

Van Shung Chong Holdings Limited

萬 順 昌 集 團 有 限 公 司

Stock Code 股票代號 : 1001



ANNUAL REPORT 2010 年報

STEEL  
ALUE  
CHAIN



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

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## Directors

### Executive Directors

Mr. Andrew Cho Fai YAO (*Chairman*)

Mr. Fernando Sai Ming DONG

Mr. Kern LIM

### Independent Non-Executive Directors

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

ONC Lawyers (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 Bank International Limited

DBS Bank (Hong Kong) Limited

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

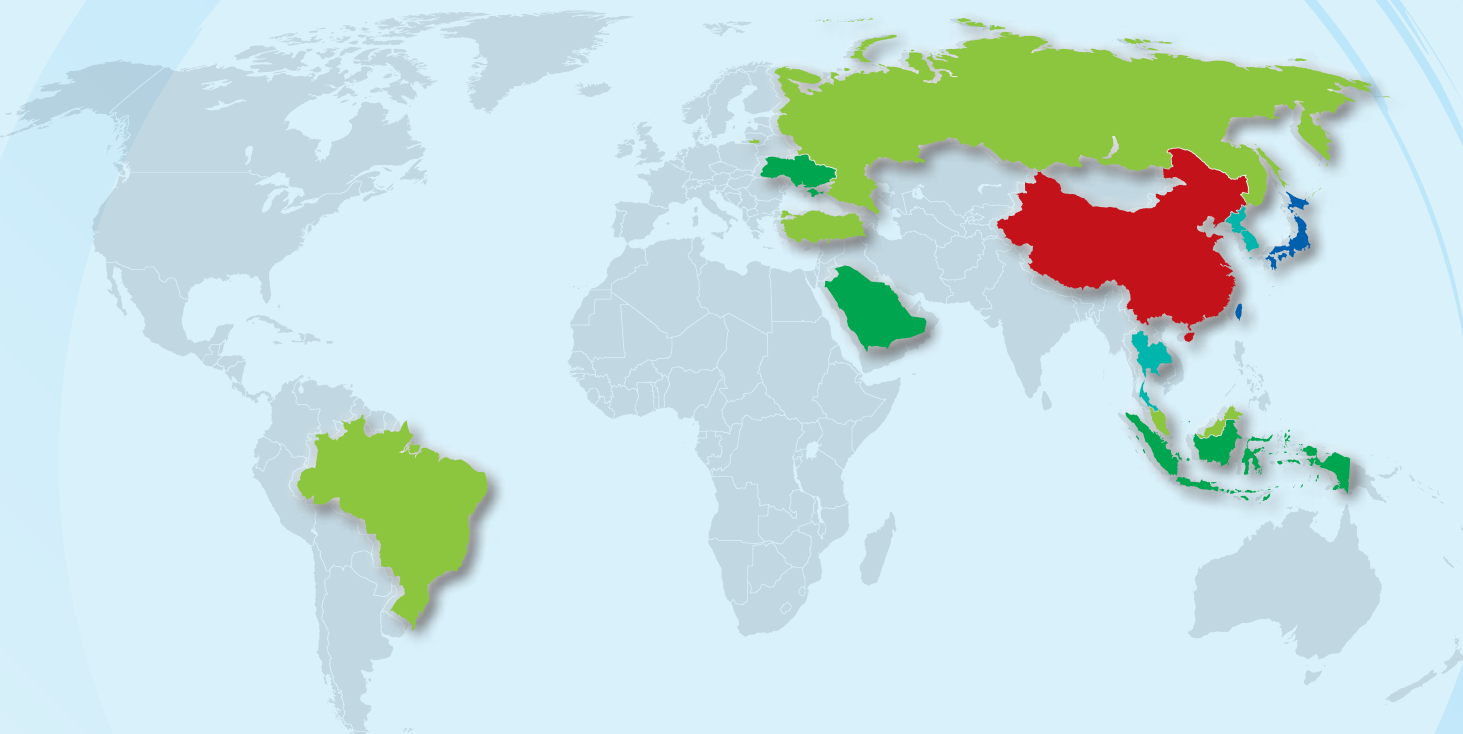
Website : <http://www.vschk.com>

E-mail Address : [vschk@vschk.com](mailto: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  
Diler

