該項目直接應佔之開支。

其後成本只有在與該項目有關的未來經濟利益有可能流入萬順昌集團之下，而該項目的成本能可靠計量時，才包括在資產之賬面金額或確認為獨立資產（如適用）。已更換零件之賬面金額已被剔除入賬。所有其他維修及保養在產生之財政年度期間內於損益表內支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

— Buildings	2.5% to 5%
— Leasehold improvements	20% to 33%
	(lease terms)
— Furniture and equipment	15% to 33%
— Machinery	10% to 25%
— Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

2.6 Construction-in-progress

Construction-in-progress represents plants and machinery under construction and is stated at cost. Cost includes the costs of plant and machinery and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are ready for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in Note 2.5.

2 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

物業、廠房及設備之折舊採用以下之估計可使用年期將成本或重估價值按如下直線法分攤至剩餘價值計算，如下：

— 樓宇	2.5%至5%
— 租賃物業裝修	20%至33%
	(租約年期)
— 傢俬及設備	15%至33%
— 機器	10%至25%
— 汽車	20%

資產之剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

若資產的賬面金額高於其估計可收回金額，其賬面金額即時撇減至可收回金額。

出售之收益及虧損乃按所得款與其賬面金額之差額釐定，並已於損益表中確認。

2.6 在建工程

在建工程指正在建設之廠房及機器，按成本入賬。成本包括廠房及機器成本，及在建此等資產期間或安裝及測試(如有)時所產生之借貸之利息開支。在建工程並不作出折舊撥備，直至有關資產投入使用後，成本將轉撥至其他物業、廠房及設備，並且根據上述附註2.5所載之政策折舊。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Leasehold land and land use rights

The up-front prepayments made for leasehold land and land use rights are accounted for as operating leases. They are recognised in the income statement on a straight-line basis over the periods of the lease or the land use rights, or when there is impairment, the impairment is recognised in the income statement.

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the VSC Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value, representing open market value determined by external valuers at least annually. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the external valuers use alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in the income statement.

2 主要會計政策概要 (續)

2.7 租賃土地及土地使用權

租賃土地及土地使用權之前期預付款項已作賬於營業租約列賬。租約期間內以直線法於損益表內支銷或當出現減值時，其減值已於損益表中確認。

2.8 投資物業

持作長期租金收益或資本增值或兩者兼備，且並非由萬順昌集團佔用之物業均分類為投資物業。

投資物業包括以營業租約持有的土地及以融資租賃持有的樓宇。以營業租約持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。營業租約猶如其為融資租賃而記賬。

投資物業初步按其成本計量，包括相關的交易成本。在初步確認後，投資物業按公平價值列賬，即最少每年由外部估值師釐定之公開市值。公平價值根據活躍市場價格計算，如有需要就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此項資料，外部估值師須利用其他估值方法，例如較不活躍市場的近期價格或貼現現金流量預測法。公平價值之變動已在損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties (Continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the VSC Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the VSC Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combinations in which the goodwill arose.

2 主要會計政策概要(續)

2.8 投資物業(續)

其後開支只有在與該項目有關的未來經濟利益有可能流入萬順昌集團，而該項目的成本能可靠衡量時，才計入在資產的賬面金額中。所有其他維修及保養成本在產生的財政期間內於損益表內支銷。

若投資物業變成業主自用，則重新分類為物業、廠房及設備，其物業之公平價值會於重新分類日期中轉為成本。

若物業、廠房及設備之一項項目因其用途改變而成為投資物業，根據香港會計準則第16號，該項目於轉讓當日之賬面金額與公平價值間之差異將於股本內確認為物業、廠房及設備之重估。然而，倘公平價值收益導致過往之減值虧損出現轉回，有關收益已於損益表中確認。

2.9 商譽

商譽指收購成本高於萬順昌集團於收購日期應佔所收購附屬公司之可確認資產淨值之公平價值之差額。收購附屬公司產生之商譽計入無形資產。商譽每年進行減值評估及按成本減累計減值虧損列賬。商譽之減值虧損不予撥回。出售一間實體之收益及虧損包括出售相關實體之商譽賬面金額。

為進行減值評估，商譽被劃分至現金產生單位。商譽歸入產生現金單位或預期可受惠於產生商譽之業務合併之產生現金以查核減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through sale rather than through continuing use.

2.11 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要 (續)

2.10 持作出售之非流動資產

當非流動資產之賬面金額主要是透過銷售交易，而其銷售被視為大有可能發生而收回下，資產則會被分類為持作出售之資產。如非流動資產主要是透過銷售，而非透過持續使用而收回，會被按其賬面金額及公平價值減出售成本之間之較低者列賬。

2.11 於附屬公司、聯營公司及非財務資產之投資之減值

無特定期限之資產毋須攤銷，如商譽，但此等資產每年均接受減值評估。資產如有任何跡象顯示出現耗蝕，該資產亦會被評估當時之減值情況。減值虧損為資產賬面金額超越其可收回價值之數額。可收回價值為資產之公平價值減出售成本後之價值與其使用價值之間之較高者。為了評估資產減值，其現金流量（現金產生單位）之最低水平會被獨立地確認劃分資產類別。除商譽以外而出現減值之非財務資產可於每個報告日期就可能撥回之減值進行審閱。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets

(i) Classification

The VSC Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The VSC Group's loans and receivables comprise "trade and bill receivables", "other receivables", "loan receivables", "amounts due from associates" and "cash and cash equivalents" in the balance sheet.

2 主要會計政策概要(續)

2.12 財務資產

(i) 分類

萬順昌集團將其財務資產作以下分類：按公平價值計入損益，應收貸款及可供出售。其分類乃取決於收購財務資產之目的。管理層會於初次確認時釐定其財務資產之分類。

(a) *按公平價值計入損益之財務資產*

按公平價值計入損益之財務資產為持作買賣之財務資產。如所收購之財務資產主要是為了在短期內出售，則劃分為此類別。衍生工具亦會被劃分為持作買賣，惟被指定為對沖項目者則除外。歸類為此類之資產會被劃分為流動資產。

(b) *貸款及應收款*

貸款及應收款為設有固定或可確定付款金額，以及不會在活躍市場上市之非衍生財務資產。此等項目已計入流動資產之內，除由結算日起計十二個月後方到期之項目，則劃分為非流動資產。萬順昌集團之貸款及應收款包括於資產負債表中之「應收賬款及票據」，「其他應收賬款」，「應收貸款」，「應收聯營公司」及「現金及現金等值」。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (Continued)

(i) Classification (Continued)

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the VSC Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the VSC Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.12 財務資產 (續)

(i) 分類 (續)

(c) 可供出售之財務資產

可供出售之財務資產指已在本類別內指定或未在任何其他類別內分類之非衍生工具。除非管理層擬於結算日12個月內將投資出售，否則其將包括在非流動資產內。

(ii) 確認及計量

經常性財務資產買賣在交易日(即萬順昌集團承諾購買及出售之日期)確認。所有並非按公平價值計入損益記賬之財務資產之投資初步以公平價值加交易成本入賬。按公平價值計入損益記賬之財務資產初步以公平價值確認，交易成本於損益表支銷。若從投資收取現金流量之權利已過期或已轉移及萬順昌集團已將所有權之重要風險及回報轉移，財務資產將不予確認。可供出售之財務資產及按公平價值透過損益記賬之財務資產其後以公平價值列賬。貸款及應收賬款項採用實際利息方法，以攤銷成本列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (Continued)

(ii) Recognition and measurement (Continued)

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the income statement, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the VSC Group’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the income statement; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the VSC Group’s right to receive payments is established.

2 主要會計政策概要 (續)

2.12 財務資產 (續)

(ii) 確認及計量 (續)

因「按公平價值計入損益記賬之財務資產」類別內公平價值變動產生之盈虧於產生期間在損益表內確認。按公平價值計入損益記賬之財務資產之股息收入，於萬順昌集團收取付款之權利確立時在損益表內作為其他收入之一部份確認。

以外幣為單位之可供出售之貨幣性證券之公平價值變動，按照證券之攤銷成本變動與該證券之賬面金額之其他變動所產生之滙兌差額進行分析。貨幣性證券之滙兌差額在損益表中確認，非貨幣性證券之滙兌差額則於權益中確認。被分類為可供出售之非貨幣性證券之公平價值變動，亦於權益中確認。

當被分類為可供出售之證券出售或減值時，累計公平價值調整會作為投資證券收益或虧損計入損益表內。

採用實際利息計算之可供出售證券之利息已於損益表中確認。可供出售股本工具之股息將於萬順昌集團收取款項之權利已確立時於損益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (Continued)

(ii) Recognition and measurement (Continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the VSC Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The VSC Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 2.16.

2 主要會計政策概要 (續)

2.12 財務資產 (續)

(ii) 確認及計量 (續)

上市投資之公平價值根據當時之買盤價計算。若某項財務資產之市場並不活躍(及就非上市證券而言)，萬順昌集團利用重估技術設定公平價值。這些技術包括利用近期公平原則交易、參考其他相約之工具、貼現現金流量分析和期權定價模式，盡可能使用市場元素而盡量減少倚靠屬公司獨有之元素。

萬順昌集團於每個結算日評估是否存在客觀證據證明某項財務資產或某組財務資產出現減值。對於被分類為可供出售之股權證券，在釐定證券是否已經減值時，會考慮證券公平價值有否大幅或長期跌至低於其成本。若可供出售之財務資產存在此等跡象，其累計虧損(收購成本與當時公平價值之差額，減去該財務資產之前已於損益表中確認之任何減值虧損)將從權益扣除，並在損益表中確認。已在損益表中確認之股權工具減值虧損不會透過損益表撥回。應收賬款減值測試於附註2.16中討論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Since the derivative instruments entered into by the VSC Group do not qualify for hedge accounting, changes in the fair value of these derivative instruments are recognised immediately in the income statement.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Installation contracts

When the outcome of an installation contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised when incurred.

When the outcome of an installation contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract, respectively, as revenue and expenses. The VSC Group uses the percentage-of-completion method to determine the appropriate amount of revenue and costs to be recognised in a given period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2 主要會計政策概要(續)

2.13 衍生金融工具

衍生工具最初於訂立衍生工具合約之日按公平價值確認，其後按公平價值重新計量。由此產生之收益或虧損之確認方法，視乎該衍生工具是否被指定為對沖工具，若被指定為對沖工具，亦視乎受對沖項目之性質而定。由於萬順昌集團有關之衍生工具不適宜採用對沖會計法處理，故衍生工具公平價值之變動會即時於損益表中確認。

2.14 存貨

存貨按成本及與可變現淨價值兩者中之較低者入賬。成本以先入先出法計算。製成品及半製成品之成本，包括原材料、直接勞工工資，其他直接成本及有關之生產費用（根據正常經營能力），但不包括借貸成本。可變現淨價值根據其於正常業務運作下之銷售價格減去適當之可變銷售支出。

2.15 安裝合約

倘安裝合約之結果未能可靠地估計時，則僅把大有可能收回之已產生合約成本入賬確認為合約收入。合約成本於產生期間確認。

倘安裝合約之結果可以可靠地估計，則合約收入及合約成本會按其合約期間，分別入賬確認為收入及支出。萬順昌集團採用完成百分比計算法按適當收入及成本金額在指定期間確認入賬。倘合約成本總額大有可能超逾合約收入總額，則其預算虧損即時入賬確認為支出。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Installation contracts (Continued)

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year-end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on installation contract work under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on installation contract work under current liabilities.

2.16 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the VSC Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as indicators that the receivables is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the income statement.

2 主要會計政策概要 (續)

2.15 安裝合約 (續)

每份合約產生之成本與已確認之損益總額，與截至年終為止之進度款項作一比較。當已發生成本與已確認之溢利(減已確認之虧損)超過進度款項之款額，有關差額將列作流動資產下之應收客戶之安裝合約工程。當進度款項之款額超過已發生成本加已確認之溢利(減已確認之虧損)，差額將列作流動負債下之應付客戶之安裝合約工程。

2.16 應收及其他應收賬款

應收及其他應收賬款最初按公平價值確認，而後則採用實際利率法按已攤銷成本減值撥備計量。倘有客觀理據顯示萬順昌集團將不能按應收及其他應收賬款之原有條款收回所有到期款項，則會對應收賬款作出減值撥備。債務人如有嚴重財務困難，或有可能面臨破產或財務重組及違約或拖延付款，將被視為應收賬款出現減值之指示。撥備之數額為資產賬面金額與估計未來現金流量現值之間差額，並按實際利率貼現。資產的賬面金額透過使用備付賬戶削減，而有關的虧損數額則在損益表中確認。如一項應收款項無法收回，則會與應收賬款項內之備付賬戶撇銷。過往已撇銷款項如其後收回，將撥回損益表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investment with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the VSC Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2 主要會計政策概要 (續)

2.17 現金及現金等值

現金及現金等值包括手頭現金、存於銀行之通知存款，於三個月內到期之其他短期高流動性投資存款及銀行透支。銀行透支於資產負債表中流動負債之借貸中顯示。

2.18 股本

普通股界定為權益。

發行新股或購股權直接應佔之增量成本於權益內列作所得款項(扣除稅項)中扣減。

2.19 應付賬款

應付賬款最初按公平價值確認，及其後則採用實際利率法計量。

2.20 借貸

借貸最初按公平價值，扣除已產生之交易成本確認。借貸其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間之任何差額於借貸期使用實際利率法於損益表中確認。

除非萬順昌集團擁有無條件權利延遲償還負債直至結算日後最少12個月，否則借貸界定為流動負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisitions, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the income statement in the period in which they are incurred.

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to item recognised directly in equity. In this case the tax is recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting non taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 主要會計政策概要(續)

2.21 借貸成本

需以長時間準備作計劃用途或出售之資產收購、建造或生產而產生之直接應計之借貸成本撥為該資產之部份成本。所有其他借貸成本乃於產生之期間於損益表扣除。

2.22 當期及遞延所得稅

期內稅項開支包括當期及遞延所得稅。稅項於損益表中確認，惟若稅項與直接計入權益之項目有關，則會同時於權益中確認。

當期所得稅支出根據本公司及其附屬公司及聯營公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅乃利用負債法就資產與負債之稅基與它們在財務報表之賬面金額兩者之短暫時差作全數確認。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質採用，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率及法例而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax (Continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the VSC Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.23 Employee benefits

(a) Retirement benefits

The VSC Group participates in several defined contribution retirement benefit schemes. A defined contribution plan is a pension plan under which the VSC Group pays contributions, on a mandatory, contractual or voluntary basis, into a separate entity. The schemes are generally funded through payments to insurance companies or state/trustee-administered funds. The VSC Group has no further payment obligations once the contributions have been paid. It has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expenses when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

2 主要會計政策概要 (續)

2.22 當期及遞延所得稅 (續)

遞延所得稅資產乃就大有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延所得稅會就有關在附屬公司及聯營公司之投資所產生之短暫時差而撥備，但假若萬順昌集團可以控制短暫時差撥回之時間，並大有可能在可預見未來不會撥回該短暫時差則除外。

2.23 員工福利

(a) 退休福利

萬順昌集團參與數項界定供款退休福利計劃。萬順昌集團界定退休金為強制、合約或自願基準支付供款予一獨立實體之退休福利計劃。此等計劃一般透過向保險公司或受託管理基金付款而注資。萬順昌集團於作出供款後，即無進一步付款責任。倘基金不具備足夠資產，無法就本期及過往期間之僱員服務向所有僱員支付福利，則萬順昌集團並無法律或推定責任作進一步供款。

供款於應付時確認為僱員成本，並可由歸屬前離開計劃之僱員所放棄之全數供款撇減。預付供款按照現金退款或未來款項減少計算確認為資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (Continued)

(b) Bonus plans

The VSC Group recognises a liability and an expense for bonuses. The VSC Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Share-based compensation

The VSC Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the VSC Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 主要會計政策概要 (續)

2.23 員工福利 (續)

(b) 花紅計劃

萬順昌集團就花紅確認相應負債及費用。當於合約規定或由過往做法產生推定責任時，則會確認撥備。

(c) 以股份為基礎之補償

萬順昌集團設有多項以權益償付、以股份為基礎之補償計劃，據此，公司以萬順昌集團之股本工具（購股權）作為獲取僱員服務之代價。僱員為獲取授予購股權而提供之服務之公平價值確認為支出。將予支銷之總金額參考授予之購股權之公平價值釐定，不包括任何非市場服務及表現既定條件（例如盈利能力、銷售增長目標及公司於特定期間餘下之僱員）之影響。非市場既定條件包括關於預期歸屬之購股權數目之假設。所支銷之總金額於歸屬期間（即所有特定既定條件獲滿足之期間）內確認。在每個結算日，公司會根據非市場既定條件修訂其預期歸屬之購股權數目之估計。公司在損益表內確認原估算修訂（如有）之影響，並對權益作出相應調整。

於購股權獲行使時，所收取之所得款項淨額（扣除直接應佔之交易成本）乃計入股本（面值）及股份溢價中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (Continued)

(d) Termination benefits

Termination benefits are payable when employment is terminated by the VSC Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The VSC Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(e) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.24 Provision

Provisions are recognised when: the VSC Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

2 主要會計政策概要 (續)

2.23 員工福利 (續)

(d) 終止服務福利

倘萬順昌集團於僱員正常退休日期前終止僱傭關係或僱員自願以離職換取利益，萬順昌集團須給予終止服務福利。當明確顯示萬順昌集團將根據不可撤回之詳盡正式計劃終止聘用現有僱員；或因鼓勵僱員自願離職而提供終止服務福利時，則會確認終止福利。於結算日起計十二個月後到期之福利會折算至現值。

(e) 僱員應享假期

僱員之應享年假乃於應計予僱員時確認。僱員因提供服務產生之應享年假乃按截至結算日之年假估計負債計算撥備。僱員應享病假及分娩假期僅於支取時才確認。

2.24 撥備

當萬順昌集團因已發生之事件而產生現有之法律或推定責任，或較可能有資源流出以償付責任，且金額已可靠估計，則會確認撥備，重組撥備包括租賃終止罰款及僱員離職付款。未來經營虧損則不作撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Provision (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.25 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the VSC Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.26 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the VSC Group's activities. Revenue is shown net of value-added tax, rebates, returns and discounts and after elimination of sales within the VSC Group.

2 主要會計政策概要 (續)

2.24 撥備 (續)

如有多項類似責任，其需要在償付中流出資產的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備採用稅前率按照預期需償付有關責任之開支之現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加之撥備確認為利息支出。

2.25 或然負債

或然負債乃指因過往事件而可能產生之負債，或然負債存在與否僅由出現或並無出現一項或多項萬順昌集團未能全力控制之不明朗未來事件而決定。或然負債亦可以是由過往事件產生而未予確認之現有債務，但由於可能毋需流出經濟資源或責任金額未能可靠計算而未有確認。

或然負債不會被確認，但會在綜合財務報表附註披露。當流出資源之可能性改變導致可能流出資源時，此等負債將確認為撥備。

2.26 收入確認

收入包括萬順昌集團在日常運作下之已收或應收之貨品及服務銷售而產生之公平價值代價。收入是扣除增值稅、回扣退貨及折扣以及對銷了萬順昌集團內部銷售。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (Continued)

The VSC Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the VSC Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The VSC Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has full discretion over channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with sales contract, the acceptance provisions have lapsed, or the VSC Group has objective evidence that all criteria for acceptance have been satisfied.

2 主要會計政策概要 (續)

2.26 收入確認 (續)

當收益數額能夠可靠計量、未來經濟利益有可能流入有關實體，而萬順昌集團每項活動均符合具體條件時(如下文所述)，萬順昌集團便會將收入確認。除非與收入有關之所有或然事項均已解決，否則收入數額不被視為能夠可靠計量。萬順昌集團會根據其往績並考慮客戶類別、交易種類和每項安排之特點作出估計。

收入確認如下：

(a) 銷售貨品

當萬順昌集團實體已將貨品交付予客戶，客戶對銷售產品的渠道和價格擁有完全決定權，且沒有未履行的責任可能影響客戶對產品的接收時，貨品銷售即確認入賬。當產品已付運予至指定地點，廢棄和損失風險已轉讓予客戶，而批客戶已根據銷售合約接收產品、或接收條款已作廢，或萬順昌集團有客觀證據顯示所有接收條款已經履行後，貨品交付才算產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (Continued)

(b) *Revenue from installation contracts*
Revenue from each individual installation contract is recognised using the percentage-of-completion method by reference to the stage of completion of the contract activity, generally based on the proportion of contract costs incurred for work performed to date to estimated total contract costs (Note 2.15).

(c) *Service income*
Service income is recognised when the services are rendered.

(d) *Rental income*
Rental income is recognised on a straight-line basis over the period of the relevant leases.

(e) *Dividend income*
Dividend income is recognised when the right to receive payment is established.

(f) *Interest income*
Interest income is recognised on a time-proportion basis using the effective interest method.