## Russia

Zapsib

## Brazil

Gerdau SA

## Malaysia

Amsteel  
Antara

## Singapore

Natsteel

## Ukraine

Krivorozhstal

## Saudi Arabia

Hadeed

## Indonesia

PT the Master

## Five-Year Financial Summary

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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 2006 HK\$'000	Year ended 31st March 2007 HK\$'000	Year ended 31st March 2008 HK\$'000	Year ended 31st March 2009 HK\$'000	Year ended 31st March 2010 HK\$'000
Revenue	4,574,939	4,867,657	5,677,792	4,659,507	<b>3,251,836</b>
Operating profit/(loss)	75,899	136,781	73,601	(182,535)	<b>136,326</b>
Net finance costs	(49,302)	(43,328)	(51,790)	(47,697)	<b>(18,668)</b>
Profit/(loss) before income tax	26,597	93,453	47,047	(256,740)	<b>104,762</b>
Income tax (expense)/credit	(68)	(12,534)	(1,876)	6,546	<b>(22,279)</b>
Profit/(loss) for the year	26,529	80,919	45,171	(250,194)	<b>82,483</b>
Attributable to:					
Equity holders of the Company	22,867	70,627	31,317	(278,252)	<b>75,221</b>
Minority interest	3,662	10,292	13,854	28,058	<b>7,262</b>
	26,529	80,919	45,171	(250,194)	<b>82,483</b>
Dividends	4,055	17,693	9,101	–	<b>22,361</b>

Note:

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	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	As at 31st March 2010 HK\$'000
Non-current assets	217,111	333,467	427,866	357,977	<b>313,942</b>
Current assets	1,630,092	1,915,225	2,425,056	901,342	<b>1,130,253</b>
Current liabilities	(1,083,826)	(1,148,069)	(1,652,470)	(682,959)	<b>(789,146)</b>
Non-current liabilities	(3,118)	(93,220)	(122,548)	(14,824)	<b>(4,063)</b>
Net assets	760,259	1,007,403	1,077,904	561,536	<b>650,986</b>
Equity:					
Share capital	36,861	36,861	38,043	38,143	<b>41,413</b>
Reserves	678,594	745,734	797,688	500,184	<b>579,744</b>
Capital and reserves attributable to equity holders	715,455	782,595	835,731	538,327	<b>621,157</b>
Minority interest	44,804	224,808	242,173	23,209	<b>29,829</b>
Total equity	760,259	1,007,403	1,077,904	561,536	<b>650,986</b>

# Chairman's Statement

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Dear shareholders, employees, customers, suppliers and VSC supporters,

What an extraordinary two years it has been; a rollercoaster journey that has seen VSC reach the bottom before returning to a growth path.

When I wrote to you a year ago, the global economy was experiencing significant turbulence with the plummeting of the financial markets and the implementation of cost cutting measures across industries. VSC was no different. Indeed, 2008-2009 was our most difficult year yet since going public; both inventory and debt was high, customer and supplier co-ordination was stretched, and we were challenged by external changes and shock.

Despite these challenging conditions, however, we rebounded to a profit attributable to equity holders of HK\$75 million for the financial year ended 31st March 2010. I am happy to report VSC is a very different company today, with a stronger balance sheet, steady profit streams and a positive culture and outlook. This performance can be attributed to our strategy of returning to the basics with a central focus on trimming debt across the board. Consequently, we have cut bank borrowings by HK\$87 million, interest expense was reduced by 73%, fixed costs were slashed 32% and the DOS and DSO were improved.

We also sold off non-core assets, rebuilt our equity base through the placement of shares, and most important of all, instilled a sense of urgency to employees at every level so they understood the scale of the situation and could act decisively and appropriately in the face of this new reality.

Following a period of consolidation and cost cutting, all our business units from steel, building products to plastics resins trading have recorded a profit. Though the Company has emerged smaller in terms of employee numbers and turnover, it has, at the same time, become more nimble and better able to respond to change quickly.

As we move forward with optimism, with over HK\$3 billion in revenue, we will continue to focus on enhancing our operations by way of better managing our costs and further improving margins to generate more favourable returns to shareholders.

*At the core of these efforts is our emphasis on risk management. Several of our hedging mechanisms are aimed at reducing pricing risk.*







At the core of these efforts is our emphasis on risk management. Several of our hedging mechanisms are aimed at reducing pricing risk. We are also working closely with customers and suppliers to ensure some of the risks taken are being shared with all the stakeholders. These measures will position us better in handling the volatility of steel prices.

There is also good potential for our Hong Kong business as we expect to benefit from the tremendous growth of the Hong Kong construction market over the next three years with the promise of a sizeable number of new infrastructure projects already in the pipeline.

Today's dynamic business and economic environment calls for the creation of new ideas and the readiness to tap new opportunities. We are consciously studying to diversify into the steel scrap market given the strong correlation between rebar and scrap prices while customers of steel scrap products are also suppliers of our steel division. By expanding into this segment of the steel market, we close the loop on our value chain from scrap to steel. There is ample market potential in this area with China's emphasis on renewal resources, which will boost the dependence on scrap, an important raw material in steel making, and in turn, reduce the reliance on iron ore imports. The country's growing affluence will also encourage the production of more scrap per capita.

The opportunities to make VSC better and stronger are right before us. Realization of these possibilities will

take the effort and insight of our people who thrive in a corporate culture where goals and objectives are met and staff take great pride in delivering optimum results to shareholders. We remain as committed as ever in investing in our people and furthering the development of a new generation of leaders that will take us on to the next level. In the drive to inject new talent, I am pleased to announce the appointment of Mr Kern Lim, our executive director, chief financial officer and chief operating officer. Mr Lim brings to the organization years of multinational experience and the strict disciplines of operational excellence.

With all we have already overcome, I am confident we are positioned well to achieve greater success in the year ahead. We will work hard on improving productivity and reducing risk to secure growth and profitability for the long term.

Let me close by expressing my heartfelt gratitude to all our shareholders, employees, bankers, suppliers and customers, who have supported our journey to this point in time. It is during periods of turmoil and uncertainty that we truly understand the importance of relationships, trust and mutual respect.

**Andrew Cho Fai Yao**  
*Chairman & Chief Executive Officer*

9th July 2010

# Management Discussion and Analysis

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The overall gross profit margin of the VSC Group has increased from 3.4% for the year ended 31st March 2009 to this year's much more respectable 9.2%. This year over year improvement reflected improvements across all business units.

*Focus on business unit's operational efficiencies as well as increased financial discipline have started to pay off for shareholders and increased our profitability.*

The year ended 31st March 2010 ("FY2010") is a good year for the VSC Group. After the global financial crisis in 2008-2009, the VSC Group focused on its internal operational efficiencies as well as growing its top line in a profitable and sustainable fashion. This "back to basics" approach has produced solid results for the VSC Group. Going forward, the leadership team is cautiously optimistic about the growth in Asia market (emphasizing in Greater China market) in general, while continuing to increase our market share as well as increasing our profitability by increasing our value-added services to our customers in a win-win strategy.

The profit attributable to equity holders amounted to HK\$75 million as compared with a loss attributable to equity holders of approximately HK\$278 million in the previous year. The revenue was HK\$3.25 billion compared with HK\$4.66 billion a year ago. This decrease of 30% is driven mainly by the divestiture of the interests in Ryerson China Limited and its subsidiaries. This strategic move and new focus on profitability by VSC has greatly strengthened our financial position and enables us to prepare for the future direction of the VSC Group. The overall gross profit margin of the VSC Group has increased from 3.4% for the year ended 31st March 2009 ("FY2009") to this year's much more respectable 9.2%. This year over year improvement reflected improvements across all business units. Going forward to the financial year ending 31st March 2011 ("FY2011"), the recovery and growth trends in the Asia market looks set to continue.

With strong emphasis on the working capital management discipline, the leadership team has produced strong cash flows from operations in FY2010. Over HK\$146 million was generated from operating activities, increasing our year-end cash balance to HK\$161 million. This represents a 60% increase in our cash position over the same date in 2009. On operation efficiency of assets, the Days Sales Outstanding (average trade and bill receivables divided by revenue X 365 days) improved from about 41 days to about 37 days. Days of Supplies (average inventories divided by cost of sales X 365 days) decreased from about 44 days to about 31 days. Over the last two years, we have also re-structured our financial position and reduced our interest bearing borrowings by approximately HK\$769 million. This has also contributed significantly to the reduction of our interest expenses. 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 40% to 24% at book close.