Advance payments received from customers prior to delivery of merchandise are recorded as receipts in advance.

2 主要會計政策概要 (續)

2.26 收入確認 (續)

(b) *安裝合約之收入*
每份個別安裝合約之收入會參照合約活動之完成階段然後以完成百分比計算法予以確認。完成百分比普遍按照已執行工作之合約成本對比預期總合約成本之比例 (附註2.15)。

(c) *服務收入*
服務收入會當服務產生時確認。

(d) *租金收入*
租金收入於有關租約期內以直線法予以確認。

(e) *股息收入*
股息收入乃於確定有權收取股息支付時予以確認。

(f) *利息收入*
利息收入按適用息率以時間比例作基準予以確認。

於付運貨品前預先向客戶收取之款項均列作預收款項入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Operating leases

(a) *As a lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), including upfront payment made for leasehold land and land use rights, are charged to the income statement on a straight-line basis over the period of the leases.

(b) *As a lessor*

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

2.28 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as an liability in the VSC Group's financial statements in the period in which the dividends are approved by the Company's equity holders.

2 主要會計政策概要(續)

2.27 營業租約

(a) *作為承租人*

如租約擁有權的重大部份風險和回報由出租人保留，分類為營業租約。根據營業租約支付的款項(扣除自出租人收取之任何獎勵金後)，包括就租賃土地及土地使用權作出之預付款項，於租賃期內以直線法在損益表中扣除。

(b) *作為出租人*

當資產按營業租約出租時，該資產將按資產之類別在資產負債表中顯示。租金收入於租賃期內以直線法記賬。

2.28 股息分派

向本公司股權持有人分派之股息在股息獲本公司股權持有人批准之期間內於萬順昌集團之財務報表中列為負債。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The VSC Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk, and liquidity risk. The ongoing global financial crisis has resulted in, among others, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, high volatility in stock, currency and commodity markets. The uncertainties in the global financial markets have led to bank failures and bank rescues in the United States of America, Western Europe and elsewhere. Indeed the full extent of the impact of the ongoing financial crisis is proving to be difficult to anticipate or completely guard against. The VSC Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the VSC Group's financial performance.

3 財務風險管理

3.1 財務風險因素

萬順昌集團之經營活動面對各種財務風險：市場風險（包括外幣風險，現金流量利率風險，公平價值利率風險，及價格風險）信貸風險及流動資金風險。持續未完之金融危機已導致（其中包括）資本市場的資金水平較低、銀行界整體的流動資金水平較低，以及有時導致股市、貨幣及商品市場大幅波動。在美國、西歐和其他地方，全球金融市場之不穩定因素已造成銀行倒閉及挽救銀行的行動。持續未止的金融危機造成的影響幅度實屬難以預測，也無法完全防避。萬順昌集團之整體風險管理計劃專注於財務市場之難預測性，並儘量尋求減低對萬順昌集團財務表現之潛在不利影響。

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Price risk

The VSC Group is exposed to equity securities price risk because certain investments held by the VSC Group are classified on the balance sheet as available-for-sale.

The fair value of the available-for-sale financial assets that are not traded in active markets is determined using the discounted cash flow analysis. The carrying amount of the available-for-sale financial assets would be an estimated HK\$55,000 lower or HK\$80,000 higher were the discounted rate used in the discounted cash flow analysis differ by 2.5% from management's estimates with all other variables held constant.

The VSC Group is subject to commodity price risk because certain subsidiaries of the VSC Group are engaged in the trading of steel products. The VSC Group has not entered into derivatives to manage such exposures.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 價格風險

由於萬順昌集團持有若干於資產負債表被分類為可供出售之投資。因此，萬順昌集團面對股權證券價格風險。

沒有在活躍市場買賣之可供出售之財務資產之公平價值按貼現現金流量分析計算。若貼現率與管理層推算貼現現金流量分析所用者增加／減少2.5%，而其他因素維持不變時，可供出售之財務資產之賬面金額估計將減少55,000港元或增加80,000港元。

萬順昌集團之若干附屬公司經銷鋼材，故此萬順昌集團面對商品價格風險。萬順昌集團並無訂立衍生工具以管理這些風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Price risk (Continued)

At the date of approving these consolidated financial statements, the VSC Group's committed sales orders exceed the aggregate amount of inventories on hand and committed purchase orders. As a result, the VSC Group's results may be affected significantly by fluctuations in steel prices. As mentioned in Note 2.1 above, the ongoing global financial crisis has already led to a highly volatile commodity market and the steel product price fluctuated widely of a similar extent to other commodities in the worldwide market during the year ended 31st March 2009. Management will closely monitor the price fluctuation of steel product price and will implement necessary measures, such as increasing the purchase commitment and/or entering into hedging transactions to minimise the potential negative impact of the fluctuation of steel product price to the result of the VSC Group.

Management is closely monitoring the situation and is in the stage of evaluating the costs and benefits of hedging alternatives, such as entering into commodity forwards.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 價格風險 (續)

於批准該等綜合財務報表日期，萬順昌集團已確訂的銷售訂單超過手頭存貨和已確訂購貨訂單的總額。因此，萬順昌集團的業績可能受鋼材價格波動而有重大影響。誠如上文附註2.1所述，於截至二零零九年三月三十一日止年度，持續未完的全球金融危機已導商品市場不穩定，而鋼材價格和世界各地市場的其他商品的價格一樣大幅波動。管理層將密切監察鋼材產品的價格，以及實施必須的措施，例如增加購貨量及／或訂立對沖交易，以將鋼材產品價格波動對萬順昌集團造成之潛在不利影響減至最少。

管理層密切監察情況，目前正在衡量對沖選擇(例如訂立商品遠期合約)的成本和利益。

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk

The VSC Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Chinese Renminbi ("RMB"). The VSC Group may use forward contracts and currency swaps with external financial institutions to partially hedge against its foreign exchange risk arising from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The fair value of the forward foreign exchange contracts is determined using the quoted USD/HKD forward exchange rates. The net carrying amount of the forward foreign exchange contracts which was a net derivative asset as at 31st March 2009 was estimated to be HK\$1,464,000 lower or HK\$655,000 higher were the quoted forward exchange rates had been 1% lower/higher with all other variables held constant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 外匯風險

萬順昌集團業務跨越多國，因此面對源於各種貨幣的外匯風險，而涉及人民幣（「人民幣」）之外匯風險最重要。對於未來商業交易，確認外國業務之資產及負債及淨投資造成的外匯風險，萬順昌集團可採用與國外金融機構訂立之遠期合約及貨幣掉期交易對沖部分風險。

遠期外匯合約之公平價值按掛牌港元兌美元遠期外匯匯率計算。若掛牌遠期外匯匯率減少／增加1%，而其他因素維持不變，遠期外匯合約於二零零九年三月三十一日之淨衍生資產賬面金額估計將減少1,464,000港元或增加655,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

The VSC Group also mitigates the foreign exchange risk by maintaining HK\$, United States dollars (“US\$”) and RMB bank accounts which are used by the VSC Group to pay for the transactions denominated in these currencies. Foreign exchange risks on financial assets and liabilities denominated in currencies other than RMB are insignificant to the VSC Group.

The VSC Group has certain investments in Mainland China, whose net assets are denominated in Chinese Renminbi. The conversion of Chinese Renminbi into foreign currencies is subject to the rules and regulations to the foreign exchange control promulgated by the Mainland China government.

At 31st March 2009, if Chinese Renminbi had weakened/strengthened by 5% against Hong Kong dollar with all other variables held constant, loss before income tax for the year would have been approximately HK\$1,061,000 higher/lower (2008: profit before income tax would be HK\$10,000,000 lower/higher), mainly as a result of foreign exchange losses on translation of Chinese Renminbi denominated monetary assets and liabilities.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 外匯風險 (續)

萬順昌集團亦維持港元、美元 (「美元」) 及人民幣銀行賬戶以減少外匯風險，凡採用港元、美元或人民幣結算的交易，均採用相關銀行賬戶支付款項。以人民幣以外的貨幣結算之財務資產及負債產生之外匯風險對萬順昌集團造成之影響並不重大。

萬順昌集團在中國內地持有若干投資，此等業務之淨資產主要以人民幣列值。兌換人民幣為外國貨幣須遵守中國政府之外匯控制規例及法規。

於二零零九年三月三十一日，倘港元兌人民幣之匯率減值／升值5%而所有其他變數維持不變，年度除稅前虧損將增加／減少約1,061,000港元 (二零零八年：除稅前溢利將會減少／增加10,000,000港元)，這主要由於換算以人民幣計值之貨幣資產及負債所引致之滙兌虧損。

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

The VSC Group's interest rate risk arises mainly from borrowings. Borrowings issued at variable rates expose the VSC Group to cash flow interest rate risk. Under the VSC Group's interest rate management policy, the VSC Group generally raises borrowings at floating rates and may use interest rate swaps to hedge against part of the risk. The use of interest rate swaps exposes the VSC Group to fair value interest rate risk.

The fair values of the interest rate instruments and currency swap instruments are determined using the estimated future cash flows. The carrying amount of the interest rate instruments which were derivative liabilities as at 31st March 2009 were estimated to be HK\$538,000 higher/lower were the interest rate had been 100 basis points higher/lower with all other variables held constant. The carrying amount of the currency swap instrument which was a derivative asset as at 31st March 2009 was estimated to be HK\$594,000 lower or HK\$1,740,000 higher were the quoted USD/CNY forward exchange rates had been 5% higher/lower with all other variables held constant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公平價值利率風險

萬順昌集團之利率風險主要來自借貸。浮息借貸使萬順昌集團面對現金流量利率風險。根據萬順昌集團之利率管理制度，一般而言萬順昌集團以浮息舉債並會以利率掉期對沖此等部分風險。應用利率掉期使萬順昌集團面對公平價值利率風險。

利率掉期工具及貨幣掉期工具之公平價值按未來現金流量之價值計算。若利率增加／減少100個基點，而其他因素維持不變，利率工具於二零零九年三月三十一日之衍生負債賬面金額估計將增加或減少538,000港元。若掛牌美元兌人民幣遠期外匯匯率增加／減少5%，而其他因素維持不變，貨幣掉期工具於二零零九年三月三十一日之衍生資產賬面金額估計將減少594,000港元或增加1,740,000港元。

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk (Continued)

At 31st March 2009, if interest rates on borrowings against bank deposits had been 100 basis points higher/lower with all other variables held constant, loss before income tax for the year would have been approximately HK\$3,649,000 higher/lower (2008: profit before income tax would be HK\$7,016,000 lower/higher), mainly as a result of higher/lower interest expenses on floating rate borrowings.

(b) Credit risk

Credit risk of the VSC Group mainly arises from pledged bank deposits, cash and cash equivalents as well as credit exposures to customers such trade and bill receivables, loan receivables, amounts due from customers on installation contract work, certain other receivables and amounts due from associates.

The credit risk on pledged bank deposits and cash and cash equivalents is limited because the VSC Group mainly places the deposits in banks with high credit rating and management does not expect any losses from non-performance by banks.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公平價值利率風險 (續)

於二零零九年三月三十一日，倘借貸之利率對銀行存款的利率增加／減少100個基點，而全部其他變數維持穩定，年內除所得稅前虧損將增加／減少約為3,649,000港元(二零零八年：除所得稅前溢利減少／增加7,016,000港元)，主要由於浮息借貸的利率開支增加／減少所致。

(b) 信貸風險

萬順昌集團之信貸風險主要來自已抵押銀行存款、現金及現金等值、及面對客戶，如應收賬款及票據、應收貸款、應收客戶之安裝合約工程、若干其他應收賬款及應收聯營公司之信貸風險。

萬順昌集團主要將存款存於高評級的銀行，管理層並不預期有關銀行會違約而導致任何虧損，故此，抵押銀行存款及現金及現金等價物的信貸風險有限。

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Under the ongoing global financial crisis, debtors of the VSC Group may be affected by the unfavourable economic conditions and the lower liquidity situation which could in turn impact their ability to repay the amounts owned. Deteriorating operating conditions for debtors may also have an impact on management's cash flow forecasts and assessment of the impairment of receivables. To the extent that information is available, management has properly reflected revised estimates of expected future cash flows in their impairment assessments.

The VSC Group has policies in place to ensure that sales are made to customers with an appropriate financial strength and appropriate percentage of down payment. It also has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the VSC Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

由於全球金融危機持續未止，萬順昌集團的債務人可能受到不利的經濟情況影響，而較低的流動資金水平亦可能影響有關債務人償還欠款的能力。債務人之經營情況亦可能對管理層對現金流量的預期及對應收賬款的減值造成影響。根據目前可得資料，管理層已於減值評估中適當反映經修訂的預期未來現金流量之估計。

萬順昌集團訂有政策以確保銷售是具結予具備適當財政實力及押付恰當比例之訂金的客戶。其亦訂有其他監測程序，確保執行跟進工作以索回逾期賬款。此外，萬順昌集團定期檢查每筆應收賬之可回收款額，藉此保證為不能回收之賬款計提適當減值虧損。

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

As at 31st March 2009, the VSC Group has a concentration of credit risk given that the top 10 customers account for 43% (2008: 27%) of the VSC Group's total year end trade and bill receivables balance. Management considers that the credit risk in respect of these customers is minimal after considering the financial position and past experience with these customers. The VSC Group's historical experience in collection of trade and bill receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade and bill receivables has been made.

The credit quality of other receivables neither past due nor impaired has been assessed by reference to the historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

The VSC Group does not have significant exposure to the remaining credit risk.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of available credit facilities, due to the dynamic nature of the underlying business.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

於二零零九年三月三十一日，萬順昌集團截至年末的應收賬款及票據結餘總額中，頭十名客戶佔當中的43% (二零零八年：27%)，故此，萬順昌集團有信貸集中的風險。管理層經考慮該等客戶的財務狀況及交易往績後，認為有關該等客戶的信貸風險屬於很低。根據過往經驗，萬順昌集團在收回應收賬款及票據方面所收回的金額，均在記錄撥備的範疇內，而董事認為，已就不可能收回的應收賬款及票據計提充足的撥備。

尚未過期或減值的其他應收賬款的信貸質素已參考交易對手方的過往違約比率資料作出評估。現有交易對手在過往未曾試過違約。

萬順昌集團並無重大餘下之信貸風險。

(c) 流動資金風險

奉行審慎之流動資金風險管理指維持足夠現金、透過充裕可用之信貸融資以維持足夠庫存現金以應付多元化之業務性質。

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As mentioned in Note 2.1 to the consolidated financial statements, the VSC Group has breached certain financial covenants of the loan facilities but management is of the view that the available credit lines should be sufficient as they have obtained waivers on the relevant breaches. Additional new credit facilities are being negotiated to ensure the VSC Group has a flexible and sufficient operating fund should additional cash be needed.

Management monitors rolling forecasts of the VSC Group's liquidity reserves which comprises undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows.

The credit crisis resulting from the ongoing global financial crisis may affect the terms and conditions on new borrowings and re-financing existing borrowings as compared to those applied to earlier transactions. Having a group of banks that have more than 20 years of relationship, management is confident that the VSC Group has secured sufficient banking facilities for its normal business operation.

Management believes that they are taking all the necessary measures to maintain sufficient liquidity reserve to support sustainability and growth of the VSC Group's business in the current circumstances and to repay outstanding borrowings when they fall due. Currently, the VSC Group finances its working capital requirements through a combination of funds generated from operations, repayments from associates and bank borrowings.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

誠如綜合財務報表附註2.1所述，萬順昌集團已違反若干貸款融資的財務契約，惟管理層認為目前可供使用的信貸額度應該足以應付所需，因為管理層已就有關違反契約取得豁免。目前正在磋商增加新貸款融資額，以確保萬順昌集團需要額外現金時擁有靈活及充足的營運資金。

管理層根據預期現金流量監控萬順昌集團的流動資金儲備的滾動預測。流動資金儲備包含未提取的借貸額及現金及現金等值物。

持續未止的全球金融危機造成的信貸風險可能影響新造借貸及為現有借貸再融資的條款及條件，有別於應用於較早前的交易的條款及條件。憑著超過20年業務往來關係的銀行，管理層充滿信心，萬順昌集團已取得充足銀行融資額，支持本身的正常業務營運。

管理層相信已執行所有必須的措施以維持充份的流動資金儲備，以支持萬順昌集團的業務在當前環境繼續營運及增長，以及於未償還借貸到期時償還借貸。目前，萬順昌集團結合業務產生的資金、聯營公司償還的款項及銀行借貸，滿足本身的營運資金需求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the VSC Group's and the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet dates to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表載列萬順昌集團及本公司之財務負債及淨額結算衍生財務負債，按有關到期組別，根據於結算日至合約屆滿日之餘下期間進行分析。下表披露之金額為合約未貼現現金流。十二個月內到期之賬面結餘與其公平價值相等，而貼現之影響並不重要。

	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
Consolidated					綜合
At 31st March 2008					於二零零八年 三月三十一日
Trade and bill payables	401,417	—	—	401,417	應付賬款及票據
Receipts in advance	110,524	—	—	110,524	預收款項
Derivative financial instruments	3,319	—	2,590	5,909	衍生金融工具
Accrued liabilities and other payables	59,454	—	—	59,454	應計負債及其他 應付賬款
Borrowings	1,081,954	68,114	55,832	1,205,900	借貸
At 31st March 2009					於二零零九年 三月三十一日
Trade and bill payables	81,687	—	—	81,687	應付賬款及票據
Receipts in advance	59,975	—	—	59,975	預收款項
Derivative financial instruments	739	—	3,172	3,911	衍生金融工具
Accrued liabilities and other payables	42,864	—	—	42,864	應計負債及其他 應付賬款
Borrowings	507,892	7,750	3,897	519,539	借貸

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.1 Financial risk factors (Continued)
(c) Liquidity risk (Continued)

3 財務風險管理 (續)

3.1 財務風險因素 (續)
(c) 流動資金風險 (續)

	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
Company					本公司
At 31st March 2008					於二零零八年 三月三十一日
Accrued liabilities and other payables	194	—	—	194	應計負債及其他 應付賬款
Derivative financial instruments	—	—	1,378	1,378	衍生金融工具
Borrowings	7,780	7,780	11,670	27,230	借貸
At 31st March 2009					於二零零九年 三月三十一日
Accrued liabilities and other payables	103	—	—	103	應計負債及其他 應付賬款
Derivative financial instruments	—	—	3,172	3,172	衍生金融工具
Borrowings	7,750	7,750	3,897	19,397	借貸

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.2 Capital risk management

The VSC Group's objectives when managing capital are to safeguard the VSC Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the VSC Group had obtained waivers from the relevant banks on the compliance of the financial covenants and may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the VSC Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less pledged bank deposits and cash and cash equivalents. Total capital is calculated as equity (excluding minority interests), as shown in the consolidated balance sheet, plus net debt.

3 財務風險管理 (續)

3.2 資金風險管理

萬順昌集團管理資金的目標為保障萬順昌集團持續經營之能力，以為股東提供回報，並為其他相關人士提供福利，及保持適當資本架構以減少資本成本。

為維持或調節資本架構，萬順昌集團已就遵守財務契約向有關銀行取得豁免，而且可調節向股東派付的股息金額、退回資本予股東、發行新股份或出售資產以減債。

為與同業一致，萬順昌集團根據資本負債比率監察資本。該比率乃以淨負債除以資本總額計算得出。淨負債乃以借貸總額（包括已在綜合資產負債表中之流動及非流動借貸）減已抵押銀行存款及現金及現金等值計算。資本總額以權益（不包括少數股東權益），如在綜合資產負債表所示，加淨負債計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**3 FINANCIAL RISK MANAGEMENT
(CONTINUED)**

3.2 Capital risk management (Continued)

The gearing ratios at 31st March 2009 and at 31st March 2008 were as follows:

3 財務風險管理 (續)

3.2 資金風險管理 (續)

於二零零九年三月三十一日及二零零八年三月三十一日之資本負債比率如下：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Total borrowings (Note 31)	501,064	1,182,729	借貸總額(附註31)
Less: Cash and cash equivalents and pledged bank deposits (Note 28)	(136,572)	(486,012)	減：現金及現金等值及已抵押銀行存款(附註28)
Net debt	364,492	696,717	淨負債
Total equity (excluding minority interests)	538,327	835,731	權益總額(不包括少數股東權益)
Total capital	902,819	1,532,448	資本總額
Gearing ratio	40%	45%	資本負債比率

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the VSC Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The VSC Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date to determine fair value for these financial instruments.

The fair values of available-for-sale financial assets that are not traded in an active market are determined using the discounted cash flow analysis. The fair values of interest rate instruments and currency swap instruments are calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade and bill receivables, other receivables, loan receivables, amounts with associates and trade and bills payables, other payables and borrowings are assumed to approximate of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the VSC Group for similar financial instruments.

3 財務風險管理 (續)

3.3 公平價值估算

於活躍市場買賣之金融工具之公平價值按結算日之市場報價列賬。萬順昌集團所持之財務資產之所報市場報價為當時買盤價。

非於市場買賣之金融工具之公平價值按估值技術釐定。萬順昌集團使用多種方法及於每個結算日當時之市場情況作出假設，以釐定財務工具之公平價值。

沒有在活躍市場買賣之可供出售之財務資產之公平價值按貼現現金流量分析計算。利率工具及貨幣掉期工具之公平價值按未來現金流量之現值計算。外匯遠期合約之公平價值利用結算日所報之遠期市場匯率釐定。

應收賬款及票據，其他應收賬款，應收貸款，與聯營公司之金額及應付賬款及票據，其他應付賬款及借貸之賬面價值減去減值撥備，假定與其公平價值相約。就披露目的而言，財務負債之公平價值按萬順昌集團就類似金融工具可得之現有市場利率貼現未來合約現金流量估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The VSC Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer demand relevant to steel and competitor actions. Management reassesses the estimations at each balance sheet date.

(b) Trade and other receivables

The VSC Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition. Management reassesses the provision at each balance sheet date.

4 重要會計推算及判斷

所採用之推算及判斷會被經常檢查，並以過往經驗及其他因素作為基礎，包括在現況下對未來事件之合理預期。

萬順昌集團就未來作出推算及假設。在定義上，由此而生之會計推算極少與相關之實際結果相同。具相當風險導致下一財政年度之資產及負債之賬面金額作重大調整之推算及假設將於下文論述。

(a) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中之推算售價減推算完成成本及可變銷售支出。該等推算乃按現時市況以及製造及銷售類似性質產品之過往經驗為基準。其可因客戶對鋼鐵之需求轉變及競爭對手採取行動而大幅改變。管理層會於每個結算日重估該等推算。

(b) 應收及其他應收賬款

萬順昌集團之管理層按評估應收賬款之可收回程度釐定應收及其他應收賬款之減值撥備。該評估乃按其客戶及其他債務人之信貸歷史以及現時市況為基準。管理層會於每個結算日重估撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Income taxes and deferred income tax

The VSC Group is mainly subject to income taxes in Hong Kong and Mainland China. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The VSC Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

(d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The VSC Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. It could change significantly as a result of changes in market conditions in response to severe industry cycle. Management reassesses the estimations at each balance sheet date.

4 重要會計推算及判斷(續)

(c) 所得稅及遞延所得稅

萬順昌集團主要須繳納香港及中國內地所得稅。於日常業務過程中，有頗多未能確定最終稅項之交易及計算。萬順昌集團推算日後會否須繳納額外稅項，從而確認對預期稅務審核事宜之負債。倘該等事宜之最終稅務結果與最初記錄之金額不符，有關差異將影響作出釐定之期間內之所得稅及遞延所得稅撥備。

倘管理層認為未來應課稅溢利可用作對銷暫時性差異或稅項虧損可予動用時，則會確認與若干暫時性差異及稅項虧損有關之遞延所得稅資產。倘預期結果與原先之推算不同，有關差異會將對有關推算出現變動之期間內遞延所得稅資產及所得稅之確認構成影響。

(d) 衍生及其他金融工具之公平價值

非於活躍市場買賣之金融工具之公平價值乃以估值技術釐定。萬順昌集團使用其判斷去選擇不同方法及主要基於每個結算日存在之市場情況作出假設。其可因市場情況為應付嚴峻行業週期採取行動而大幅改變。管理層會於每個結算日重估該等推算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

The VSC Group operates predominantly in Hong Kong and Mainland China and in two business segments:

- (i) Construction Materials Group (“CMG”)
- (ii) China Advanced Materials Processing (“CAMP”)

(a) Revenue by nature

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Construction Materials Group			建築材料
Stockholding and trading of construction materials			存銷與買賣建築材料
— Steel products — steel rebars, structural steel and flat steel products	2,977,695	3,182,227	— 鋼材產品 — 鋼筋、結構鋼及板材產品
— Sanitary wares, kitchen cabinets and home furnitures	318,628	261,964	— 潔具、廚櫃及家具
China Advanced Materials Processing			中國先進材料加工
Processing/manufacturing of industrial products			加工／製造工業產品
— Rolled flat steel products	872,841	1,310,851	— 卷鋼產品
— Stainless steel	134,703	417,032	— 不銹鋼
— Enclosure systems	39,964	145,377	— 系統設備外殼
Trading of plastic resins	313,653	347,100	買賣塑膠樹脂
Other operations			其他業務
Management services provided to an associate (Note 38(a))	—	12,500	向一間聯營公司提供之管理服務(附註38(a))
Rental income from investment properties	2,023	722	投資物業之租金收入
Others	—	19	其他
	4,659,507	5,677,792	

Other operations mainly comprise the provision of rental services in Hong Kong and other investments in Mainland China, which do not constitute separately reportable segments.

5 收入及分部資料

萬順昌集團主要於香港和中國內地經營兩項業務：

- (i) 建築材料
- (ii) 中國先進材料加工

(a) 收入按種類

其他業務主要包括在香港提供之租務服務及在中國內地之其他投資，此兩者並沒有構成獨立之分部匯報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION
(CONTINUED)

(b) Primary reporting format – business segments

Analysis of the VSC Group's results by business segment is as follows:

5 收入及分部資料(續)

(b) 主要申報形式 — 業務分部

萬順昌集團之業績按業務分部分析如下：

	2009 二零零九年					
	CMG 建築材料 HK\$'000 千港元	CAMP 中國先進 材料加工 HK\$'000 千港元	Other operations 其他業務 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Group 集團 HK\$'000 千港元	
External revenue	3,296,323	1,361,161	2,023	—	4,659,507	對外收入
Inter-segment revenue	65,573	—	—	(65,573)	—	分部間收入
	3,361,896	1,361,161	2,023	(65,573)	4,659,507	
Segment results	(99,350)	59,098	1,460		(38,792)	分部業績
Other (losses)/gains — net	8,050	(66,162)	(32,251)		(90,363)	其他(虧損)/ 收益 — 淨額
Unallocated corporate expenses					(65,823)	未分配企業支出
Operating loss					(194,978)	經營虧損
Finance income					4,281	財務收入
Finance costs					(39,535)	財務費用
Share of loss of associates					(26,508)	應佔聯營公司 虧損
Income tax credit					6,546	所得稅計入
Loss for the year					(250,194)	年度虧損

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**5 REVENUE AND SEGMENT INFORMATION
(CONTINUED)**

**(b) Primary reporting format – business
segments (Continued)**

5 收入及分部資料(續)

(b) 主要申報形式 — 業務分部(續)

	2009 二零零九年					
	CMG	CAMP	Other operations	Unallocated	Group	
	建築材料	中國先進 材料加工	其他業務	未分配	集團	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Assets						資產
— segment assets	772,451	42,765	14,933	42,147	872,296	— 分部資產
— other assets					387,023	— 其他資產
					1,259,319	
Liabilities						負債
— segment liabilities	175,469	9,880	—	103	185,452	— 分部負債
— other liabilities					512,331	— 其他負債
					697,783	
Capital expenditures	3,584	9,114	—	2,176	14,874	資本支出
Depreciation and amortisation	4,610	9,245	438	43	14,336	折舊及攤銷
Impairment of trade receivables	3,494	13,053	—	—	16,547	應收賬款減值
Write-down of inventories	70,899	4,918	—	—	75,817	存貨撇減

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION
(CONTINUED)

(b) Primary reporting format – business
segments (Continued)

5 收入及分部資料(續)

(b) 主要申報形式 — 業務分部(續)

	CMG 建築材料 HK\$'000 千港元	CAMP 中國先進 材料加工 HK\$'000 千港元	2008 二零零八年 Other operations 其他業務 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Group 集團 HK\$'000 千港元	
External revenue	3,444,191	2,220,360	13,241	—	5,677,792	對外收入
Inter-segment revenue	191,653	—	—	(191,653)	—	分部間收入
	3,635,844	2,220,360	13,241	(191,653)	5,677,792	
Segment results	42,027	38,062	12,596		92,685	分部業績
Other gains/(losses) — net	(4,747)	(126)	47,695		42,822	其他收益 / (虧損) — 淨額
Unallocated corporate expenses					(76,187)	未分配企業支出
Operating profit					59,320	經營溢利
Finance income					9,312	財務收入
Finance costs					(46,821)	財務費用
Share of profit of associates					25,236	應佔聯營公司 溢利
Income tax expense					(1,876)	所得稅支出
Profit for the year					45,171	年度溢利

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**5 REVENUE AND SEGMENT INFORMATION
(CONTINUED)**

**(b) Primary reporting format – business
segments (Continued)**

5 收入及分部資料(續)

(b) 主要申報形式 — 業務分部(續)

	CMG	CAMP	2008 二零零八年 Other operations	Unallocated	Group	
	建築材料	中國先進 材料加工	其他業務	未分配	集團	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Assets						資產
– segment assets	1,266,034	1,229,589	58,810	15,664	2,570,097	— 分部資產
– other assets					282,825	— 其他資產
					2,852,922	
Liabilities						負債
– segment liabilities	371,602	199,444	288	2,226	573,560	— 分部負債
– other liabilities					1,201,458	— 其他負債
					1,775,018	
Capital expenditures	8,398	23,409	—	—	31,807	資本支出
Depreciation and amortisation	3,989	18,265	439	—	22,693	折舊及攤銷
Impairment of trade receivables	3,153	12,759	—	—	15,912	應收賬款減值
(Write-back)/write-down of inventories	(2,413)	11,531	—	—	9,118	存貨撇減/ (撤回)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Primary reporting format – business segments (Continued)

Unallocated cost represents corporate expenses.

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, goodwill, inventories, due from customers on installation contract work, trade and bill receivables, loan receivables, prepayments, deposits and other receivables, pledged bank deposits and cash and cash equivalents. They exclude items such as investment properties, investment in associates, available-for-sale financial assets, deferred income tax assets, amounts due from associates and derivative financial instruments.

Segment liabilities comprise operating liabilities and exclude corporate borrowings, derivative financial instruments, current income tax liabilities, deferred income tax liabilities, and amounts due to an associate.

Capital expenditure comprises additions to property, plant and equipment, investment properties, and leasehold land and land use rights, including additions resulting from acquisitions through business combinations, if any.

5 收入及分部資料 (續)

(b) 主要申報形式 — 業務分部 (續)

未分配成本為企業支出。

分部資產主要包括物業、廠房及設備、租賃土地及土地使用權、商譽、存貨、應收客戶之安裝合約工程、應收賬款及票據、應收貸款、預付款項、按金及其他應收賬款、已抵押銀行存款及現金及現金等值。當中並不包括投資物業、於聯營公司之投資、可供出售之財務資產、遞延所得稅資產、應收聯營公司及衍生金融工具等項目。

分部負債包括經營負債且並不包括企業借貸、衍生金融工具、流動所得稅負債、遞延所得稅負債及應付一間聯營公司。

資本支出包括新增之物業、廠房及設備、投資物業及租賃土地及土地使用權，亦包括透過業務合併收購之新增項目，如有。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Secondary reporting format — geographic segments

The VSC Group's business activities operate predominately in Hong Kong and Mainland China. Analysis of the VSC Group's results by geographical segment is as follows:

5 收入及分部資料 (續)

(c) 次要申報形式 — 地區分部

萬順昌集團之業務主要在香港及中國內地經營。萬順昌集團之業績按地區分部分析如下：

	2009 二零零九年			
	Hong Kong 香港 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
External revenue	1,269,322	3,390,185	4,659,507	對外收入
Segment assets	390,891	481,405	872,296	分部資產
Other assets			387,023	其他資產
			1,259,319	
Capital expenditures	5,463	9,411	14,874	資本支出

	2008 二零零八年			
	Hong Kong 香港 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
External revenue	1,572,875	4,104,917	5,677,792	對外收入
Segment assets	891,000	1,679,097	2,570,097	分部資產
Other assets			282,825	其他資產
			2,852,922	
Capital expenditures	2,115	29,692	31,807	資本支出

Revenue are allocated based on the places in which customers are located.

收入按顧客之地區位置而分配。

Assets and capital expenditure are allocated based on where the assets are located.

資產及資本支出按該等資產之地區位置而分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6 OTHER (LOSSES)/GAINS – NET

6 其他(虧損)/收益—淨額

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Loss on disposal of certain interests in a subsidiary (Note 35(f))			出售於一間附屬公司之若干權益之虧損(附註35(f))
— disposal of a subsidiary	(63,551)	—	— 出售一間附屬公司
— realisation of reserves	15,624	—	— 儲備變現
Loss on disposal of certain interests in an associate (Note 35(f))	(9,771)	—	出售於一間聯營公司之若干權益之虧損(附註35(f))
Fair value (losses)/gains on investment properties (Note 16)	(16,800)	1,900	投資物業之公平價值(虧損)/收益(附註16)
Fair value (losses)/gains arising from a call option granted by a third party to acquire a company	(10,190)	10,190	第三者授予用於收購一間公司之一個認購權所引致之公平價值(虧損)/收益
Impairment of goodwill (Note 18)	(9,810)	(14,617)	商譽減值(附註18)
Negative goodwill arising from increase in investment in an associate to a subsidiary	—	20,765	增持於一間聯營公司成為一間附屬公司之投資所引致之負商譽
Negative goodwill arising from increase in investment in an associate	—	1,128	增持於一間聯營公司之投資所引致之負商譽
Gain on deemed disposal of certain interest in a subsidiary	—	4,091	視作出售於一間附屬公司之若干權益之收益
Net fair value losses on call/put options granted to/by a third party to dispose certain interests in a subsidiary (Note 35(f))	(2,132)	(1,145)	授予第三者/第三者授予以出售於一間附屬公司之若干權益之認購權/認沽權之公平價值淨虧損(附註35(f))
Fair value (losses)/gains on interest rate instruments (Note 23)	(2,528)	6,214	利率工具之公平價值(虧損)/收益(附註23)
Net fair value (losses)/gains on currency swap instruments (Note 23)	(4,000)	4,537	貨幣掉期工具之公平價值淨(虧損)/收益(附註23)
Net fair value gains/(losses) on forward foreign exchange contracts held for trading (Note 23)	2,727	(4,394)	持作買賣用途之遠期外匯合約之公平價值淨收益/(虧損)(附註23)
Impairment loss of an available-for-sale financial asset	(200)	(595)	一項可供出售之財務資產之減值虧損
Gain on disposals of available-for-sale financial assets	—	6,947	出售可供出售之財務資產之收益
Dividend income from unlisted available-for-sale financial assets	227	2,763	非上市可供出售之財務資產之股息收入
Net exchange gain	9,847	5,038	淨滙兌收益
Amount received from an available-for-sale financial asset fully impaired previously	194	—	收回之前已全數減值之一項可供出售之財務資產
	(90,363)	42,822	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

7 按性質劃分之支出

包括在銷售成本、銷售及分銷支出與一般及行政支出內之支出之分析如下：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Raw material consumed and finished goods sold	4,391,183	5,294,822	原材料耗用及製成品銷售
Depreciation of property, plant and equipment	13,913	22,130	物業、廠房及設備之折舊
Loss on disposals of property, plant and equipment	8,448	5,096	出售物業、廠房及設備之虧損
Amortisation of leasehold land and land use rights	423	563	租賃土地及土地使用權之攤銷
Employee benefit expenses (Note 8)	115,503	143,378	僱員福利支出(附註8)
Operating lease rental in respect of			營業租約租金
— land and buildings	16,622	12,338	— 土地及樓宇
— plant and machinery	2,531	3,089	— 廠房及機器
Impairment of trade receivables	16,547	15,912	應收賬款減值
Impairment of other receivables	3,272	14,797	其他應收賬款減值
Impairment of loan receivables	1,472	—	應收貸款減值
Impairment of amount due from customers on installation contract work	2,000	—	應收客戶之安裝合約工程減值
Write-down of inventories	75,817	9,118	存貨撇減
Auditor's remuneration	2,180	2,180	核數師酬金
Others	114,211	137,871	其他
Total cost of sales, selling and distribution expenses and general and administrative expenses	4,764,122	5,661,294	銷售成本、銷售及分銷支出與一般及行政支出總額

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

8 僱員福利支出 (包含董事酬金)

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Wages, salaries bonus and allowances	97,767	119,282	工資、薪金及津貼
Bonus	4,670	5,442	花紅
Pension costs — defined contribution plans	6,993	6,914	退休金成本 — 界定供款計劃
Share option scheme — value of services	1,292	652	購股權計劃 — 服務價值
Welfare and benefits	4,781	11,088	福利及利益
	115,503	143,378	

The VSC Group maintains two defined contribution pension schemes for its employees in Hong Kong, the ORSO Scheme and the MPF Scheme. The assets of these schemes are held separately from those of the VSC Group under independently administered funds.

Under the ORSO Scheme, each of the VSC Group and its employees make monthly contribution to the scheme at 5% of the employees' salary. The unvested benefits of employees who have terminated employment could be utilised by the VSC Group to reduce its future contributions.

Under the MPF Scheme, each of the VSC Group and its employees make monthly contributions to the scheme at 5% of the employee's relevant income, as defined in the Hong Kong Mandatory Provident Fund Scheme Ordinance. Both the VSC Group's and the employee's contributions are subject to a cap of HK\$1,000 per month. The contributions are fully and immediately vested for the employees.

萬順昌集團維持兩個界定退休金供款計劃予位於香港之僱員，公積金計劃及強積金計劃。此兩個計劃之資產均與萬順昌集團之資產分開持有，並由獨立基金管理。

根據公積金計劃，萬順昌集團及其僱員須各自按該員工收入之5%向該計劃作每月供款。終止僱用之員工未授予之利益均由萬順昌集團用作減少未來之供款。

根據強積金計劃，萬順昌集團及其僱員各自須按香港強制性公積金條例所界定各自按該僱員有關收入之5%向該計劃作每月供款。萬順昌集團及僱員所作之每月供款上限各為1,000港元。供款全部及即時授予僱員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

As stipulated by rules and regulations in Mainland China, the VSC Group contributes to state-sponsored retirement plans for employees of its subsidiaries established in Mainland China. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The VSC Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond these contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year ended 31st March 2009, the aggregate amount of the VSC Group's contributions to the aforementioned pension schemes was approximately HK\$6,993,000 (2008: HK\$6,914,000), net of forfeited contributions of approximately HK\$42,000 (2008: HK\$2,000). As at 31st March 2009, there is no unutilised forfeited contribution which could be utilised to reduce future contributions of the VSC Group (2008: Nil).

8 僱員福利支出 (包含董事酬金)(續)

根據中國內地法規，萬順昌集團須為其設立於中國內地之附屬公司之僱員提供國家資助退休計劃供款。僱員有權獲得退休金，金額參照僱員退休時的基本薪金及服務年期按有關政府規則計算得出。萬順昌集團毋須支付任何實際退休金或退休後福利。該等國家資助退休計劃須負責向退休僱員支付全部退休金。

截至二零零九年三月三十一日止年度期間，萬順昌集團對上述退休金計劃之供款總額約6,993,000港元(二零零八年：6,914,000港元)，淨沒收供款約42,000港元(二零零八年：2,000港元)。於二零零九年三月三十一日，並無未被利用及已沒收供款額可用作減少萬順昌集團未來之供款(二零零八年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT' EMOLUMENTS

(a) Directors' emoluments

The remuneration of every Director for the year ended 31st March 2009 is set out below:

	Salaries and allowances		Discretionary bonus*	Employer's contribution to pension scheme	Share options scheme – value of services	2009 Total
	Fees			to pension scheme		
	袍金	薪金及津貼	酌情花紅*	僱主就退休金計劃之供款	購股權計劃 – 服務價值	二零零九年總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors						
Mr. Yao Cho Fai, Andrew	—	1,307	—	12	—	1,319
Mr. Dong Sai Ming, Fernando	—	464	80	12	—	556
Independent non-executive directors						
Dr. Chow Yei Ching	120	—	—	—	323	443
Mr. Harold Richard Kahler	351	—	—	—	323	674
Mr. Tam King Ching, Kenny	120	—	—	—	323	443
Mr. Xu Lin Bao	120	—	—	—	323	443
	711	1,771	80	24	1,292	3,878

The remuneration of every Director for the year ended 31st March 2008 is set out below:

	Salaries and allowances		Discretionary bonus*	Employer's contribution to pension scheme	Share options scheme – value of services	2008 Total
	Fees			to pension scheme		
	袍金	薪金及津貼	酌情花紅*	僱主就退休金計劃之供款	購股權計劃 – 服務價值	二零零八年總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors						
Mr. Yao Cho Fai, Andrew	—	1,848	—	12	167	2,027
Mr. Dong Sai Ming, Fernando	—	464	100	12	22	598
Independent non-executive directors						
Dr. Chow Yei Ching	120	—	—	—	—	120
Mr. Harold Richard Kahler	351	—	—	—	—	351
Mr. Tam King Ching, Kenny	120	—	—	—	—	120
Mr. Xu Lin Bao	120	—	—	—	—	120
	711	2,312	100	24	189	3,336

9 董事及高級管理人員酬金

(a) 董事酬金

截至二零零九年三月三十一日止年度每位董事酬金如下：

截至二零零八年三月三十一日止年度每位董事酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT' EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (Continued)

Note:

The executive directors are entitled to discretionary bonus which are determined with reference to the financial performance of different business units of the VSC Group.