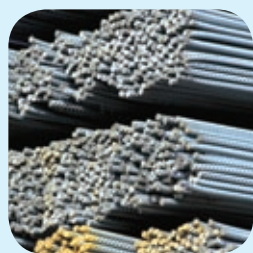
We are making risk management as our top priority in the new year ahead. This includes instilling a pervasive risk management mindset and culture across all business units leaders in the VSC Group, renewed focus and emphasis on internal controls within the VSC Group, as well as leveraging best practices from risks management consultants and auditors to minimize our risk exposure.

Focus on business unit's operational efficiencies as well as increased financial discipline have started to pay off for shareholders and increased our profitability.

## Management Discussion and Analysis

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*Looking forward to FY2011, the team of HK Steel Department is confident of a much stronger volume growth path ahead.*



### Steel Distribution

#### STEEL DISTRIBUTION

Steel distribution operations comprise 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, which engages in the distribution of domestic steel products in Eastern China.

#### Hong Kong Steel Distribution (“HK Steel Department”)


Sales quantity of the HK Steel Department increased by 7% year over year. With all the new infrastructure projects in Hong Kong and Greater China and the strong growth signals in the Hong Kong construction market, the demand of rebars and structural steel continued to increase progressively during the year under review. During the year, some private projects and the government projects were launched with the rebound of the economy of Hong Kong, for instance the property development at Tai Wai Maintenance Centre, STTL No 529, Tai Wai and the Central-Wanchai Bypass Works. The HK Steel Department seized the

chance to enhance the market share by grabbing different kind of projects. The total sales contracts on hand as at 31st March 2010 increased by 24% to 216,000 metric tonnes as compared with 174,000 metric tonnes as at 30th September 2009. Looking forward to FY2011, the team of HK Steel Department is confident of a much stronger volume growth path ahead.

With the launch of some of the 10 major infrastructure projects by the Hong Kong Government, say, The South Island Line, West Kowloon Cultural District Phase 1, West Island Line, The Shatin to Central Link Phase 1, The Guangzhou-Shenzhen-Hong Kong Express Rail Link, Kai Tak Development Plan and Hong Kong-Zhuhai-Macao Bridge, the construction market has been activated. It is expected that the demand of steel will further boost up this year with these infrastructure projects.

The local property construction market looks strong as well. This provides a good opportunity for the VSC





*Our overall market share has also increased due to our HK Steel Department winning more projects across all segments of the market.*

Group and we also expect to perform well in this market. Our overall market share has also increased due to our HK Steel Department winning more projects across all segments of the market. Recently, the VSC Group secured orders from the Kai Tak Development Plan and Guangzhou-Shenzhen-Hong Kong Express Rail Link projects. The VSC Group also received orders from clients that have been awarded government housing and private residential development projects.

The steel market remains very dynamic and prices also volatile, thus we have adopted dual approach to these market conditions: a set of rigorous and disciplined risk management strategies plus a prudent, realistic reporting of the industry's dynamics to increase transparency.

### **Mainland China Steel Distribution ("PRC Steel Department")**

After the financial crisis last year, the China market is recovering and steel prices has stabilized. Overall the market prospects looks stable at this stage. With a

lower growth trajectory, we have shifted our strategy to a "direct" model and we are approaching the end users of the steel infrastructure projects in China. This cuts out the layers in-between and increases our margins. Our second strategy is to move from the existing domestic projects to international, overseas projects. This leverages our international networks and expertise. These two strategies increase not only the profitability of the business but also enhance the working capital turnover significantly.

Examples of the successes in the above strategies include our enhanced and increased business with reputable customers such as Bechtel, winning international projects in the Middle East as well as winning bids for international standard projects in Shandong and Sanmen nuclear power plants.

As these two strategies look to be working well, we will continue to pursue them in the year ahead and increase our market share while minimize our working capital to generate a much higher return on working capital.

## Management Discussion and Analysis

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### Building Products Distribution

#### BUILDING PRODUCTS DISTRIBUTION

The business unit of Building Products Distribution mainly engages in distributing sanitary wares in Greater China, namely Shanghai, Shenzhen, Hong Kong and Macau.