The share options scheme — value of services represent charges to the income statement of the fair value of the share options under the share option scheme measured at the respective grant dates, regardless of whether the share options would be exercised or not.

No director waived any emolument during the year. No incentive payment as an inducement for joining the VSC Group or compensation for loss of office was paid/ payable to any directors during the year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the VSC Group include one director (2008: one) whose emoluments are reflected in the analysis presented in Note 9(a) above. The emoluments paid/ payable to the remaining four (2008: four) individuals during the year are as follows:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Salaries and allowances	4,109	6,015	薪金及津貼
Bonus	641	4,163	花紅
	4,750	10,178	

9 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

附註：

執行董事可享有參照萬順昌集團不同業務單位之財務表現而釐定之酌情花紅。

購股權計劃 — 服務價值為無論購股權是否將會被行使均按不同授出日期之公平價值於損益表中列作開支。

本年度期間，並沒有董事放棄任何酬金。亦無已付／應付任何酬金予董事以作鼓勵加入萬順昌集團或離職補償。

(b) 五名最高薪人士

萬順昌集團中五位最高薪人士其中包括一位董事(二零零八年：一位)，彼之酬金分析已載於上文附註9(a)。其餘四位(二零零八年：四位)之人士之已付／應付酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT' EMOLUMENTS (CONTINUED)
(b) Five highest paid individuals (Continued)

9 董事及高級管理人員酬金(續)
(b) 五名最高薪人士(續)

	2009 二零零九年	2008 二零零八年	
The emolument fell within the following bands:			酬金按組別分析如下：
— HK\$1,000,001 to HK\$1,500,000	4	—	— 1,000,001港元至1,500,000港元
— HK\$2,000,001 to HK\$2,500,000	—	2	— 2,000,001港元至2,500,000港元
— HK\$2,500,001 to HK\$3,000,000	—	2	— 2,500,001港元至3,000,000港元
	4	4	

No emoluments were paid/payable to the five highest paid individuals as an inducement to join the VSC Group or as compensation for loss of office during the year.

本年度期間，並無支付任何酬金予該五位最高薪人士以作鼓勵加入萬順昌集團或作離職補償。

10 FINANCE INCOME AND COSTS

10 財務收入及費用

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Finance income			財務收入
Interest income:			利息收入：
— short-term bank deposits	3,516	9,204	— 短期銀行存款
— loan receivables	—	108	— 應收貸款
— received from an associate (Note 38(a))	765	—	— 已收一間聯營公司之賬款 (附註38(a))
	4,281	9,312	
Finance costs			財務費用
Interest expenses:			利息支出：
— bank borrowings wholly repayable within five years	(37,372)	(44,524)	— 須於五年內全數償還之 銀行借貸
— to a related party (Note 38(a))	(2,163)	(2,297)	— 予一關連人士 (附註38(a))
	(39,535)	(46,821)	
Net finance costs	(35,254)	(37,509)	淨財務費用

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX CREDIT/(EXPENSE)

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profit arising in or derived from Hong Kong.

The National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") on 16th March 2007 and the State Council announced the Detail Implementation Regulations ("DIR") on 6th December 2007. According to the CIT Law, the income tax rates for both domestic and foreign investment enterprises are unified at 25% effective from 1st January 2008. However, for enterprises which are established before the publication of the CIT Law and are entitled to preferential treatments of reduced income tax rate granted by relevant tax authorities, the income tax rate is gradually increased to 25% within 5 years after the effective date of the CIT Law. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term continue to enjoy such treatment until the fixed term expires. During the year, subsidiaries established in Mainland China are subject to China corporate income tax at rates ranging from 9% to 25% (2008: 7.5% to 25%).

11 所得稅計入／(支出)

本公司獲豁免繳納百慕達稅項直至二零一六年。

香港利得稅乃根據來自或賺取自香港之估計應課稅溢利按稅率16.5%(二零零八年：17.5%)作出撥備。

於二零零七年三月十六日，全國人民代表大會通過中華人民共和國企業所得稅法(「企業所得稅法」)，而國務院亦於二零零七年十二月六日頒佈條例實施細則(「條例實施細則」)。根據企業所得稅法，內地及外資企業之所得稅率自二零零八年一月一日起劃一為25%。然而，就於企業所得稅法頒佈前設立並享有相關稅務機關授予減免所得稅優惠稅率之企業而言，所得稅率自企業所得稅法生效之後5年內逐漸增至25%。目前有權於一段固定期間獲得標準所得稅率豁免或減免之企業，可繼續享有該項待遇，直至該段固定期限屆滿為止。本年度期間，於中國內地成立之附屬公司按稅率9%至25%(二零零八年：7.5%至25%)繳付中國企業所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

The amount of income tax credit/(expense) recorded in the consolidated income statement represents:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Current income tax			當期所得稅
— Hong Kong profits tax	(7,957)	(1,713)	— 香港利得稅
— China corporate income tax	(11,149)	(7,259)	— 中國企業所得稅
— Macau profits tax	(15)	—	— 澳門利得稅
Deferred income tax (Note 21)	24,602	6,596	遞延所得稅(附註21)
Over-provision in prior years	1,065	500	過往年度之高估撥備
	6,546	(1,876)	

11 所得稅計入／(支出)(續)

於綜合損益表中計入／(支出)之所得稅包括：

The tax on the VSC Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

萬順昌集團之除稅前(虧損)／溢利與按綜合實體適用之加權平均稅率計算之理論金額有所差異，詳情如下：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
(Loss)/profit before income tax before share of (loss)/profit of associates	(230,232)	21,811	除稅及應佔聯營公司(虧損)／溢利前(虧損)／溢利
Tax calculated at domestic tax rates applicable to profits in the respective countries	28,439	3,323	按個別國家適用之當地稅率計算之稅項
Effect of changes in tax rate	—	5,809	稅率轉變之影響
Income not subject to tax	408	3,669	無須課稅之收入
Expenses not deductible for tax purposes	(747)	(4,117)	不可扣稅之支出
Tax losses for which no deferred income tax asset was recognised	(13,678)	(11,060)	並無確認遞延所得稅資產之稅項虧損
Derecognition of deferred tax assets	(8,941)	—	終止確認遞延所得稅資產
Over-provision in prior years	1,065	500	過往年度之高估撥備
Income tax credit/(expense)	6,546	(1,876)	所得稅計入／(支出)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

During the year, as a result of the change in the Hong Kong corporation tax rate from 17.5% to 16.5% that was effective from 1st April 2008, deferred tax balances have been remeasured.

For the year ended 31st March 2009, the weighted average of domestic tax rates applicable to profits in the respective countries was 12.4% (2008: -15.2%). The negative rate in prior year was mainly due to the losses of approximately HK\$36,389,000 made by certain subsidiaries in Shanghai and Shenzhen at which the domestic tax rate applied to these subsidiaries were higher.

12 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$11,259,000 (2008: HK\$8,141,000).

13 DIVIDENDS

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Interim dividend of nil (2008: HK1.1 cents per ordinary share)	—	4,155	無中期股息(二零零八年： 每股普通股1.1港仙)
Proposed final dividend of nil (2008: HK1.3 cents per ordinary share)	—	4,946	無建議末期股息(二零零八年： 每股普通股1.3港仙)
	—	9,101	

The dividends paid in the year ended 31st March 2009 were HK\$4,959,000 (HK1.3 cents per ordinary share for proposed final dividend in 2008). The Directors do not recommend the payment of a final dividend for the year ended 31st March 2009 (year ended 31st March 2008: HK1.3 cents per ordinary share).

11 所得稅計入／(支出)(續)

本年度期間，香港企業稅率由二零零八年四月一日起從17.5%調低至16.5%，因此遞延所得稅資產會重新計算。

截至二零零九年三月三十一日止年度，按個別地區適用之加權平均當地稅率為12.4%（二零零八年：-15.2%）。以往年度之負稅率主要由於位於上海及深圳之若干附屬公司引致約36,389,000港元之虧損，而應用於此等附屬公司之當地稅率相對較高。

12 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利中包括本公司於本財務報表所說明約11,259,000港元（二零零八年：8,141,000港元）。

13 股息

截至二零零九年三月三十一日止年度，已付之股息為4,959,000港元（二零零八年每股普通股末期股息為1.3港仙）。董事並不建議就截至二零零九年三月三十一日止年度派付任何末期股息（截至二零零八年三月三十一日止年度：每股普通股1.3港仙）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 (LOSSES)/EARNINGS PER SHARE

(a) Basic

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2009 二零零九年	2008 二零零八年	
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	(278,252)	31,317	本公司股權持有人應佔(虧損)/溢利(千港元)
Weighted average number of ordinary shares in issue ('000)	381,094	377,591	已發行普通股之加權平均數(千股)
Basic (losses)/earnings per share (HK cents)	(73.01)	8.29	每股基本(虧損)/盈利(港仙)

(b) Diluted

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares is arising from share options, for which a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. At 31st March 2009, diluted losses per share is the same as the basic losses per share as the dilutive potential ordinary shares are anti-dilutive.

14 每股(虧損)/盈利

(a) 基本

每股基本(虧損)/盈利乃根據本公司股權持有人應佔(虧損)/溢利除以期內已發行普通股之加權平均數計算。

(b) 攤薄

計算每股攤薄(虧損)/盈利乃按假設所有具潛在攤薄性質之普通股被全數折換而相應調整已發行普通股之加權平均數。本公司之具潛在攤薄性質之普通股因購股權而產生，其計算乃根據尚未行使購股權所附之認購權之貨幣價值作出，用以釐訂原應以公平價值(釐訂為本公司股份之全年平均市場股價)收購之股份之數目。上文所計算之股份數目乃與假設購股權行使而已發行之股份數目作比較。於二零零九年三月三十一日，每股攤薄虧損與每股基本虧損相同，因為潛在攤薄之普通股屬反攤薄性質。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**14 (LOSSES)/EARNINGS PER SHARE
(CONTINUED)
(b) Diluted (Continued)**

**14 每股(虧損)/盈利(續)
(b) 攤薄(續)**

	2009 二零零九年	2008 二零零八年	
(Loss)/profit attributable to equity holders of the Company and used to determine diluted (losses)/earnings per share (HK\$'000)	(278,252)	31,317	本公司股權持有人應佔(虧損)/溢利及用以釐訂每股攤薄(虧損)/盈利(千港元)
Weighted average number of ordinary shares in issue ('000)	381,094	377,591	已發行普通股之加權平均數(千股)
Adjustment for share options ('000)	—	2,273	調整購股權(千份)
Weighted average number of ordinary shares for diluted earnings per share ('000)	381,094	379,864	計算每股攤薄盈利之普通股加權平均數(千股)
Diluted (losses)/earnings per share (HK cents)	(73.01)	8.24	每股攤薄(虧損)/盈利(港仙)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

	Consolidated						
	綜合						
	Buildings	Leasehold improvements, furniture and equipment	Machinery	Motor vehicles	Construction in progress	Total	
	樓宇	租賃物業裝修、傢俬及設備	機器	汽車	在建工程	總額	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元		
Year ended 31st March 2008							截至二零零八年三月三十一日止年度
Opening net book amount	33,013	17,801	57,698	5,463	12,340	126,315	期初賬面淨值
Additions	4,677	15,114	10,945	1,056	15	31,807	添置
Disposals	—	(2,065)	(3,250)	(124)	—	(5,439)	出售
Depreciation	(3,740)	(8,911)	(7,776)	(1,703)	—	(22,130)	折舊
Transfer	12,140	215	—	—	(12,355)	—	轉撥
Exchange differences	3,432	647	5,554	236	—	9,869	滙兌差額
Closing net book amount	49,522	22,801	63,171	4,928	—	140,422	期終賬面淨值
At 31st March 2008							於二零零八年三月三十一日
Cost	68,442	45,219	121,029	12,658	—	247,348	成本
Accumulated depreciation	(18,920)	(22,418)	(57,858)	(7,730)	—	(106,926)	累計折舊
Net book amount	49,522	22,801	63,171	4,928	—	140,422	賬面淨值
Year ended 31st March 2009							截至二零零九年三月三十一日止年度
Opening net book amount	49,522	22,801	63,171	4,928	—	140,422	期初賬面淨值
Additions	1,927	9,152	3,698	97	—	14,874	添置
Disposals	—	(2,025)	(15,035)	(692)	—	(17,752)	出售
Depreciation	(2,155)	(5,684)	(4,678)	(1,396)	—	(13,913)	折舊
Disposal of a subsidiary (Note 35(f))	(46,434)	(8,327)	(48,065)	(1,498)	—	(104,324)	出售一間附屬公司(附註35(f))
Exchange differences	989	197	1,347	177	—	2,710	滙兌差額
Closing net book amount	3,849	16,114	438	1,616	—	22,017	期終賬面淨值
At 31st March 2009							於二零零九年三月三十一日
Cost	4,402	36,929	5,676	7,159	—	54,166	成本
Accumulated depreciation	(553)	(20,815)	(5,238)	(5,543)	—	(32,149)	累計折舊
Net book amount	3,849	16,114	438	1,616	—	22,017	賬面淨值

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**15 PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)**

Depreciation expense is recognised in the income statement as follows:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Cost of sales	6,699	15,361	銷售成本
General and administrative expenses	7,214	6,769	一般及行政支出
	13,913	22,130	

As at 31st March 2009, buildings of the VSC Group were not pledged (2008: buildings of approximately HK\$29,964,000 were pledged as collaterals for certain of the VSC Group's bank borrowings) (Note 31).

15 物業、廠房及設備 (續)

於損益表中確認之折舊支出如下：

於二零零九年三月三十一日，萬順昌集團並無抵押予銀行之樓宇(二零零八年：約29,964,000港元之樓宇已抵押作若干萬順昌集團之銀行借貸之抵押品)(附註31)。

16 INVESTMENT PROPERTIES/NON-CURRENT ASSETS HELD FOR SALES

16 投資物業／持作出售之非流動資產

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
At 1st April	44,800	50,000	於四月一日
Fair value (losses)/gains	(16,800)	1,900	公平價值(虧損)/收益
Reclassified as non-current assets held for sale	—	(7,100)	重新分類為持作出售之非流動資產
At 31st March	28,000	44,800	於三月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 INVESTMENT PROPERTIES/NON-CURRENT ASSETS HELD FOR SALES (CONTINUED)

Details of the geographical locations and tenure are as follows:

16 投資物業／持作出售之非流動資產（續）

地理位置及業權租賃期詳情如下：

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
In Hong Kong			於香港
— medium-term leases of 10 to 50 years	13,000	29,000	— 10至50年之中期租約
— long-term leases of over 50 years	15,000	15,800	— 超逾50年之長期租約
	28,000	44,800	

As at 31st March 2009, investment properties of approximately HK\$28,000,000 (2008: HK\$44,800,000) were stated at open market value as determined by the directors based on valuations assessed by an independent, professionally qualified valuer. Pulsar Enterprises Limited, a wholly owned subsidiary of the VSC Group, entered into a provisional sales and purchase agreement to dispose of an investment property subsequently in July 2009 (Note 39).

於二零零九年三月三十一日，約28,000,000港元（二零零八年：44,800,000港元）之投資物業由董事按獨立及專業合資格估值師所釐定之公開市價之估值列賬。萬順昌集團之一間全資擁有附屬公司，Pulsar Enterprises Limited，已於二零零九年七月訂立臨時買賣合約出售一項投資物業（附註39）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 INVESTMENT PROPERTIES/NON-CURRENT ASSETS HELD FOR SALES (CONTINUED)

The VSC Group leases out the investment properties under operating leases, for an initial period of two to three years, with an option to renew on renegotiated terms. None of the leases includes contingent rentals. During the year ended 31st March 2009, the rental income from investment properties amounted to approximately HK\$1,141,000 (2008: HK\$722,000). As at 31st March 2009, the VSC Group's future rental income under non-cancellable operating leases is as follows:

16 投資物業／持作出售之非流動資產(續)

萬順昌集團訂立營業租約租出投資物業，初步訂立為2至3年，並有選擇權於再協商下續約。沒有租約為或然租約。截至二零零九年三月三十一日止年度期間，由投資物業帶來之租金收入約為1,141,000港元(二零零八年：722,000港元)。於二零零九年三月三十一日，萬順昌集團訂立不可撤回之營業租約之未來租金收入如下：

Consolidated			
綜合			
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Not later than one year	1,127	557	未逾1年
Later than one year and not later than five years	800	881	逾1年及未逾5年
	1,927	1,438	

Van Shung Chong Hong Limited, a subsidiary of the VSC Group, sold two of investment properties at an aggregated consideration of HK\$7,100,000 in May 2008. The considerations closed to the fair values of the investment properties as at 31st March 2008. These investment properties, which were located in Hong Kong with medium-term leases of 10 to 50 years, were reclassified to non-current assets held for sales as at 31st March 2008.

萬順昌集團之一間附屬公司，萬順昌行有限公司，於二零零八年五月以總共7,100,000港元之代價出售兩項投資物業。其出售代價與其於二零零八年三月三十一日之公平價值相約。此位於香港並擁有10至50年之中期租約之投資物業，已於二零零八年三月三十一日重新分類為持作出售之非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 LEASEHOLD LAND AND LAND USE RIGHTS

The VSC Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

17 租賃土地及土地使用權

萬順昌集團於租賃土地及土地使用權之權益包括預付營業租約款項及其賬面淨值，並分析如下：

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
At 1st April	27,417	26,527	於四月一日
Amortisation	(423)	(563)	攤銷
Disposal of a subsidiary (Note 35(f))	(16,226)	—	出售一間附屬公司(附註35(f))
Exchange differences	364	1,453	滙兌差額
At 31st March	11,132	27,417	於三月三十一日

Details of the geographical locations and tenure are as follows:

地理位置及業權租賃期詳情如下：

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
In Hong Kong			於香港
— long-term leases of over 50 years	97	97	— 超逾50年之長期租約
In Mainland China			於中國內地
— medium-term rights of 10 to 50 years	—	16,030	— 10至50年之中期使用權
— long-term rights of over 50 years	11,035	11,290	— 超逾50年之長期使用權
	11,132	27,417	

Amortisation of leasehold land and land use rights has been included in general and administrative expenses in the income statement.

租賃土地及土地使用權之攤銷已包括在損益表之一般及行政支出中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

17 LEASEHOLD LAND AND LAND USE RIGHTS (CONTINUED)

As at 31st March 2009, leasehold land and land use rights were not pledged (2008: approximately HK\$17,509,000 were pledged as collaterals for certain of the VSC Group's bank borrowings) (Note 31).

17 租賃土地及土地使用權(續)

於二零零九年三月三十一日，並無已作抵押之租賃土地及土地使用權(二零零八年：約17,509,000港元已作若干萬順昌集團之銀行借貸之抵押品)(附註31)。

18 GOODWILL

18 商譽

	Consolidated	
	綜合	
	HK\$'000	
	千港元	
At 1st April 2007		於二零零七年四月一日
Cost	41,745	成本
Accumulated impairment	(10,543)	累計減值
Net book amount	31,202	賬面淨值
Year ended 31st March 2008		截至二零零八年三月三十一日止年度
Opening net book amount	31,202	期初賬面淨值
Impairment	(14,617)	減值
Closing net book amount	16,585	期終賬面淨值
At 31st March 2008		於二零零八年三月三十一日
Cost	41,745	成本
Accumulated impairment	(25,160)	累計減值
Net book amount	16,585	賬面淨值
Year ended 31st March 2009		截至二零零九年三月三十一日止年度
Opening net book amount	16,585	期初賬面淨值
Disposal of a subsidiary (Note 35(f))	(6,775)	出售一間附屬公司(附註35(f))
Impairment	(9,810)	減值
Closing net book amount	—	期終賬面淨值
At 31st March 2009		於二零零九年三月三十一日
Cost	33,874	成本
Accumulated impairment	(33,874)	累計減值
Net book amount	—	賬面淨值

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18 GOODWILL (CONTINUED)

The impairment loss of goodwill is included in other losses in the consolidated income statement. Impairment loss arose as a consequence of the fact that the relevant cash-generating unit ("CGU") which generates cashflow to support the goodwill, was disposed in October 2008.

As at 31st March 2009, there is nil goodwill balance.

18 商譽(續)

商譽減值虧損已包括在綜合損益表之其他虧損中。減值虧損乃由於相關產生現金流之現金產生單位已於二零零八年十月被出售。

於二零零九年三月三十一日，並無商譽之結餘。

19 INVESTMENTS IN SUBSIDIARIES

19 於附屬公司之投資

	Company		
	本公司		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Unlisted shares, at cost	71,746	71,746	非上市股份，按成本
Due from subsidiaries	451,348	442,013	應收附屬公司
	523,094	513,759	

The amounts due from subsidiaries are unsecured, non-interest bearing and without predetermined repayment terms. The carrying amounts approximated their fair values and were not impaired as at 31st March 2009 (2008: Nil). The carrying amounts are denominated in Hong Kong dollars.

應收附屬公司之金額為無抵押的、不計利息及並無預定之還款期。於二零零九年三月三十一日，其賬面金額與其公平價值相約，並沒有減值(二零零八年：無)。其賬面金額以港元列賬。

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19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the principal subsidiaries as at 31st March 2009 are as follows:

19 於附屬公司之投資(續)

於二零零九年三月三十一日之主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ establishment and operations 註冊成立/成立及 經營地點	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 之股本權益百分比(i)	Principal activities 主要業務
Fit Team Holdings Limited	British Virgin Islands 英屬處女群島	US\$10,050,002 10,050,002美元	100%	Investment holding 投資控股
Leisure Plus Building Products (Shenzhen) Co., Ltd. (iii) 利尚派建材(深圳)有限公司(iii)	Mainland China 中國內地	HK\$10,000,000 10,000,000港元	100%	Trading of sanitary wares 買賣潔具
Leisure Plus International Trading (Shanghai) Co., Ltd. (iii) 利尚派國際貿易(上海)有限公司(iii)	Mainland China 中國內地	US\$200,000 200,000美元	100%	Trading of sanitary wares 買賣潔具
Leisure Plus Trading (Shenzhen) Co., Ltd. (iii) 利尚派貿易(深圳)有限公司(iii)	Mainland China 中國內地	HK\$5,000,000 5,000,000港元	100%	Trading of sanitary wares 買賣潔具
Shanghai Bao Shun Chang International Trading Co., Ltd. (iii) 上海寶順昌國際貿易有限公司(iii)	Mainland China 中國內地	US\$3,000,000 3,000,000美元	66.7%	Stockholding and trading of steel 存銷及買賣鋼材
Tomahawk Capital Limited 東誠企業(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	Finance business 財務業務
Van Shung Chong (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US\$6 6美元	100%	Investment holding 投資控股
Van Shung Chong Hong Limited 萬順昌行有限公司	Hong Kong 香港	HK\$2,000 ordinary HK\$10,000,000 non-voting deferred (ii) 2,000港元普通股 10,000,000港元 無投票權遞延股(ii)	100%	Trading of steel, and provision of management services 買賣鋼材與及提供管理服務

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綜合財務報表附註

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

19 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and operations 註冊成立/成立及 經營地點	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 之股本權益百分比(i)	Principal activities 主要業務
Vantage Godown Company Limited 順發貨倉有限公司	Hong Kong 香港	HK\$200,000 200,000港元	100%	Provision of warehousing services 提供倉庫服務
Vanyee Building Products (Macau) Co., Ltd. 萬義建築材料(澳門)有限公司	Macau 澳門	MOP900,000 900,000澳門元	82%	Trading of sanitary wares 買賣潔具
VJY Telecommunication Equipment (Shenzhen) Company Limited (iii) 萬嘉源通訊設備(深圳)有限公司(iii)	Mainland China 中國內地	HK\$16,500,000 16,500,000港元	100%	Manufacturing of enclosure systems 製造系統設備外殼
VSC Building Products Company Limited 萬順昌建築材料有限公司	Hong Kong 香港	HK\$2 2港元	100%	Trading of sanitary wares and kitchen cabinets and kitchen cabinet installation 買賣潔具及廚櫃及安裝廚櫃
VSC Plastics Company Limited 萬順昌塑膠有限公司	Hong Kong 香港	HK\$2 2港元	100%	Trading of plastics resins 買賣塑膠樹脂
VSC Steel Company Limited 萬順昌鋼鐵有限公司	Hong Kong 香港	HK\$38,000 ordinary HK\$20,000,000 non-voting deferred (ii) 38,000港元普通股 20,000,000港元 無投票權遞延股(ii)	100%	Stockholding and trading of steel 存銷及買賣鋼材
VSC Steel (Shenzhen) Co., Ltd. (iii) 萬順昌鋼鐵(深圳)有限公司(iii)	Mainland China 中國內地	HK\$20,000,000 20,000,000港元	100%	Stockholding and trading of steel 存銷及買賣鋼材

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綜合財務報表附註

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

19 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ establishment and operations 註冊成立/成立及 經營地點	Issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 之股本權益百分比(i)	Principal activities 主要業務
VSC Steel (Shanghai) Co., Ltd. (iii) 亞萬鋼國際貿易(上海)有限公司(iii)	Mainland China 中國內地	US\$7,280,000 7,280,000美元	100%	Stockholding and trading of steel 存銷及買賣鋼材
VSC Trading (Shezhen) Co. Ltd. (iii) 金運貿易(深圳)有限公司(iii)	Mainland China 中國內地	HK\$2,400,000 2,400,000港元	100%	Trading of plastics resins and stockholding of sanitary wares 買賣塑膠及存銷潔具

Notes:

附註:

- (i) The shares of Van Shung Chong (B.V.I.) Limited are held directly by the Company. The shares of other subsidiaries are held indirectly.
- (ii) These non-voting deferred shares are owned by the VSC Group. The non-voting deferred shares have no voting rights, are not entitled to any distributions upon winding up unless a sum of HK\$2,000,000,000 per share has been distributed to the holders of ordinary shares for Van Shung Chong Hong Limited or a sum of HK\$10,000,000,000 has been distributed to the holders of ordinary shares for VSC Steel Company Limited.
- (iii) Leisure Plus International Trading (Shanghai) Co., Ltd. and VSC Steel (Shanghai) Co., Ltd. are wholly foreign owned enterprises established in Mainland China with an operating period of 20 years to 2023. Shanghai Bao Shun Chang International Trading Co., Ltd. is an equity joint venture established in Mainland China with an operating period of 20 years to 2014. VJY Telecommunication Equipment (Shenzhen) Company Limited is a wholly foreign owned enterprise established in Mainland China with an operating period of 15 years to 2016. VSC Steel (Shenzhen) Co., Ltd. is a wholly foreign owned enterprise established in Mainland China with an operating period of 30 years to 2035. VSC Trading (Shenzhen) Co., Ltd. is a wholly foreign owned enterprise established in Mainland China with an operating period of 20 years to 2024. Leisure Plus Building Products (Shenzhen) Co., Ltd. and Leisure Plus Trading (Shenzhen) Co., Ltd. are wholly foreign owned enterprise established in Mainland China with an operating period of 20 years to 2028.

- (i) Van Shung Chong (B.V.I.) Limited之股份由本公司直接持有。其他附屬公司之股份則屬間接持有。
- (ii) 此等無投票權遞延股份由萬順昌集團擁有。無投票權遞延股份並無投票權，亦無權於清盤時分享股息及除非萬順昌行有限公司普通股持有人已獲分派每股普通股2,000,000,000港元之款額或萬順昌鋼鐵有限公司之普通股持有人已獲分派10,000,000,000港元之款額外。
- (iii) 利尚派國際貿易(上海)有限公司及亞萬鋼國際貿易(上海)有限公司乃於中國內地成立之外資企業，經營期為20年，至二零二三年止。上海寶順昌國際貿易有限公司乃一間於中國內地成立之合資合營企業，經營期為20年，至二零一四年止。萬嘉源通訊設備(深圳)有限公司乃一間於中國內地成立之外資企業，經營期為15年，至二零一六年止。萬順昌鋼鐵(深圳)有限公司乃一間於中國內地成立之外資企業，經營期為30年，至二零三五年止。金運貿易(深圳)有限公司乃一間於中國內地成立之外資企業，經營期為20年，至二零二四年止。利尚派建材(深圳)有限公司及利尚派貿易(深圳)有限公司乃於中國內地成立之外資企業。經營期為20年，至二零二八年止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The above lists the principal subsidiaries which principally affected the results or formed a substantial portion of the net assets of the VSC Group. To give details of other subsidiaries would, in the opinion of the Company's Directors and the VSC Group's management, result in particulars of excessive length.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31st March 2009.

19 於附屬公司之投資(續)

上述已列出主要影響萬順昌集團之業績或組成萬順昌集團淨資產之大部份主要附屬公司。本公司之董事及萬順昌集團之管理層認為提供其他附屬公司之詳情將使篇幅過於冗長。

於二零零九年三月三十一日止年度之任何期間，各附屬公司並無任何已發行貸款資本。

20 INVESTMENTS IN ASSOCIATES/AMOUNTS DUE FROM/(TO) ASSOCIATES

20 於聯營公司之投資／應收／ (應付)聯營公司

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Share of net assets	250,584	155,951	應佔之淨資產
Goodwill (Note (d))	2,931	2,931	商譽(附註(d))
Investment cost	253,515	158,882	投資成本
Amounts due from associates	62,065	16,927	應收聯營公司
Amounts due to an associate	(1,568)	—	應付一間聯營公司
	60,497	16,927	

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綜合財務報表附註

**20 INVESTMENTS IN ASSOCIATES/AMOUNTS
DUE FROM/(TO) ASSOCIATES
(CONTINUED)**

The movements of investments of associates are as follows:

**20 於聯營公司之投資／應收／
(應付)聯營公司(續)**

於聯營公司之投資之變動如下：

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
At 1st April	158,882	5,832	於四月一日
Disposal of certain interests in a subsidiary resulting in a reclassification of the remaining interest as an associate (Note 35(f))	222,623	—	出售一間附屬公司之若干權益而將餘下權益重新分類為一間聯營公司(附註35(f))
Disposal of certain interests in an associate (Note 35(f))	(103,383)	—	出售一間聯營公司之若干權益(附註35(f))
Additional investments in associates	—	62,257	增加於聯營公司之投資
Increase in investment in an associate to a subsidiary (Note 35(e))	—	(57,425)	增持於一間聯營公司之投資成為一間附屬公司(附註35(e))
Deemed acquisition of an associate through increase in investment in an associate to a subsidiary (Note 35(e))	—	119,115	視作收購一間聯營公司透過增持於一間聯營公司之投資成為一間附屬公司(附註35(e))
Decrease in investment in a subsidiary and recognise it as an associate (Note 35(d))	—	2,979	減持於一間附屬公司之投資及確認為一間聯營公司(附註35(d))
Share of associates' results			應佔聯營公司之業績
— share of (loss)/profit	(26,508)	12,783	— 應佔(虧損)/溢利
— negative goodwill	—	12,453	— 負商譽
Exchange difference	1,901	888	滙兌差額
At 31st March	253,515	158,882	於三月三十一日

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綜合財務報表附註

20 INVESTMENTS IN ASSOCIATES/AMOUNTS DUE FROM/(TO) ASSOCIATES (CONTINUED)

The VSC Group's share of the revenues and results of its associates, all of which are unlisted, and their aggregated assets and liabilities, are as follows:

20 於聯營公司之投資／應收／(應付)聯營公司(續)

萬順昌集團於全非上市之聯營公司之應佔收入及業績及其總資產及負債如下：

Name 名稱	Registered and paid up capital 註冊及已繳股本	Place of incorporation/ establishment 註冊成立/ 成立地點	Attributable to the VSC Group 萬順昌集團應佔				Percentage of equity interest attributable to the VSC Group 萬順昌集團應佔之股本權益百分比
			Assets 資產	Liabilities 負債	Revenues 收入	Profit 溢利	
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
As at 31st March 2009 於二零零九年三月三十一日							
VSC-Ryerson China Limited (a) 萬順昌一瑞爾盛中國有限公司(a)	US\$15,000 15,000美元	British Virgin Islands 英屬處女群島	142,876	(46,005)	64,970	(20,837)	20%
China Able Limited (b)	US\$26,190,000 26,190,000美元	British Virgin Islands 英屬處女群島	227,984	(108,760)	11,145	(3,164)	33.3%
VSC Hotel Investments Limited (c)	US\$50 50美元	British Virgin Islands 英屬處女群島	49,516	(22,882)	12,470	(3,033)	44%
Protection Asia Limited (d)	US\$1,000 1,000美元	Samoa 薩摩亞	2,997	(2,994)	—	—	37.5%
Changshu Baoshunchang Electromechanical Manufacturing Co., Ltd. (e) 常熟寶順昌機電製造有限公司(e)	US\$6,400,000 6,400,000美元	Mainland China 中國內地	21,753	(13,901)	10,135	526	34.9%
			445,126	(194,542)	98,720	(26,508)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

20 INVESTMENTS IN ASSOCIATES/AMOUNTS DUE FROM/(TO) ASSOCIATES (CONTINUED)

20 於聯營公司之投資／應收／(應付)聯營公司(續)

Name 名稱	Registered and paid up capital 註冊及已繳股本	Place of incorporation/ establishment 註冊成立/ 成立地點	Attributable to the VSC Group 萬順昌集團應佔				Percentage of equity interest attributable to the VSC Group 萬順昌集團應佔之股本權益百分比
			Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Revenues 收入 HK\$'000 千港元	Profit 溢利 HK\$'000 千港元	
As at 31st March 2008 於二零零八年三月三十一日							
Fit Team Holdings Limited ("Fit Team") (up to 26th March 2008 when it became a subsidiary) (直至二零零八年三月二十六日成為一間附屬公司為止)	US\$10,050,002 10,050,002美元	British Virgin Islands 英屬處女群島	—	—	1,025	18,230	50%
China Able Limited (b)	US\$26,190,000 26,190,000美元	British Virgin Islands 英屬處女群島	219,068	(99,953)	—	—	33.3%
VSC Hotel Investments Limited (c)	US\$50 50美元	British Virgin Islands 英屬處女群島	51,216	(22,043)	3,528	6,066	44%
Protection Asia Limited (d)	US\$1,000 1,000美元	Samoa 薩摩亞	2,978	(2,975)	53	—	37.5%
Changshu Baoshunchang Electromechanical Manufacturing Co., Ltd. (e) 常熟寶順昌機電製造有限公司 (e)	US\$6,400,000 6,400,000美元	Mainland China 中國內地	23,970	(16,310)	34,857	940	34.9%
			297,232	(141,281)	39,463	25,236	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INVESTMENTS IN ASSOCIATES/AMOUNTS DUE FROM/(TO) ASSOCIATES (CONTINUED)

Notes:

- (a) VSC Ryerson China Limited ("VSC-Ryerson") became an associate of the VSC Group when the VSC Group disposed of its 20% interest in of VSC-Ryerson on 31st October 2008 to Ryerson Pan-Pacific LLC ("Ryerson") when the call option has been exercised by Ryerson, reducing VSC Group's equity interest in VSC-Ryerson from 60% to 40%. Subsequently, the VSC Group further disposed of an additional 20% interest in VSC-Ryerson on 31st December 2008 to Ryerson when the put option was exercised (Note 35(f)).
- (b) China Able Limited ("China Able") is a contractual joint venture which is held in equal shares between Fit Team, a wholly owned subsidiary of the VSC Group since 26th March 2008, Nanyang Industrial (China) Limited, an independent third-party and Marvel Champ Investments Limited, another independent third-party. China Able became an associate of the VSC Group since 26th March 2008 on which Fit Team became the subsidiary of the VSC Group.
- (c) VSC Hotel Investments Limited ("VSC Hotel") became an associate of the VSC Group when the VSC Group disposed 50% of VSC Hotel on 25th July 2007 to Far Profit Limited ("Far Profit"), reducing its equity interest in VSC Hotel from 90% to 40%. Subsequently, the VSC Group further invested 4% in VSC Hotel, increasing its equity interest from 40% to 44% and negative goodwill of approximately HK\$1,128,000 was recognised. A call option was granted by the shareholder of Far Profit in February 2008 which allowed the VSC Group to acquire 100% equity interest of Far Profit from 1st November 2008 to 30th April 2010. A supplemental agreement was signed in October 2008 and the exercisable period was changed to 1st November 2009 to 30th April 2011. On 29th June 2009, the call option was terminated.

20 於聯營公司之投資／應收／(應付)聯營公司(續)

附註：

- (a) 於二零零八年十月三十一日，Ryerson Pan-Pacific LLC (「Ryerson」) 行使其認購權，購入萬順昌集團所出售萬順昌－瑞爾盛中國有限公司 (「萬順昌－瑞爾盛」) 20%之權益，萬順昌集團擁有之股本權益因而由60%減少至40%，萬順昌－瑞爾盛自此成為萬順昌集團之一間聯營公司。其後，萬順昌集團於二零零八年十二月三十一日行使其認估權，進一步出售萬順昌－瑞爾盛額外20%之權益予Ryerson (附註35(f))。
- (b) China Able Limited (「China Able」) 乃一間由Fit Team (其自二零零八年三月二十六日後，成為萬順昌集團之一間全資附屬公司)，Nanyang Industrial (China) Limited，為獨立第三者及Marvel Champ Investments Limited，為另一獨立第三者共同持有等額股份之合營企業。自二零零八年三月二十六日，當Fit Team成為萬順昌集團之一間附屬公司後，China Able亦成為萬順昌集團之一間聯營公司。
- (c) 當萬順昌集團於二零零七年七月二十五日出售其於VSC Hotel Investments Limited (「VSC Hotel」) 之50%權益予Far Profit Limited (「Far Profit」)，其股本權益由90%減少至40%，Far Profit因此成為萬順昌集團之一間聯營公司。其後，萬順昌集團進一步投資4%於VSC Hotel，其股本權益則由40%增至44%及已確認約1,128,000港元之負商譽。Far Profit之股東於二零零八年二月授予萬順昌集團一個認購權，允許萬順昌集團於二零零八年十一月一日至二零一零年四月三十日期間收購Far Profit 100%之股本權益。於二零零八年十月雙方簽訂一份補充協議，其行使期由二零零九年十一月一日變更至二零一一年四月三十日。於二零零九年六月二十九日，認購權會被終止。

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20 INVESTMENTS IN ASSOCIATES/AMOUNTS DUE FROM/(TO) ASSOCIATES (CONTINUED)

Notes: (Continued)

- (d) Protection Asia Limited became an associate of the VSC Group when 37.5% of its equity interest was acquired by CAMP (B.V.I.) Holdings Limited, a wholly owned subsidiary of the VSC Group, on 1st September 2007. Goodwill of approximately HK\$2,931,000 arose from the investment in this associate.
- (e) Changshu Baoshunchang Electromechanical Manufacturing Co., Ltd became an associate of the VSC Group since November 2005. It is a contractual joint venture established in Mainland China with an operating period of 30 years to 2035.

The amount due from VSC-Ryerson is unsecured, bear interest at commercial rate and repayable in 120 days. The amounts with other associates are unsecured, non-interest bearing and without pre-determined repayment terms. The carrying amounts approximated their fair values and were not impaired as at 31st March 2009 (2008: Nil).