##### China Leisure Plus (Shanghai and Shenzhen)

In FY2010, China Leisure Plus recorded a growth of over 15% in revenue of approximately HK\$268 million. By leveraging on its strong sales team, extensive and increasing retail networks, the team has managed to increase its profitability as well.

Looking forward to FY2011, the China Leisure Plus leadership team looks towards a number of growth strategies, which include adding more flag-ship retail stores, stronger alliance with TOTO, on-line presence which would allow online sales and third party logistics provider to deliver the products to end-users (a “direct” model), as well as multiple “mini stores” concept to provide multiple touch points with customers.

The Shenzhen flag-ship store will be opened in FY2011 and this should provide a renewed boost to our Shenzhen sales team. We are optimistic on the future of building products in China as the leadership team has a strong track record in prior years.





*"Leisure Plus" aims at becoming an one-stop solution provider for customers who seek "Living in Green and Stylish Relaxation".*

### Hong Kong Building Products Department

Hong Kong Building Products Department operates a retail showroom "Leisure Plus" in Wanchai, which aims at becoming an one-stop solution provider for customers who seek "Living in Green and Stylish Relaxation". Entering into the 8th Anniversary, Leisure Plus is dedicated to introducing the best quality brands, TOTO sanitary wares and fittings from Japan, Santarossa kitchen cabinets and furniture, which can assist customers to experience the real comfort of living.

In FY2010, the team of Hong Kong Building Products Department increased its revenue by over 14% as against FY2009 and has also managed to maintain a very respectable gross profit margin. With the Hong

Kong market becoming extremely price competitive, we expect the gross profit margin in FY2011 to decrease. However, the team will explore and implement a number of sales and pricing strategies to mitigate the price erosion impact.

These include market positioning of Leisure Plus as the premium brand, working closely with TOTO, Santarossa, etc. to project a "Green and Stylish Relaxation" image.

Major outstanding projects currently secured by the department on supplying sanitary wares include Tamar Development Project, Tseung Kwan O Area 56 Development, 2 Heung Yip Road Project, 6 Shiu Fai Terrace residential project, refurbishment of The Excelsior hotel, refurbishment of Ocean Park and etc.

## Management Discussion and Analysis

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The geographical focus on key customers as well as the "move to inland" strategy highly supported by the Central Government should serve us well going into 2011.



### Plastic Resins Distribution

#### 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. Growing in the midst of changing market conditions, the Plastics Department has expanded its existing presence and is now actively selling in a number of cities in China, eg. Guangzhou, Shenzhen and Shanghai.

Due to the global financial crisis in 2008-2009, the export-oriented Southern China manufacturers have been severely impacted as their customers were mainly from North America and Europe. As the plastics business previously sold mainly to the manufacturers in Southern China, the revenue has decreased from HK\$314 million in FY2009 to HK\$262 million in FY2010. Despite this adverse market conditions, our team has managed to keep the gross profit margin stable with minimal price erosion.

Learning from our lessons in FY2010, we are increasing our presence in China into Eastern China region (eg. Hangzhou) as well as inland parts of China (eg. Wuhan) since many Chinese manufacturers have also moved inland due to expensive labor costs in the coastal China cities. In addition to our existing sales offices, we expect to open offices in Wuhan and Hangzhou before the end of this calendar year. In FY2010, we have also successfully won a number of new customers, and as a result, our sales quantity has increased by around 3,500 metric tonnes.





The sales team of Plastics Department also has an aggressive plan to improve their performance. To drive volume growth, a dual strategy – emphasizing on both the higher end products of engineered plastics as well as increasing market share of the commodity plastics – has been implemented. The geographical focus on key customers as well as the “move to inland” strategy highly supported by the Central Government should serve us well going into 2011.

## Management Discussion and Analysis

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*Recently, the market conditions have made the re-cycling in the steel value chain within China an attractive opportunity for VSC to explore.*



### OTHER INVESTMENTS

The VSC Group has invested in hotel and property businesses mainly operating in the PRC. In addition to monitoring 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.

Recently, the market conditions have made the re-cycling in the steel value chain within China an attractive opportunity for VSC to explore. While entering into the recycling industry and generating

renewable resources to support a cleaner, more sustainable environment, this strategic move would also enhance our rebars steel position creating a natural hedging synergy between the two businesses. From overall VSC standpoint, we could also extend our participation in the steel value chain and create better synergies. Thus this possibility is an attractive strategic direction for us.