The amounts due from associates were denominated in the following currencies:

20 於聯營公司之投資／應收／(應付)聯營公司(續)

附註：(續)

- (d) 於二零零七年九月一日，當萬順昌集團之一間全資附屬公司，CAMP (B.V.I.) Holdings Limited，收購 Protection Asia Limited 37.5%之股本權益後，其便成為萬順昌集團之一間聯營公司。約2,931,000港元之商譽由投資此聯營公司而引致。
- (e) 常熟寶順昌機電製造有限公司自二零零五年十一月成為萬順昌集團之一間聯營公司，此乃一間於中國內地成立之中外合營企業，經營期30年，至二零三五年止。

應收萬順昌—瑞爾盛之金額為無抵押，按商業利率計息及須於120日內償還。與其他聯營公司之金額為無抵押的、不計利息及並無預定之還款期。於二零零九年三月三十一日，其賬面金額與其公平價值相約，並沒有減值(二零零八年：無)。

應收聯營公司包含下列貨幣：

	Consolidated		
	綜合		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Chinese Renminbi	(2,278)	2,979	人民幣
Hong Kong dollar	62,775	13,948	港元
	60,497	16,927	

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**21 DEFERRED INCOME TAX ASSETS/
(LIABILITIES)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxed levied is the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

21 遞延所得稅資產／（負債）

當具有將即期所得稅資產與即期所得稅負債抵銷之合法強制執行權，以及當遞延所得稅資產和負債與同一稅務機關就該應課稅實體或不同應課稅實體徵收之所得稅有關，而有關方面擬按淨額基準繳納稅項時，遞延所得稅資產與負債方可互相抵銷抵銷。抵銷金額如下：

	Consolidated		
	綜合		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Deferred income tax assets:			遞延所得稅資產：
— Deferred income tax asset to be recovered after 12 months	20,720	27,208	— 將於十二個月後收回之遞延所得稅資產
— Deferred income tax asset to be recovered within 12 months	22,013	4,187	— 將於十二個月內收回之遞延所得稅資產
	42,733	31,395	
Deferred income tax liabilities:			遞延所得稅負債：
— Deferred income tax liabilities to be settled after 12 months	(5)	(2,268)	— 將於十二個月後清償之遞延所得稅項負債
Net deferred income tax assets	42,728	29,127	遞延所得稅資產淨額

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綜合財務報表附註

**21 DEFERRED INCOME TAX ASSETS/
(LIABILITIES) (CONTINUED)**

The movements in net deferred income tax assets are as follow:

21 遞延所得稅資產／(負債)(續)

淨遞延所得稅資產變動如下：

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
At 1st April	29,127	21,028	於四月一日
Recognised in the income statement (Note 11)	24,602	6,596	已於損益表中確認(附註11)
Disposal of a subsidiary (Note 35(f))	(11,493)	—	出售一間附屬公司(附註35(f))
Exchange differences	492	1,503	滙兌差額
At 31st March	42,728	29,127	於三月三十一日

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21 DEFERRED INCOME TAX ASSETS/ (LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets:

21 遞延所得稅資產／(負債)(續)

本年度期間，並無考慮相同司法權區內之結餘抵銷之遞延所得稅資產及負債之變動如下：

遞延所得稅資產：

	Consolidated					
	綜合					
Fair value losses of investment properties	Provisions	Cumulative tax losses	Decelerated depreciation	Total		
投資物業之公平價值虧損	撥備	累計稅項虧損	減慢折舊	總額		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	
At 1st April 2007	853	4,139	17,878	497	23,367	於二零零七年四月一日
(Charged)/credited to the income statement	(198)	(2,523)	9,400	(32)	6,647	已於損益表中(扣除)／計入
Exchange differences	—	195	1,308	—	1,503	滙兌差額
At 31st March 2008	655	1,811	28,586	465	31,517	於二零零八年三月三十一日
Disposal of a subsidiary (Note 35(f))	—	(219)	(11,304)	1	(11,522)	出售一間附屬公司(附註35(f))
Credited/(charged) to the income statement	1	(783)	22,989	141	22,348	已於損益表中計入／(扣除)
Exchange difference	—	22	470	—	492	滙兌差額
At 31st March 2009	656	831	40,741	607	42,835	於二零零九年三月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

**21 DEFERRED INCOME TAX ASSETS/
(LIABILITIES) (CONTINUED)**

Deferred tax liabilities:

21 遞延所得稅資產／(負債)(續)

遞延所得稅負債：

	Accelerated depreciation	Consolidated 綜合 Fair value gains of investment properties 投資物業之 公平價值收益	Total 總額	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 31st March 2007/ 1st April 2007	(147)	(2,192)	(2,339)	於二零零七年三月三十一日/ 二零零七年四月一日
Charged to the income statement	(13)	(38)	(51)	已於損益表中扣除
At 31st March 2008	(160)	(2,230)	(2,390)	於二零零八年三月三十一日
Disposal of a subsidiary (Note 35(f))	29	—	29	出售一間附屬公司 (附註35(f))
Credited to the income statement	24	2,230	2,254	已於損益表中計入
At 31st March 2009	(107)	—	(107)	於二零零九年三月三十一日

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31st March 2009, the deferred income tax assets recognised from tax loss of approximately HK\$26,612,000 (2008: HK\$10,815,000) can be carried forward indefinitely.

遞延所得稅資產乃因應相關稅務利益透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。於二零零九年三月三十一日，已就稅項虧損所確認之遞延所得稅資產約26,612,000港元(二零零八年：10,815,000港元)，該金額可以無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21 DEFERRED INCOME TAX ASSETS/ (LIABILITIES) (CONTINUED)

The VSC Group did not recognise deferred income tax assets of HK\$42,391,000 (2008: HK\$19,772,000) in respect of losses amounting to HK\$166,447,000 (2008: HK\$85,906,000) that can be carried forward against future taxable income. As at 31st March 2009, the cumulative tax losses of approximately HK\$4,857,000 (2008: HK\$4,857,000) can be carried forward indefinitely while tax losses of approximately HK\$161,590,000 (2008: HK\$81,049,000) will expire in five years.

22 AVAILABLE-FOR-SALE FINANCIAL ASSETS

All available-for-sale financial assets are unlisted. Movements are as follows:

21 遞延所得稅資產／(負債)(續)

萬順昌集團並無就約166,447,000港元(二零零八年: 85,906,000港元)之虧損確認約42,391,000港元(二零零八年: 19,772,000港元)之遞延所得稅資產, 該金額可以結轉後期作未來應課稅收。於二零零九年三月三十一日, 累計稅項虧損約4,857,000港元(二零零八年: 4,857,000港元)可以無限期結轉後期, 而稅項虧損約161,590,000港元(二零零八年: 81,049,000港元)將於五年內失效。

22 可供出售之財務資產

所有可供出售之財務資產為非上市。其變動如下:

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
At 1st April	7,055	12,992	於四月一日
Disposals	—	(6,098)	出售
Impairment	(200)	(595)	減值
Disposal of a subsidiary (Note 35(f))	(6,103)	—	出售一間附屬公司(附註35(f))
Net revaluation surplus recognised in reserve (Note 34)	(172)	756	已於儲備中確認之淨重估盈餘(附註34)
At 31st March	580	7,055	於三月三十一日

As at 31st March 2009, unlisted available-for-sale financial assets were stated at fair values as determined by the directors based on valuations assessed by an independent, professionally qualified valuer. As at 31st March 2009, the VSC Group has an impairment provision on an available-for-sale financial asset of approximately HK\$200,000 (2008: HK\$595,000).

All available-for-sale financial assets were denominated in United States dollar.

於二零零九年三月三十一日, 非上市之可供出售之財務資產由董事按獨立及專業合資格估值師所釐定之公平價值之估值列賬。於二零零九年三月三十一日, 萬順昌集團已為一項可供出售之財務資產約200,000港元(二零零八年: 595,000港元)作減值撥備。

所有可供出售之財務資產以美元列賬。

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23 DERIVATIVE FINANCIAL INSTRUMENTS

23 衍生金融工具

	Consolidated				
	綜合				
	2009		2008		
	二零零九年		二零零八年		
	Assets	Liabilities	Assets	Liabilities	
資產	負債	資產	負債		
HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元		
Call option granted by a third party to acquire a company (Note 20(c))	—	—	10,190	—	第三者授予用作收購一間公司之認購權 (附註20(c))
Call/put options granted to/ by a third party to dispose certain interests in a subsidiary (Note 35(f))	—	—	1,310	1,212	授予第三者／第三者授予用作出售於一間附屬公司之若干權益之認購權／認沽權 (附註35(f))
Interest rate instrument (Note (a))	—	3,906	—	1,378	利率工具 (附註(a))
Currency swap instruments (Note (b))	88	—	4,537	—	貨幣掉期工具 (附註(b))
Forward foreign exchange contracts — held for trading (Note (c))	42	5	629	3,319	遠期外匯合約 — 持有作買賣用途 (附註(c))
Total	130	3,911	16,666	5,909	總額
Less non-current portion:					減去非當期部份：
Call/put options arising from deemed disposal of a subsidiary (Note 35(f))	—	—	(1,310)	(1,212)	視作出售一間附屬公司所引致之認購權／認沽權 (附註35(f))
Interest rate instrument	—	(3,172)	—	(1,378)	利率工具
Current portion	130	739	15,356	3,319	當期部份

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綜合財務報表附註

23 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

23 衍生金融工具 (續)

	Company				
	本公司				
	2009		2008		
	二零零九年		二零零八年		
Assets	Liabilities	Assets	Liabilities		
資產	負債	資產	負債		
HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元		
Interest rate instrument (Note d)	—	3,172	—	1,378	利率工具 (附註d)
Currency swap instruments (Note e)	—	—	3,564	—	貨幣掉期工具 (附註e)
	—	3,172	3,564	1,378	
Less non-current portion: Interest rate instrument	—	(3,172)	—	(1,378)	減去非當期部份： 利率工具
Current portion	—	—	3,564	—	當期部份

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the underlying item is more than 12 months, and as a current asset or liability if the maturity of the underlying item is less than 12 months.

The credit quality of derivative assets has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

Notes:

- (a) The notional principal amount of the outstanding interest rate instrument at 31st March 2009 were approximately HK\$91,397,000 (2008: HK\$28,608,000). (Losses)/gains on the interest rate instrument as of 31st March 2009 were recognised in other (losses)/gains in the consolidated income statement.
- (b) The total notional principal amount of the outstanding currency swap contracts at 31st March 2009 were approximately RMB136,684,000 (2008: RMB389,340,000). Net fair value (losses)/gains on currency swap contracts as of 31st March 2009 were recognised in other (losses)/gains in the income statement.

若被對沖項目之剩餘期間超過12個月，則對沖衍生工具之公平價值之全額會分類為非流動資產或負債，而若被對沖項目的剩餘期間少於12個月，則分類為流動資產或負債。

衍生資產之信貸質素，乃根據有關訂約方以往違約比率之資料而評定。現有訂約方於過往並無違約。

附註：

- (a) 於二零零九年三月三十一日，尚有之利率工具之設定本金額約91,397,000港元（二零零八年：28,608,000港元）。於二零零九年三月三十一日，利率工具之（虧損）／收益已確認於綜合損益表之其他（虧損）／收益中。
- (b) 於二零零九年三月三十一日，尚有之貨幣掉期合約之總設定本金額約人民幣136,684,000元（二零零八年：人民幣389,340,000元）。於二零零九年三月三十一日，貨幣掉期合約之淨公平價值（虧損）／收益已確認於損益表之其他（虧損）／收益中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (Continued)

- (c) The total notional principal amount of the outstanding forward foreign exchange contracts at 31st March 2009 were approximately HK\$57,350,000 (2008: HK\$452,724,000). Net fair value gains/(losses) on forward foreign exchange contracts as of 31st March 2009 were recognised in other (losses)/gains in the consolidated income statement.
- (d) The notional principal amount of the outstanding interest rate instrument at 31st March 2009 were approximately HK\$19,397,000 (2008: HK\$27,230,000). (Losses)/gains on the interest rate instrument as of 31st March 2009 were recognised in other (losses)/gains in the income statement.
- (e) The notional principal amount of the outstanding currency swap contracts at 31st March 2008 were approximately RMB173,640,000. Net fair value (losses)/gains on the currency swap contracts as of 31st March 2009 were recognised in other (losses)/gains in the income statement.

23 衍生金融工具(續)

附註：(續)

- (c) 於二零零九年三月三十一日，尚有之遠期外匯合約之總設定本金額約57,350,000港元(二零零八年：452,724,000港元)。於二零零九年三月三十一日，遠期外匯合約之淨公平價值收益／(虧損)已確認於綜合損益表之其他(虧損)／收益中。
- (d) 於二零零九年三月三十一日，尚有之利率工具之設定本金額約19,397,000港元(二零零八年：27,230,000港元)。於二零零九年三月三十一日，利率工具之(虧損)／收益已確認於綜合損益表之其他(虧損)／收益中。
- (e) 於二零零八年三月三十一日，尚有之貨幣掉期合約約人民幣173,640,000元。於二零零九年三月三十一日，貨幣掉期合約之淨公平價值(虧損)／收益已確認於損益表之其他(虧損)／收益中。

24 INVENTORIES

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Raw materials	—	261,683	原材料
Work in progress	—	12,409	半製成品
Finished goods	259,697	541,285	製成品
	259,697	815,377	

The costs of inventories recognised as expenses and included in cost of sales in the income statement amounted to approximately HK\$4,391,183,000 (2008: HK\$5,294,822,000).

As at 31st March 2009, inventories of approximately HK\$27,884,000 (2008: HK\$152,414,000) were pledged as collaterals for certain of the VSC Group's bank borrowings, and certain inventories were held under trust receipts bank loan arrangements (Note 31).

24 存貨

約4,391,183,000港元(二零零八年：5,294,822,000港元)之存貨成本已確認為支出並已包括在損益表之銷售成本中。

於二零零九年三月三十一日，約27,884,000港元(二零零八年：152,414,000港元)之存貨已抵押作為萬順昌集團銀行借貸之抵押品，同時若干存貨是以銀行信託收據貸款之安排下持有(附註31)。

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綜合財務報表附註

25 DUE FROM CUSTOMERS ON INSTALLATION CONTRACT WORK

25 應收客戶之安裝合約工程

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Costs plus recognised profits less foreseeable losses	19,000	163,078	成本加已確認之溢利減 可預見之虧損
Less: Progress billings received and receivable	(16,300)	(160,378)	減：已收及應收之 進度賬款
Less: Impairment	(2,000)	—	減：減值
	700	2,700	

As at 31st March 2009, the amount due from customers on installation contract work aged over 365 days (2008: over 365 days) and approximately HK\$2,000,000 was impaired. The carrying amount approximated its fair value. It is the industry's practice that the remaining balance will be settled after 1 year.

於二零零九年三月三十一日，應收客戶之安裝合約工程之賬齡已超過365日（二零零八年：超過365日）及約2,000,000港元已作減值。其賬面金額與其公平價值相約。按行業慣例，餘額將在一年後支付。

26 TRADE AND BILL RECEIVABLES/LOAN RECEIVABLES

26 應收賬款及票據／應收貸款

(a) Trade and bill receivables

(a) 應收賬款及票據

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Trade and bill receivables	273,874	816,333	應收賬款及票據
Less: provision for impairment of trade receivables	(16,685)	(21,535)	減：應收賬款減值撥備
Trade and bill receivables, net	257,189	794,798	應收賬款及票據，淨額

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26 TRADE AND BILL RECEIVABLES/LOAN RECEIVABLES (CONTINUED)

(a) Trade and bill receivables (continued)

Sales are either covered by (i) letters of credit with bill payable at sight or (ii) open account with credit terms of 15 to 120 days.

Ageing analysis of trade and bill receivables by invoice date is as follows:

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
0 to 60 days	206,853	623,513	0-60日
61 to 120 days	31,258	146,660	61-120日
121 to 180 days	10,497	16,641	121-180日
181 to 365 days	9,685	11,989	181-365日
Over 365 days	15,581	17,530	超過365日
Less: Provision for impairment of trade receivables	273,874 (16,685)	816,333 (21,535)	減：應收賬款減值撥備
	257,189	794,798	

At 31st March 2009, included in trade and bill receivables were retentions from installation contract work of approximately HK\$1,905,000 (2008: HK\$1,626,000), which were not due for collection until satisfaction of the conditions specified in the underlying contracts.

26 應收賬款及票據／應收貸款(續)

(a) 應收賬款及票據(續)

銷售均以(i)見票即付之信用證；或(ii)記賬方式進行，信貸期一般介乎15至120日不等。

應收賬款及票據根據發票日期之賬齡分析如下：

於二零零九年三月三十一日，約1,905,000港元(二零零八年：1,626,000港元)之安裝合約工程之保固金包括在應收賬款及票據內，該等款項將直至達成合約所指明之條款後才可收回。

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26 TRADE AND BILL RECEIVABLES/LOAN RECEIVABLES (CONTINUED)

(a) Trade and bill receivables (continued)

Movements on the VSC Group's provision for impairment of trade receivables are as follows:

26 應收賬款及票據／應收貸款（續）

(a) 應收賬款及票據（續）

萬順昌集團之應收賬款之減值撥備之變動如下：

	Consolidated		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
At 1st April	21,535	19,742	於四月一日
Provision recognised in the consolidated income statement	19,082	19,676	已於綜合損益表中確認之撥備
Provision written back in consolidated income statement	(2,535)	(3,764)	已於綜合損益表中撤回之撥備
Provision written off	(2,317)	(14,848)	撇銷撥備
Derecognised on disposal of subsidiaries	(19,200)	—	終止確認出售附屬公司
Exchange difference	120	729	滙兌差額
At 31st March	16,685	21,535	於三月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26 TRADE AND BILL RECEIVABLES/LOAN RECEIVABLES (CONTINUED)

(a) Trade and bill receivables (continued)

As at 31st March 2009, trade receivables of approximately HK\$16,685,000 (2008: HK\$21,535,000) were impaired and provided for. The amount of net provision recognised in the income statement during the year was approximately HK\$16,547,000 (2008: HK\$15,912,000). The ageing of these receivables is as follows:

26 應收賬款及票據／應收貸款(續)

(a) 應收賬款及票據(續)

於二零零九年三月三十一日，應收賬款約16,685,000港元已作減值及撥備(二零零八年：21,535,000港元)。本年度期間，已於損益表中確認之淨撥備約16,547,000港元(二零零八年：15,912,000港元)。其應收賬款賬齡分析如下：

	Consolidated		
	綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
0 to 60 days	384	1,860	0-60日
61 to 120 days	—	2,307	61-120日
121 to 180 days	433	247	121-180日
181 to 365 days	1,684	1,833	181-365日
Over 365 days	14,184	15,288	超過365日
	16,685	21,535	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

26 TRADE AND BILL RECEIVABLES/LOAN RECEIVABLES (CONTINUED)

(a) Trade and bill receivables (continued)

The ageing analysis of trade receivables past due but not impaired is as follows:

	Consolidated		
	綜合		
	2009	2008	
	二零零九年 HK\$'000 千港元	二零零八年 HK\$'000 千港元	
0 to 60 days	43,184	183,603	0-60日
61 to 120 days	10,093	23,176	61-120日
121 to 180 days	3,006	4,968	121-180日
181 to 365 days	2,450	6,026	181-365日
Over 365 days	13	137	超過365日
	58,746	217,910	

The carrying amounts of net trade and bill receivables approximated their fair values as at 31st March 2009.

The carrying amounts of the VSC Group's trade and bill receivables were denominated in the following currencies:

	Consolidated		
	綜合		
	2009	2008	
	二零零九年 HK\$'000 千港元	二零零八年 HK\$'000 千港元	
Chinese Renminbi	133,085	317,610	人民幣
Hong Kong dollar	134,910	272,274	港元
United States dollar	5,879	225,841	美元
Others	—	608	其他
	273,874	816,333	

26 應收賬款及票據／應收貸款(續)

(a) 應收賬款及票據(續)

已過期但未減值之應收賬款賬齡分析如下：

淨應收賬款及票據之賬面金額與其於二零零九年三月三十一日之公平價值相約。

萬順昌集團之應收賬款及票據之賬面金額包含下列貨幣：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

26 TRADE AND BILL RECEIVABLES/LOAN RECEIVABLES (CONTINUED)

(b) Loan receivables

Loan receivables are secured by certain assets of the borrower. These loan receivables are repayable by 5th December 2009 and the carrying amounts approximated their fair values as at 31st March 2008 and 2009. They were denominated in the following currencies:

	Consolidated		
	綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Hong Kong dollar	21,000	21,000	港元
United States dollar	—	1,472	美元
	21,000	22,472	

As at 31 March 2009, loan receivables of approximately HK\$1,472,000 (2008: Nil) were impaired and provided for. The amount of provision recognised in the consolidated income statement during the year was approximately HK\$1,472,000 (2008: Nil).

26 應收賬款及票據／應收貸款(續)

(b) 應收貸款

應收貸款由借款人之若干資產作抵押。應收貸款須於二零零九年十二月五日償還，及其賬面金額與其於二零零八年及二零零九年三月三十一日之公平價值相約。應收貸款包含下列貨幣：

於二零零九年三月三十一日，應收貸款約1,472,000港元已作減值及撥備（二零零八年：無）。本年度期間，已於綜合損益表中確認之撥備約1,472,000港元（二零零八年：無）。

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綜合財務報表附註

27 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

27 預付款項、按金及其他應收賬款

	Consolidated		
	綜合		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Prepayment for purchases	147,139	238,544	預付採購款項
Rental and other deposits	3,105	4,508	租金及其他按金
Dividends receivable	—	4,075	應收股息
Value added tax recoverable	4,188	6,611	可收回增值稅
Other receivables and advances	21,376	18,097	其他應收賬款及墊款
Others	2,135	2,921	其他
	177,943	274,756	
Less: Provision for impairment of other receivables	(13,954)	(10,442)	減：其他應收賬款 減值撥備
	163,989	264,314	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

27 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Movements on the provision for impairment of other receivables are as follows:

27 預付款項、按金及其他應收賬款 (續)

其他應收賬款減值撥備之變動如下：

	Consolidated		
	綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
At 1st April	10,442	3,438	於四月一日
Provision recognised in the consolidated income statement	3,272	14,797	已於綜合損益表中 確認之撥備
Provision written off	—	(7,793)	撇銷撥備
Exchange difference	240	—	滙兌差額
At 31st March	13,954	10,442	於三月三十一日

As at 31st March 2009, other receivables of approximately HK\$13,954,000 (2008: HK\$10,442,000) has aged over 365 days and were impaired. The amount of provision of impairment recognised in the income statement was approximately HK\$3,272,000 (2008: HK\$14,794,000).

於二零零九年三月三十一日，約13,954,000港元（二零零八年：10,442,000港元）之其他應收賬款之賬齡已超過365日並已作減值。已於損益表中確認之減值撥備約3,272,000港元（二零零八年：14,794,000港元）。

The carrying amounts of prepayments, deposits and other receivables approximated their fair values as at 31st March 2008 and 2009. They were denominated in the following currencies:

預付款項、按金及其他應收賬款之賬面金額與其於二零零八年及二零零九年三月三十一日之公平價值相約。預付款項、按金及其他應收賬款包含下列貨幣：

	Consolidated		
	綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Chinese Renminbi	174,264	255,093	人民幣
Hong Kong dollar	3,244	6,563	港元
United States dollar	435	13,100	美元
	177,943	274,756	

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28 PLEDGED BANK DEPOSITS/CASH AND
CASH EQUIVALENTS

28 已抵押銀行存款／現金及現金
等值

	Consolidated 綜合		Company 本公司		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Cash on hand	407	432	—	—	手頭現金
Cash at bank	91,259	214,634	325	693	銀行存款
Short-term bank deposits	44,906	270,946	12,156	15,317	短期銀行存款
	136,572	486,012	12,481	16,010	
Less: Pledged bank deposits	(35,893)	(214,577)	(12,156)	(15,317)	減：已抵押銀行存款
Cash and cash equivalents	100,679	271,435	325	693	現金及現金等值

Pledged bank deposits and cash and cash equivalents were denominated in the following currencies:

已抵押銀行存款及現金及現金等值包含下列貨幣：

	Consolidated 綜合		Company 本公司		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Chinese Renminbi	47,225	115,230	—	—	人民幣
Hong Kong dollar	68,635	68,032	129	514	港元
United States dollar	20,530	301,442	12,352	15,496	美元
Euro	71	1,021	—	—	歐羅
Others	111	287	—	—	其他
	136,572	486,012	12,481	16,010	

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28 PLEDGED BANK DEPOSITS/CASH AND CASH EQUIVALENTS (CONTINUED)

As at 31st March 2009, bank deposits of approximately HK\$35,893,000 (2008: HK\$213,028,000) were pledged as collateral for the VSC Group's bank borrowings and no balance was restricted as custom deposits in Mainland China in 2009 (2008: HK\$1,549,000).

At 31st March 2009, bank deposits of approximately HK\$12,156,000 (2008: HK\$15,317,000) were pledged as collateral for a subsidiary of the Company.

As at 31st March 2009, cash and bank deposits totalling approximately HK\$47,225,000 (2008: HK\$115,230,000) were denominated in Chinese Renminbi, which is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China.

29 TRADE AND BILL PAYABLES

Payment terms with suppliers are either on letters of credit or open account. Certain suppliers grant credit period ranging from 30 to 210 days.

Ageing analysis of trade and bill payables is as follows:

28 已抵押銀行存款／現金及現金等值(續)

於二零零九年三月三十一日，約35,893,000港元(二零零八年：213,028,000港元)之銀行存款已抵押作為萬順昌集團銀行借貸之抵押品，及於二零零九年已無限制現金作為中國內地海關保證金(二零零八年：1,549,000港元)。

於二零零九年三月三十一日，銀行存款約12,156,000港元(二零零八年：15,317,000港元)已作本公司之一間附屬公司之抵押品。

於二零零九年三月三十一日，現金及銀行存款共約47,225,000港元(二零零八年：115,230,000港元)以人民幣列賬，該貨幣並不能在國際市場自由兌換及其匯率是由中國人民銀行釐定。

29 應付賬款及票據

與供應商之付款條款均以信用證或記賬方式進行。若干供應商之信貸期介乎30至210日不等。

應付賬款及票據之賬齡分析如下：

	Consolidated		
	綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
0 to 60 days	80,601	357,358	0-60日
61 to 120 days	579	25,416	61-120日
121 to 180 days	45	8,864	121-180日
181 to 365 days	245	9,092	181-365日
Over 365 days	217	687	超過365日
	81,687	401,417	

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29 TRADE AND BILL PAYABLES (CONTINUED)

The carrying amounts of trade and bill payables approximated their fair values as at 31st March 2009. Trade and bill payables were denominated in the following currencies:

29 應付賬款及票據(續)

應付賬款及票據之賬面金額與其於二零零九年三月三十一日之公平價值相約。應付賬款及票據包含下列貨幣：

	Consolidated		
	綜合		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Chinese Renminbi	66,380	49,882	人民幣
Hong Kong dollar	4,438	22,263	港元
United States dollar	10,869	329,272	美元
	81,687	401,417	

30 ACCRUED LIABILITIES AND OTHER PAYABLES

30 應計負債及其他應付賬款

	Consolidated		
	綜合		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Accrual for employment costs	6,314	15,817	應計僱員成本
Accrual for operating expenses	29,848	28,906	應計經營支出
Value added tax payables	7,628	16,896	應付增值稅
	43,790	61,619	

The carrying amounts of accrued liabilities and other payables approximated their fair values as at 31st March 2009 and 2008. They will be matured within one year.

應計負債及其他應付賬款之賬面金額與其於二零零九年及二零零八年三月三十一日之公平價值相約。應計負債及其他應付賬款將於一年內到期。

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30 ACCRUED LIABILITIES AND OTHER PAYABLES (CONTINUED)

They were denominated in the following currencies:

30 應計負債及其他應付賬款(續)

包含下列貨幣：

	Consolidated		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Chinese Renminbi	30,722	45,122	人民幣
Hong Kong dollar	13,020	16,497	港元
United States dollar	48	—	美元
	43,790	61,619	

The Company's accrued liabilities represents accrual for operating expenses. The carrying amounts of these accrued liabilities approximated their fair values as at 31st March 2009 and 2008. They will be matured within one year. They were denominated in Hong Kong dollar.

本公司之應計負債為應計經營支出。其賬面金額與其於二零零九年及二零零八年三月三十一日之公平價值相約。應計負債將於一年內到期，並以港元列賬。

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31 BORROWINGS

31 借貸

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Non-current			非當期
— Long-term bank loans	11,647	117,690	— 長期銀行貸款
Current			當期
— Trust receipts bank loans, secured	301,481	751,302	— 信託收據銀行貸款，抵押的
— Short-term bank loans, secured	144,186	281,957	— 短期銀行貸款，抵押的
— Long-term bank loans, secured, current portion	43,750	31,780	— 長期銀行貸款，抵押的，當期部份
	489,417	1,065,039	
Total borrowings	501,064	1,182,729	借貸總額

The VSC Group's borrowings are repayable as follows:

萬順昌集團之借貸還款期如下：

	Consolidated 綜合		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Within one year	489,417	1,065,039	1年內
Between one and two years	7,750	62,900	1至2年
Between two and five years	3,897	54,790	2至5年
	501,064	1,182,729	

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31 BORROWINGS (CONTINUED)

The Company's borrowings are repayable as follows:

31 借貸(續)

本公司之借貸還款期如下：

	Company		
	本公司		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Within one year	7,750	7,780	1年內
Between one and two years	7,750	7,780	1至2年
Between two and five years	3,897	11,670	2至5年
	19,397	27,230	

The VSC Group's borrowings are secured by:

萬順昌集團之借貸由下列各項作抵押：

- | | |
|---|--|
| <p>(i) buildings of the VSC Group was not pledged at 31st March 2009 (2008: approximately HK\$29,964,000 were pledged) (Note 15);</p> | <p>(i) 於二零零九年三月三十一日，萬順昌集團並無已作抵押之樓宇(二零零八年：約29,964,000港元已作抵押)(附註15)；</p> |
| <p>(ii) leasehold land and land use rights of the VSC Group was not pledged at 31st March 2009 (2008: approximately HK\$17,509,000 were pledged) (Note 17);</p> | <p>(ii) 於二零零九年三月三十一日，萬順昌集團並無已作抵押之租賃土地及土地使用權(二零零八年：約17,509,000港元已作抵押)(附註17)；</p> |
| <p>(iii) pledge of the VSC Group's inventories of approximately HK\$27,884,000 (2008: HK\$152,414,000) and certain of VSC Group's inventories held under trust receipts bank loan arrangements (Note 24);</p> | <p>(iii) 萬順昌集團已作抵押之存貨約27,884,000港元(二零零八年：152,414,000港元)，及若干存貨為透過銀行信託收據貸款之安排持有(附註24)；</p> |
| <p>(iv) pledge of the VSC Group's bank deposits of approximately HK\$35,893,000 (2008: HK\$213,028,000) (Note 28); and</p> | <p>(iv) 萬順昌集團已作抵押之銀行存款約35,893,000港元(二零零八年：213,028,000港元)(附註28)；及</p> |
| <p>(v) guarantees provided by the Company of approximately HK\$611,584,000 (2008: HK\$1,227,347,000) (Note 36).</p> | <p>(v) 本公司提供之擔保約HK\$611,584,000港元(二零零八年：1,227,347,000港元)(附註36)。</p> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 BORROWINGS (CONTINUED)

Borrowings were denominated in the following currencies:

31 借貸(續)

借貸包含下列貨幣：

	Consolidated		Company		
	綜合		本公司		
	2009	2008	2009	2008	
	二零零九年	二零零八年	二零零九年	二零零八年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Chinese Renminbi	92,704	181,297	—	—	人民幣
Hong Kong dollar	368,910	744,904	—	—	港元
United States dollar	39,450	256,528	19,397	27,230	美元
	501,064	1,182,729	19,397	27,230	

The effective annual interest rates of borrowings at the balance sheet dates are as follows:

於結算日，借貸之實際年利率如下：

	2009	2008	
	二零零九年	二零零八年	
Chinese Renminbi	6.9%	6.9%	人民幣
Hong Kong dollar	2.1%	2.8%	港元
United States dollar	1.2%	3.8%	美元

The carrying amounts of the borrowing approximated its fair value as at year end date.

借貸之賬面金額與其於年終日之公平價值相約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 SHARE CAPITAL

32 股本

	2009 二零零九年		2008 二零零八年		
	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	
Authorised (Ordinary shares of HK\$0.10 each)	1,000,000	100,000	1,000,000	100,000	法定(每股面值0.10港元之普通股)
Issued and fully paid (Ordinary shares of HK\$0.10 each)	381,428	38,143	380,428	38,043	已發行及繳足(每股面值0.10港元之普通股)

As at 31st March 2009, the increase in share capital was due to the exercise of certain share options during the year.

於二零零九年三月三十一日，股本增加是由於本年度期間行使之若干購股權。

33 SHARE OPTIONS

The VSC Group has a share option scheme under which it may grant options to any person being an employee, agent, consultant or representative (including executive directors and non-executive directors) of the VSC Group to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time, excluding for the shares issued on the exercise of options. The exercise price will be determined by the Company's board of directors and shall be at least the highest of (i) the closing price of the Company's shares quoted on The Stock Exchange of Hong Kong Limited on the date of grant of the options, (ii) the average closing prices of the Company's shares quoted on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares of HK\$0.10 each.

33 購股權

根據萬順昌集團之購股權計劃，萬順昌集團可授予萬順昌集團之任何僱員、代理人、顧問或代表(包括執行董事及非執行董事)以認購本公司之股份，而不得超過不時已發行本公司股份之30%(行使購股權所發行股份除外)。行使價將由本公司董事會釐定及最少將按以下列中最高者為準：(i)本公司股份於提出授予購股權當日香港聯合交易所有限公司所列之收市價；(ii)本公司股份於緊接提出授予購股權日期前五個交易日在香港聯合交易所有限公司所列之平均收市價；及(iii)本公司股份面值每股0.10港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 SHARE OPTIONS (CONTINUED)

Movements of share options were:

33 購股權 (續)

購股權變動如下：

Date of grant 授予日期	Exercise period 行使期	Subscription	Beginning of year 年初	Granted 授予	Exercised 行使	Lapsed 失效	End of Year 年終
		price per share 每股行使價					
		HK\$ 港元	'000 千份	'000 千份	'000 千份	'000 千份	'000 千份
19th June 2008 二零零八年六月十九日	19th June 2008 to 18th June 2018 二零零八年六月十九日至 二零一八年六月十八日	0.78	—	4,000	(1,000)	—	3,000
13th September 2006 二零零六年九月十三日	13th September 2007 to 12th September 2016 二零零七年九月十三日至 二零一六年九月十二日	0.9	4,300	—	—	(1,800)	2,500
19th September 2003 二零零三年九月十九日	19th September 2005 to 18th September 2013 二零零五年九月十九日至 二零一三年九月十八日	1.418	1,300	—	—	—	1,300
7th May 2003 二零零三年五月七日	7th May 2005 to 6th May 2013 二零零五年五月七日至 二零一三年五月六日	0.97	1,500	—	—	(720)	780
2nd May 2003 二零零三年五月二日	2nd May 2003 to 1st May 2013 二零零三年五月二日至 二零一三年五月一日	0.98	1,000	—	—	—	1,000
			8,100	4,000	(1,000)	(2,520)	8,580

The fair value of options granted was determined by the directors based on the valuations assessed by independent, professionally qualified valuer, using the Binomial Model. The significant inputs into the model were share price at the grant date, exercise price, expected exit rate of employees and representatives estimated trigger price of exercising of option, expected life of options, expected dividend payout rate and annual risk-free rate. The volatility measured is based on statistical analysis of daily share prices over a period of one year.

已授予之購股權之公平價值是由董事按獨立及專業合資格估值師採用二項式模型釐定。輸入該模型之重要數據包括授出日股價、行使價、預計僱員及其代表離職率、行使購股權之估計觸發價、購股權預計期限、預計派息率及年度無風險息率。波幅根據一年內每日股價統計分析而量度。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

34 RESERVES

34 儲備

	Consolidated 綜合									
	Share premium	Share option reserve	Capital redemption reserve	Statutory reserves (i)	Capital reserve	Investment revaluation reserve	Cumulative foreign currency adjustments	Retained earnings	Total	
	股份溢價	購股權儲備	資本贖回儲備	法定儲備(i)	資本儲備	投資重估儲備	匯兌調整	保留盈利	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2007	313,596	2,047	77,203	12,593	58,355	1,616	5,727	274,597	745,734	於二零零七年 四月一日
Profit for the year	—	—	—	—	—	—	—	31,317	31,317	年度溢利
Transfer from retained earnings	—	—	—	3,518	—	—	—	(3,518)	—	轉撥自保留盈利
Change in fair value of available-for-sale financial assets	—	—	—	—	—	756	—	—	756	可供出售之財務資產之公平價值變動
Disposal of available-for-sale financial assets	—	—	—	—	—	(1,616)	—	—	(1,616)	出售可供出售之財務資產
Issuance of shares (iii)	10,162	—	—	—	—	—	—	—	10,162	股份發行(iii)
Share option scheme — value of services	—	652	—	—	—	—	—	—	652	購股權計劃—服務價值
Dividends paid to equity holders of the Company	—	—	—	—	—	—	—	(13,983)	(13,983)	已付本公司股權持有人之股息
Currency translation differences	—	—	—	—	—	—	24,666	—	24,666	貨幣匯兌差額
At 31st March 2008	323,758	2,699	77,203	16,111	58,355	756	30,393	288,413	797,688	於二零零八年三月三十一日
Representing:										包括：
Proposed dividend								4,946		建議股息
Others								283,467		其他
								288,413		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

34 RESERVES (CONTINUED)

34 儲備 (續)

	Consolidated 綜合									
	Share premium	Share option reserve	Capital redemption reserve	Statutory reserves (i)	Capital reserve	Investment revaluation reserve	Cumulative foreign currency translation adjustments	Retained earnings	Total	
	股份溢價	購股權儲備	資本贖回儲備	法定儲備(i)	資本儲備	投資重估儲備	累計外幣滙兌調整	保留盈利	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1st April 2008	323,758	2,699	77,203	16,111	58,355	756	30,393	288,413	797,688	於二零零八年 四月一日
Loss for the year	–	–	–	–	–	–	–	(278,252)	(278,252)	年度虧損
Issuance of shares (iii)	680	–	–	–	–	–	–	–	680	股份發行(iii)
Transfer upon exercise of share options	323	(323)	–	–	–	–	–	–	–	轉撥自行使之 購股權
Lapse of share options	–	(1,610)	–	–	–	–	–	1,610	–	失效之購股權
Transfer from retained earnings	–	–	–	1,033	–	–	–	(1,033)	–	轉撥自保留盈利
Impairment loss of available-for-sale financial assets	–	–	–	–	–	(172)	–	–	(172)	可供出售之財務資 產之減值虧損
Share option scheme – value of services	–	1,292	–	–	–	–	–	–	1,292	購股權計劃—服務 價值
Dividends paid to equity holders of the Company	–	–	–	–	–	–	–	(4,959)	(4,959)	已付本公司股權持 有人之股息
Disposal of a subsidiary (Note 35(f))	–	–	–	(4,819)	–	(467)	(13,939)	–	(19,225)	出售一間附屬公司 (附註35(f))
Currency translation differences	–	–	–	–	–	–	3,132	–	3,132	貨幣滙兌差額
At 31st March 2009	324,761	2,058	77,203	12,325	58,355	117	19,586	5,779	500,184	於二零零九年 三月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

34 RESERVES (CONTINUED)

34 儲備 (續)

Company							
本公司							
	Share premium	Share option reserve	Capital redemption reserve	Contributed surplus (ii)	Retained earnings	Total	
	股份溢價	購股權 儲備	資本贖回 儲備	繳入盈餘(ii)	保留盈利	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
At 1st April 2007	313,596	2,047	77,203	53,986	14,684	461,516	於二零零七年 四月一日
Profit for the year	—	—	—	—	8,141	8,141	年度溢利
Issuance of shares	10,162	—	—	—	—	10,162	股份發行
Share option scheme — value of services	—	652	—	—	—	652	購股權計劃— 服務價值
Dividends paid	—	—	—	—	(13,983)	(13,983)	已付股息
At 31st March 2008	323,758	2,699	77,203	53,986	8,842	466,488	於二零零八年 三月三十一日
Representing:							包括：
Proposed dividend					4,946		建議股息
Others					3,896		其他
					8,842		
At 1st April 2008	323,758	2,699	77,203	53,986	8,842	466,488	二零零八年四月一日
Profit for the year	—	—	—	—	11,259	11,259	年度溢利
Issuance of shares	680	—	—	—	—	680	股份發行
Transfer upon exercise of share option	323	(323)	—	—	—	—	轉撥自行使之購股權
Lapse of share option	—	(1,610)	—	—	1,610	—	失效之購股權
Share option scheme — value of services	—	1,292	—	—	—	1,292	購股權計劃— 服務價值
Dividends paid	—	—	—	—	(4,959)	(4,959)	已付股息
At 31st March 2009	324,761	2,058	77,203	53,986	16,752	474,760	於二零零九年 三月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 RESERVES (CONTINUED)

Notes:

- (i) Statutory reserves represent enterprise expansion reserve fund and general reserve fund set up by certain subsidiaries in Mainland China. As stipulated by regulations in Mainland China, the subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the enterprise expansion reserve fund and general reserve fund, at rates determined by their respective boards of directors. The general reserve fund may be used for making up losses and increasing capital, while the enterprise expansion reserve fund may be used for increasing capital.
- (ii) Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to equity holders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.
- (iii) As at 31st March 2009 and 2008, the increase in share premium was due to the exercise of certain share options by the employees and representatives during the year.