## Hotel business

The VSC Group owns 44% interest in a business of budgeted hotel 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. Looking forward to the year ahead, with the help of the World Expo 2010 in Shanghai, we are very optimistic on the performance of our hotel chain in FY2011. Our leadership team in a8 has strong experience in the hotel industry.

## 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, where the VSC Group’s PRC headquarter is located. Currently, the property has an occupancy rate of over 98%. The tenants consist of various international companies which provide a stable income for the property business. Our property management team will also explore the opportunities in providing property management and agent services to other projects. We are also looking at multiple potential property projects in FY2011 and cautiously optimistic on the outlook of these potential investments in the year ahead.

## 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.





## Management Discussion and Analysis

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### 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 were organised. The VSC Group also provides training subsidies to its employees to attend seminars and courses to enrich and update their knowledge. The management has committed to building our talents through the leadership development program and smart talent development program.

### 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 participating in various charitable activities such as Corporate Challenge organized by Outward Bound. The continuous award of the accreditation of Caring Company 2009/2010 Logo is a recognition of the Company's effort of giving back to community and fostering a caring environment.

### Staffing:

In March 2010, the VSC Group employed 311 staff. The Company is focusing on building an elite team in driving the directions of the Company to success. During the year under review, options to subscribe for 23,100,000 ordinary share have been offered and granted to our employees and consultants and 1,100,000 options have been exercised under the share option scheme adopted on 12th November 2001.

*The management has committed to build up our talents through the leadership development program and smart talent development program.*

## FINANCIAL RESOURCES AND LIQUIDITY

### 1) Liquidity and Financing

The VSC Group's cash and cash equivalents were approximately HK\$161 million as at 31st March 2010 (2009: HK\$101 million) of which about 13.3% were in US dollar, about 22.8% were in Chinese Renminbi ("RMB"), about 63.8% were in HK dollar and about 0.1% in other currencies. Net cash flow generated from operating activities for the year was approximately HK\$146 million. As at 31st March 2010, the VSC Group's total borrowings amounted to approximately HK\$414 million of which 100% were interest-bearing borrowings (2009: HK\$501 million). Net interest-bearing borrowings, after deducting pledged bank deposits of approximately HK\$57 million (2009: HK\$36 million) and cash and bank deposits of approximately HK\$161 million (2009: HK\$101 million), amounted to approximately HK\$196 million (2009: HK\$364 million). Gearing ratio as at 31st March 2010, 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 40% to 24% and current ratio was



slightly increased from 1.32 times to 1.43 times as compared to 31st March 2009. The VSC Group takes effort to maintain these financial ratios at current level, after taking into consideration of the 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 HK dollar, US dollar and 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 2010, about 65.5% of the VSC Group's interest-bearing borrowings were denominated in HK dollar, about 2.8% in US dollar and about 31.7% 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 2010, the VSC Group had forward foreign

exchange contracts to hedge principal repayment of future US dollar debts under letters of credit in the amount of approximately HK\$8 million. All of the VSC Group's borrowings as at 31st March 2010 were on floating rate basis. The use of derivative financial instruments is strictly controlled and mainly used to hedge against the 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 2010, the VSC Group had outstanding performance bonds for its steel supply projects amounting to approximately HK\$17.5 million (2009: for sanitary wares supply projects, HK\$0.6 million).

## 4) Charges on Assets

As at 31st March 2010, the VSC Group had certain charges on assets which included (i) inventories of approximately HK\$31 million pledged for certain of the VSC Group's short-term bank loans, (ii) certain inventories which were held under trust receipts bank loan arrangements, and (iii) bank deposits of approximately HK\$57 million which were pledged as collateral for the VSC Group's banking facilities, performance bonds and steel future contracts.

# Corporate Governance Report

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## 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 2010, 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 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 (the “Directors”) on 31st March 2004. Various amendments have been made to the Company’s Model Code in order to conform with the 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 2010. 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 three executive Directors and three 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 on 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, Human Resource Director and Chief Financial Officer under the leadership of the Chief Executive Officer.

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 meeting and Audit Committee meetings attended by each Director during the year under review is as follows:

<b>Directors</b>	<b>Board meetings</b>	<b>Remuneration Committee meeting</b>	<b>Audit Committee meetings</b>
<i>Executive Directors:</i>			
Mr. Andrew Cho Fai Yao ( <i>Chairman</i> )	5/5	1/1	N/A
Mr. Fernando Sai Ming Dong	4/5	N/A	N/A
<i>Independent Non-Executive Directors:</i>			
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
Dr. Chow Yei Ching (resigned on 1st January 2010)	1/4	N/A	1/2

## 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.

## Corporate Governance Report

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### 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 and Mr. Kern Lim as members.

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 three independent non-executive Directors with Mr. Kenny King Ching Tam as chairman and Mr. Harold Richard Kahler and Mr. Xu Lin Bao as members. Mr. Kenny King Ching Tam 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 consolidated financial statements for the year ended 31st March 2010 now reported on have been reviewed by the Audit Committee, who is of the 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 statements. 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 improve 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 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 a consulting advisory company 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 2010, PricewaterhouseCoopers, the external auditor of the Company, provided the following services to the VSC Group and their respective fees charges are set out below:

<b>Types of services</b>	<b>HK\$'000</b>
Audit fee for the VSC Group	1,500
Taxation services	49
Special engagements	340
<b>Total</b>	<b>1,889</b>

## Corporate Governance Report

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### 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. 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 (the “Board”) of Van Shung Chong Holdings Limited (the “Company”) are pleased to present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (together the “VSC Group”) for the year ended 31st March 2010.

## Principal Activities

The VSC Group is principally engaged in the stockholding and trading of construction materials such as steel products, sanitary wares, kitchen cabinets, home furniture and plastic resins and installation work of kitchen cabinets.

Details of the VSC Group’s revenue and segment information by business segment and geographical market are set out in Note 5 to the accompanying consolidated financial statements.

## Major Customers and Suppliers

For the year ended 31st March 2010, the five largest customers of the VSC Group accounted for less than 30% of the VSC Group’s total revenue, while the five largest suppliers of the VSC Group accounted for approximately 52% of the VSC Group’s total purchases. In addition, the largest supplier of the VSC Group accounted for approximately 14% 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 2010 are set out in the consolidated income statement on page 39 of this annual report.

An interim cash dividend of HK3 cents per ordinary share was declared and paid during the year and the Directors have resolved to recommend the payment of a final cash dividend of HK2.4 cents per ordinary share. Total cash dividend paid and payable for the year ended 31st March 2010 will amount to HK5.4 cents per ordinary share or approximately HK\$22,361,000 (2009: Nil).

## Share Capital and Share Options

Details of share capital and share options of the Company are set out in Notes 31 and 32 respectively, to the accompanying consolidated financial statements.

## 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 33 to the accompanying consolidated financial statements.

As at 31st March 2010, approximately HK\$53,986,000 (2009: HK\$53,986,000) of the Company’s reserves and approximately HK\$15,028,000 (2009: HK\$16,752,000) 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 2010.

## Report of the Directors

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### 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 consolidated financial statements.

### Subsidiaries and Associates

Particulars of the Company's subsidiaries and associates are set out in Notes 18 and 19, respectively, to the accompanying consolidated financial statements.

### Borrowings

Particulars of borrowings as at 31st March 2010 are set out in Note 30 to the accompanying consolidated financial statements.

### Pension Schemes

Details of the pension schemes are set out in Note 8 to the accompanying consolidated financial statements.

### Charitable Donations

During the year, the VSC Group made charitable donations of approximately HK\$1,218,000 (2009: HK\$1,328,000).

### 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  
Mr. Kern Lim (appointed on 9th July 2010)

#### Independent Non-executive Directors

Mr. Harold Richard Kahler  
Mr. Kenny King Ching Tam  
Mr. Xu Lin Bao  
Dr. Chow Yei Ching (resigned on 1st January 2010)

In accordance with the Company's Bye-laws 86(2) and 87(1), Mr. Kern Lim, Mr. Fernando Sai Ming Dong and Mr. Harold Richard Kahler 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 2012.