34 儲備(續)

附註：

- (i) 法定儲備乃按中國內地若干附屬公司之企業發展儲備基金及一般儲備基金所設立。按照中國內地法規訂明，於中國內地成立及經營之附屬公司須於其除稅後溢利(經抵銷過往年度虧損)中撥出部份至企業發展儲備基金及一般儲備基金，比率乃由各自董事會釐定。一般儲備基金可用作抵銷虧損及增加股本，而企業發展儲備基金可用作增加股本。
- (ii) 根據百慕達一九八一年公司法，繳入盈餘可分派予股權持有人，惟倘本公司在宣派或支付股息或從繳入盈餘作出分派後，(i)本公司不能或在作出支付後將不能支付到期債項，或(ii)其資產之可變現價值將會因而少於其債項及其已發行股本及股份溢價賬目的合計總額，則本公司不可作出上述的宣派、支付或分派。
- (iii) 於二零零九年及二零零八年三月三十一日，由於僱員及其代表於本年度期間行使若干之購股權，所以引致股份溢價增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of (loss)/profit before income tax to net cash used in operations is as follows:

35 綜合現金流量表

(a) 除稅前(虧損)/溢利與經營所用之現金淨額對賬如下:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
(Loss)/profit before income tax	(256,740)	47,047	除稅前(虧損)/溢利
Share of (loss)/profit of associates	26,508	(25,236)	應佔聯營公司(虧損)/溢利
Interest income	(4,281)	(9,312)	利息收入
Interest expense	39,535	46,821	利息支出
Depreciation of property, plant and equipment	13,913	22,130	物業、廠房及設備之 折舊
Loss on disposals of property, plant and equipment	8,448	5,096	出售物業、廠房及設備 之虧損
Amortisation of leasehold land and land use rights	423	563	租賃土地及土地使用權 之攤銷
Fair value (losses)/gains of investment properties	16,800	(1,900)	投資物業之公平價值(虧損) /收益
Loss on disposal of certain interests in a subsidiary	47,927	—	出售一間附屬公司之若干 權益之虧損
Loss on disposal of certain interests in an associate	9,771	—	出售一間聯營公司之若干 權益之虧損
Gain on deemed disposal of certain interests in a subsidiary	—	(4,091)	視作出售於一間附屬公司之 若干權益之收益
Dividend income from available-for-sale financial assets	(227)	(2,763)	可供出售之財務資產之股息 收入
Gain on disposals of available-for-sale financial assets	—	(6,947)	出售可供出售之財務資產之 收益
Impairment loss of an available-for-sale financial asset	200	595	一項可供出售之財務資產之 減值虧損
Amount received from an available-for-sale financial asset fully impaired previously	(194)	—	收回過往全數減值之可供 出售之財務資產
Negative goodwill arising from increase in investment in an associate to a subsidiary	—	(20,765)	增持於一間聯營公司之 投資成為一間附屬公司所 引致之負商譽
Negative goodwill arising from increase in investment in an associate	—	(1,128)	增持於一間聯營公司之投資 所引致之負商譽
Change in fair values of derivative financial instruments	16,123	(15,402)	衍生金融工具之公平 價值變動
Goodwill impairment	9,810	14,617	商譽減值
Share option scheme — value of services	1,292	652	購股權計劃 — 服務價值

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT
(CONTINUED)

(a) Reconciliation of (loss)/profit before income tax to net cash used in operations is as follows: (Continued)

35 綜合現金流量表 (續)

(a) 除稅前(虧損)/溢利與經營所用之現金淨額對賬如下: (續)

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Operating (loss)/profit before working capital changes	(70,692)	49,977	營運資金變動前之經營(虧損)/溢利
Decrease/(increase) in inventories	277,824	(227,505)	存貨減少/(增加)
Decrease in due from customers on installation contract work	2,000	1,235	應收客戶之安裝合約工程減少
Decrease/(increase) in trade and bill receivables	257,064	(25,446)	應收賬款及票據減少/(增加)
Decrease/(increase) in loan receivables	1,472	(22,472)	應收貸款減少/(增加)
Decrease/(increase) in prepayments, deposits and other receivables	60,755	(52,624)	預付款項、按金及其他應收賬款減少/(增加)
Decrease/(increase) in amounts due from/(to) associates	50,325	(28,039)	應收/(應付)聯營公司減少/(增加)
(Decrease)/increase in trade and bill payables	(195,719)	100,386	應付賬款及票據(減少)/增加
(Decrease)/increase in receipts in advance	(41,191)	4,339	預收款項(減少)/增加
Increase in accrued liabilities and other payables	35,938	21,032	應計負債及其他應付賬款增加
Net cash generated from/(used in) operations	377,776	(179,117)	經營產生/(所用)之現金淨額

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(b) In the cash flow statement, proceeds from disposals of property, plant and equipment comprise:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Net book amount	17,752	5,439	賬面淨值
Loss on disposals of property, plant and equipment	(8,448)	(5,096)	出售物業、廠房及設備之虧損
	9,304	343	
Less: included in amounts due from an associate	(8,254)	—	減：已包括應收一間聯營公司
Proceeds from disposals of property, plant and equipment	1,050	343	出售物業、廠房及設備之所得款項

(c) During the year ended 31st March 2008, CAMP (Kunshan) Limited (“CAMP (Kunshan)”), a subsidiary of the VSC Group which has been disposed during the year ended 31st March 2009, issued 2,500 shares at par value of US\$200 per share to Shinsho Corporation for a consideration of approximately HK\$9,103,000. Consequently, 10% equity interest of CAMP (Kunshan) Limited was deemed disposed to Shinsho Corporation. VSC Group's effective interest in CAMP (Kunshan) Limited was reduced from 60% to 54%. Net assets deemed disposed amounted to approximately HK\$5,012,000 and gain on this deemed disposal of approximately HK\$4,091,000 was included in other gains in the income statement for the year ended 31st March 2008.

35 綜合現金流量表 (續)

(b) 在現金流量表中，出售物業、廠房及設備之所得款項包括：

(c) 截至二零零八年三月三十一日止年度期間，萬順昌集團已於截至二零零九年三月三十一日出售之一間附屬公司，CAMP (Kunshan) Limited (「CAMP (Kunshan)」)，發行每股面值200美元之2500股份予神鋼商事株式會社，代價約9,103,000港元。因此，隨着視作出售10%之股本權益予神鋼商事株式會社，萬順昌集團於CAMP (Kunshan)之有效權益由60%減少至54%。視作出售之淨資產約5,012,000港元及其視作出售之收益約4,091,000港元已包括在截至二零零八年三月三十一日止年度之損益表之其他收益中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

- (d) During the year ended 31st March 2008, the VSC Group disposed of 50% of a subsidiary, VSC Hotel, for a consideration of approximately HK\$3,723,000, reducing the VSC Group's equity interests in VSC Hotel from 90% to 40% and the VSC Group recognised it as an associate since then. Net asset disposed amounted to approximately HK\$3,723,000, an investment in an associate of approximately HK\$2,979,000 was recognised by the VSC Group.
- (e) During the year ended 31st March 2008, the VSC Group acquired additional interest in an associate, Fit Team, at a consideration of approximately HK\$36,660,000, bringing the VSC Group's equity interest in Fit Team from 50% to 100% and the VSC Group recognised it as a subsidiary since then. The additional 50% equity interest amounted to HK\$57,425,000 and negative goodwill of approximately HK\$20,765,000 was included in other gains in the income statement during the year. Investment in an associate, China Able, of approximately HK\$119,115,000 was recognised by the VSC Group since then.
- (f) Disposal of certain interests in a subsidiary and an associate
During the year ended 31st March 2007, the VSC Group has diluted its equity interest in VSC-Ryerson as a consequence of VSC-Ryerson issuing new shares to Ryerson. Thereafter, the VSC Group has a 60% equity interest in VSC-Ryerson; while Ryerson has a 40% interest in VSC-Ryerson.

35 綜合現金流量表 (續)

- (d) 截至二零零八年三月三十一日止年度期間，萬順昌集團出售一間附屬公司，VSC Hotel之50%股本權益，代價約3,723,000港元，因此萬順昌集團於VSC Hotel之股本權益由90%減少至40%，並自始確認為一間聯營公司。出售之淨資產約3,723,000港元及萬順昌集團已確認於一間聯營公司之投資為約2,979,000港元。
- (e) 截至二零零八年三月三十一日止年度期間，萬順昌集團增加收購於一間聯營公司Fit Team之權益，其代價約36,660,000港元，因此萬順昌集團於Fit Team之股本權益由50%增加至100%，並自始確認為萬順昌集團之一間附屬公司。此額外50%之股本權益金額約57,425,000港元及其負商譽約20,765,000港元已包括在本年度之損益表中之其他收益中。自始萬順昌集團確認約119,115,000港元於一間聯營公司，China Able，之投資。
- (f) 出售於一間附屬公司及一間聯營公司之若干權益
截至二零零七年三月三十一日止年度期間，由於萬順昌一瑞爾盛發行新股予Ryerson，萬順昌集團因此攤薄其於萬順昌一瑞爾盛之股本權益。因此，萬順昌集團擁有萬順昌一瑞爾盛60%之股本權益；而Ryerson則擁有萬順昌一瑞爾盛40%之權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

- (f) Disposal of certain interests in a subsidiary and an associate (Continued)
In connection with the deemed disposal, a call option (“Call Option”) has been granted by CAMP (B.V.I.) Holdings Limited (“CAMP (BVI)”), a subsidiary of the VSC Group, which allow Ryerson to further acquire 20% equity interest of VSC-Ryerson from CAMP (BVI) in 2009. In addition, a put option (“Put Option”) has been granted to CAMP (BVI) by Ryerson which allow CAMP (BVI) to sell further 20% equity interests of VSC-Ryerson to Ryerson in 2009 if Ryerson has exercised the call option granted by CAMP (BVI).

As at 31st March 2008, the valuation of the call option and the put option were amounted to approximately HK\$1,212,000 and HK\$1,310,000, respectively. The net fair value losses of approximately HK\$1,145,000 was included in the other losses in the consolidated income statement for the year ended 31st March 2008.

On 24th October 2008, Ryerson gave a call notice to CAMP BVI to purchase an additional 20% interest in VSC-Ryerson for a cash consideration of US\$4,303,000 (HK\$33,429,000). Transfer of 20% equity interest was completed on 31st October 2008, and as a result, the VSC Group’s equity interests in VSC-Ryerson were reduced from 60% to 40% and the VSC Group recognised it as an associate since then.

35 綜合現金流量表 (續)

- (f) 出售於一間附屬公司及一間聯營公司之若干權益 (續)
在視作出售事項中，萬順昌集團之一間附屬公司，CAMP (B.V.I.) Holdings Limited (「CAMP (BVI)」)，已被授予一個認購權，允許Ryerson於二零零九年向CAMP (BVI) 進一步收購萬順昌一瑞爾盛20%之股本權益。另外，Ryerson亦向CAMP (BVI) 授予一個認沽權，允許CAMP (BVI) 於二零零九年向Ryerson進一步出售萬順昌一瑞爾盛20%之股本權益 (如果Ryerson已行使CAMP(BVI)授予之認購權)。

於二零零八年三月三十一日，認購權及認沽權之估值分別為約1,212,000港元及1,310,000港元。淨公平價值虧損約1,145,000港元已包括在截至二零零八年三月三十一日止年度之綜合損益表之其他虧損中。

於二零零八年十月二十四日，Ryerson給予一個認購通知予CAMP BVI 以作收購萬順昌一瑞爾盛額外20%之權益，代價為現金4,303,000美元 (33,429,000港元)。轉讓此20%之股本權益已於二零零八年十月三十一日完成，萬順昌集團擁有之股本權益亦由60%減少至40%，並自始確認為萬順昌集團之一間聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(f) Disposal of certain interests in a subsidiary and an associate (Continued)

Details of the assets and liabilities of VSC-Ryerson disposed of and the loss on disposal are as follows:

35 綜合現金流量表 (續)

(f) 出售於一間附屬公司及一間聯營公司之若干權益 (續)

出售萬順昌一瑞爾盛之資產及負債及出售虧損之詳情如下:

	HK\$'000	
	千港元	
Assets and liabilities disposed of:		出售之資產及負債:
Property, plant and equipment	104,324	物業、廠房及設備
Land use rights	16,226	土地使用權
Goodwill	6,775	商譽
Available-for-sale financial assets	6,103	可供出售之財務資產
Derivative financial instruments	449	衍生金融工具
Deferred income tax assets	11,522	遞延所得稅資產
Inventories	277,856	存貨
Trade and bill receivables	280,545	應收賬款及票據
Prepayments, deposits and other receivables	35,495	預付款項、按金及其他應收賬款
Pledged bank deposits	36,017	已抵押銀行存款
Cash and cash equivalents	200,895	現金及現金等值
Trade and bill payables	(124,011)	應付賬款及票據
Receipts in advance	(9,358)	預收款項
Accrued liabilities and other payables	(54,421)	應計負債及其他應付賬款
Current income tax liabilities	(7,363)	流動所得稅負債
Borrowings	(103,440)	借貸
Amount due to VSC Group's subsidiaries	(85,641)	應付萬順昌集團之附屬公司
Deferred income tax liabilities	(29)	遞延所得稅負債
Net assets disposed of	591,944	出售之資產淨額
Consideration received from the disposal	33,429	出售之已收代價
Less: Net assets disposed of	(591,944)	減: 出售之資產淨額
Add: Call option disposed of	22,101	加: 出售之認購權
Add: Release of reserves	15,624	加: 轉出儲備
Add: Derecognition of minority interest	250,240	加: 終止確認之少數股東權益
Add: Investment in associates recognised	222,623	加: 已確認於聯營公司之投資
Loss on disposal of a subsidiary	(47,927)	出售一間附屬公司之虧損
Outflow of cash arising from disposal of a subsidiary:		出售一間附屬公司所引致之現金流出:
Cash consideration	33,429	現金代價
Cash and cash equivalents in the subsidiary disposed of	(200,895)	出售一間附屬公司之現金及現金等值
Net cash outflow from disposal of a subsidiary	(167,466)	出售一間附屬公司之淨現金流出

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

- (f) Disposal of certain interests in a subsidiary and an associate (Continued)

On 24th December 2008, CAMP BVI granted a put notice to Ryerson to dispose 20% shareholdings of VSC-Ryerson for a cash consideration of US\$14,200,000 (HK\$110,078,000). Transfer of 20% equity interest was completed on 31st December 2008. As a result of the transfer, the VSC Group disposed further 20% of VSC-Ryerson, reducing the VSC Group's equity interests in VSC-Ryerson from 40% to 20%.

Details of the investments in an associate, VSC-Ryerson, disposed of and the loss on disposal are as follows:

	HK\$'000	
	千港元	
Consideration received from the disposal	110,078	出售之已收代價
Investments in an associate disposed of	(103,383)	出售於一間聯營公司之投資
	6,695	
Less: Put option disposed of	(20,067)	減：出售之認沽權
Add: Release of reserves	3,601	加：轉出儲備
Loss on disposal of certain interest in an associate	(9,771)	出售於一間聯營公司之若干權益之虧損

Upon exercise of call option and put option on 31st October 2008 and 31st December 2008 respectively, the call option and the put option amounted to approximately HK\$22,101,000 and HK\$20,067,000 respectively were derecognised. The net fair value losses of approximately HK\$2,132,000 was included in the other losses in the consolidated income statement for the year ended 31st March 2009.

35 綜合現金流量表 (續)

- (f) 出售於一間附屬公司及一間聯營公司之若干權益 (續)

於二零零八年十二月二十四日，CAMP BVI 授予一個認沽通知予 Ryerson 以作出售萬順昌一瑞爾盛20%之股權，代價為現金14,200,000美元(110,078,000港元)。轉讓此20%之股本權益已於二零零八年十二月三十一日完成。萬順昌集團隨着出售此萬順昌一瑞爾盛之額外20%權益後，其擁有之股本權益由40%減至20%。

出售於一間聯營公司，萬順昌一瑞爾盛，之投資及出售虧損之詳情如下：

隨着於二零零八年十月三十一日行使約22,101,000港元之認購權及於二零零八年十二月三十一日行使約20,067,000港元之認沽權已終止確認。淨公平價值虧損約2,132,000港元已包括在截至二零零九年三月三十一日止年度之綜合損益表之其他虧損中。

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綜合財務報表附註

36 GUARANTEES

36 擔保

	Consolidated		Company		
	綜合		本公司		
	2009	2008	2009	2008	
	二零零九年	二零零八年	二零零九年	二零零八年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Performance bonds	573	1,416	—	—	履約擔保書
Guarantees provided by the Company in respect of banking facilities of its subsidiaries	—	—	611,584	1,227,347	本公司就其附屬公司所獲銀行融資而提供之擔保
	573	1,416	611,584	1,227,347	

37 COMMITMENTS

37 承擔

(a) Capital commitments

(a) 資本承擔

Capital commitments in respect of property, plant and equipment are as follows:

關於物業、廠房及設備之資本承擔如下：

	Consolidated		
	綜合		
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Contracted but not provided for	167	611	已訂約但未確認

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綜合財務報表附註

37 COMMITMENTS (CONTINUED)

(b) Commitments under operating leases

Total commitments payable under various non-cancellable operating lease agreements in respect of rented premises and motor vehicles are analysed as follows:

	Consolidated		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Not later than one year	7,682	14,417	未逾1年
Later than one year and not later than five years	6,843	16,290	逾1年及未逾5年
Later than five years	1,327	1,854	逾5年
	15,852	32,561	

(c) Commitments under derivative contracts

As at 31st March 2009, the VSC Group had outstanding forward foreign currency contracts to purchase approximately US\$7,400,000 (2008: US\$58,500,000) for approximately HK\$57,350,000 (2008: HK\$452,724,000), for the purpose of hedging against the VSC Group's commitments arising from its trading activities.

As at 31st March 2009, the VSC Group had outstanding currency swap contracts to purchase approximately US\$20,000,000 (2008: US\$54,000,000) for approximately RMB136,684,000 (2008: RMB389,340,000), for the purpose of hedging against the VSC Group's commitments arising from its trading activities.

As at 31st March 2009, the VSC Group had outstanding interest rate swap contracts with notional principal amount of approximately HK\$72,000,000 (2008: Nil).

37 承擔 (續)

(b) 營業租約承擔

就承租物業及汽車而訂立之不可撤銷營業租約之應付承擔總額分析如下：

(c) 衍生合約承擔

於二零零九年三月三十一日，萬順昌集團尚有約57,350,000港元（二零零八年：452,724,000港元）未行使之遠期外匯貨幣合約以用作購買約7,400,000美元（二零零八年：58,500,000美元），其目的為讓萬順昌集團於貿易活動將有關之承諾作出對沖。

於二零零九年三月三十一日，萬順昌集團尚有約人民幣136,684,000元（二零零八年：人民幣389,340,000元）未行使之貨幣掉期合約以用作購買約20,000,000美元（二零零八年：54,000,000美元），其目的為讓萬順昌集團於貿易活動將有關之承諾作出對沖。

於二零零九年三月三十一日，萬順昌集團尚有設定本金額約72,000,000港元未行使之利率掉期合約（二零零八年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 RELATED PARTY TRANSACTIONS

(a) Transactions

The following is a summary of significant related party transactions, which were carried out in the normal course of the VSC Group's business:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	
Management services provided to an associate	(i)	—	12,500	向一間聯營公司提供之管理服務 (i)
Sales of goods to an associate	(i)	33,719	—	向一間聯營公司銷售貨品 (i)
Purchase of goods from a related party *	(i)	132,784	173,443	向一關連人士採購貨品* (i)
Rental expenses paid to an associate	(ii)	6,594	497	已付一間聯營公司之租金支出 (ii)
Interest paid to a related party *	(iii)	2,163	2,297	已付一關連人士之利息* (iii)
Interest received from an associate	(iv)	765	—	已收一間聯營公司之利息 (iv)

Notes:

- (i) Management services were provided and goods were purchased and sold at prices mutually agreed by both parties.
- (ii) Rental expenses were determined by reference to open market rental.
- (iii) Interest expenses were determined at a rate of approximately 4% (2008: 5%) per annum on overdue balances.
- (iv) Interest income were determined at a rate of approximately 3% (2008: Nil) per annum on overdue balance.

附註：

- (i) 所提供之管理服務及所採購及銷售之貨品皆按雙方達成協議之價格收取。
- (ii) 租金支出乃參考公開市場之租值而釐訂。
- (iii) 利息支出乃以年利率約4%(二零零八年：5%)計算過期結餘。
- (iv) 利息收入乃以年利率約3%(二零零八年：無)計算過期結餘。

38 與關連人士之交易

(a) 交易

與關連人士之重大交易詳情如下，此等交易是按照萬順昌集團日常業務之正常條款進行：

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綜合財務報表附註

**38 RELATED PARTY TRANSACTIONS
(CONTINUED)**
(b) Year-end balances

38 與關連人士之交易(續)
(b) 年終結餘

Consolidated			
綜合			
	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Trade payable to a related party*	—	91,570	應付一關連人士之賬款*

Note:

* This company relates to Shinsho Corporation, the 30% minority shareholder of VSC Shinsho Company Limited, a subsidiary of the VSC Group which has been disposed during the year (Note 35(f)).

附註：

* 該公司與神鋼商事株式會社有關連，其為擁有萬順昌神商有限公司30%權益之少數股東，且為萬順昌集團於本年度期間出售之一間附屬公司(附註35(f))。

(c) Key management compensation

(c) 主要管理層報酬

	2009	2008	
	二零零九年	二零零八年	
	HK\$'000	HK\$'000	
	千港元	千港元	
Salaries and allowances	5,250	10,372	薪金及津貼
Bonus	560	3,407	花紅
Pension costs — defined contribution schemes	44	103	退休金成本 — 界定供款計劃
Share option scheme — value of services	—	440	購股權計劃 — 服務價值
	5,854	14,322	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 EVENTS AFTER THE BALANCE SHEET DATE

On 13th July 2009, Pulsar Enterprises Limited, a wholly owned subsidiary of the VSC Group, entered into a provisional sales and purchase agreement with an independent third party to dispose of a property that was classified as an investment property as at 31st March 2009. The agreed consideration is HK\$24,000,000 and the completion of the sales and purchase shall take place at or before 4:00 p.m. of 17th August 2009.

39 結算日後事項

於二零零九年七月十三日，萬順昌集團之一間全資附屬公司，Pulsar Enterprises Limited，已與一獨立第三者訂立臨時買賣合約，出售一項於二零零九年三月三十一日分類為投資物業之物業。代價為24,000,000港元，並將於二零零九年八月十七日下午四時正或之前完成買賣。