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 2010, 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 (the "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	Capacity	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")	Interest of controlled corporation, Huge Top (Note a)	deemed interest (indirectly)	173,424,000	41.88%	–	173,424,000
		Beneficial owner	1,614,000	0.39%	1,500,000	3,114,000
			175,038,000	42.27%	1,500,000	176,538,000
Mr. Fernando Sai Ming Dong	Beneficial owner	100% (directly)	142,000	0.03%	500,000	642,000
Mr. Harold Richard Kahler	Beneficial owner	100% (directly)	66,000	0.02%	1,000,000	1,066,000
Mr. Kenny King Ching Tam	Beneficial owner	100% (directly)	–	–	1,000,000	1,000,000
Mr. Xu Lin Bao	Beneficial owner	100% (directly)	–	–	1,000,000	1,000,000

#### Notes:

a. As at 31st March 2010, Huge Top Industrial Ltd. ("Huge Top") held 173,424,000 Shares. Mr. Yao was one of the two directors of Huge Top while the remaining director of Huge Top was Ms. Miriam Che Li Yao who was the sister of Mr. Yao. Mr. Yao directly held approximately 11.90% and indirectly through Perfect Capital International Corp. ("Perfect Capital") owned approximately 42.86% of the issued shares of Huge Top and was entitled to exercise more

than one-third of the voting power at general meetings of Huge Top. Mr. Yao owned 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 Directors in the share options of the Company are separately disclosed in the section headed "Share Option Scheme" below.



## Report of the Directors

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### (ii) Long positions in associated corporation – Huge Top

<b>Name of Directors</b>	<b>Capacity</b>	<b>Attributable interest to the Directors</b>	<b>Number of shares</b>	<b>Approximate percentage</b>
Mr. Yao (Refer to Note a in (i) above)	Interest of controlled corporation, Perfect Capital	deemed interest (indirectly)	36	42.86%
	Beneficial owner	100% (directly)	10	11.90%
			46	54.76%
Mr. Fernando Sai Ming Dong	Beneficial owner	100% (directly)	13	15.48%

Save as disclosed above, as at 31st March 2010, 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.

## Directors' Interest in Contracts

Save as disclosed in Note 9 to the accompanying accounts, no contracts of significance in relation to the VSC Group's business to which the Company or any of its subsidiaries was a party and in which any of its 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 2010, 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	Capacity	Number of Shares	Approximate percentage	Number of share options	Aggregate interest
Huge Top	Beneficial owner	173,424,000	41.88%	–	173,424,000
Perfect Capital	Interest of controlled corporation	173,424,000 <i>(Note a)</i>	41.88%	–	173,424,000
Ms. Miriam Che Li Yao	Interest of controlled corporation	173,424,000 <i>(Note b)</i>	41.88%	–	173,424,000
	Beneficial owner	2,000,000	0.48%	1,000,000	3,000,000
		175,424,000	42.36%	1,000,000	176,424,000
Penta Investment Advisers Limited	Investment manager	33,100,000	7.99%	–	33,100,000
John Zwaanstra	Interest of controlled corporation	33,100,000 <i>(Note c)</i>	7.99%	–	33,100,000

## Report of the Directors

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### Notes:

- (a) As at 31st March 2010, Huge Top held 173,424,000 Shares. Perfect Capital owned approximately 42.86% of the issued shares of Huge Top and was entitled to exercise more than one-third of the voting power at general meetings of Huge Top and therefore was deemed to be interested in these Shares through Huge Top.
- (b) As at 31st March 2010, Huge Top held 173,424,000 Shares. Ms. Miriam Che Li Yao was one of the two directors of Huge Top while the remaining director of Huge Top was Mr. Yao who was the brother of Ms. Miriam Che Li Yao and therefore was deemed to be interested in these Shares through Huge Top.
- (c) As at 31st March 2010, Mr. John Zwaanstra had direct control over an investment manager Penta Investment Advisers Limited (“Penta”) and therefore was deemed to control the voting power of 33,100,000 Shares held in aggregate by Penta and its wholly-owned subsidiaries and other entities controlled by it.

Save as disclosed above, as at 31st March 2010, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had 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 8.9% 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.



## Report of the Directors

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

Name or category of participant	Date of grant	Exercise period	Exercise price per Share	Number of share options				
				Beginning of the year '000	Granted during the year '000	Exercised during the year '000	Lapsed during the year '000	End of the year '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
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				5,000	–	–	–	5,000
Employees:								
In aggregate	7th May 2003	7th May 2005 to 6th May 2013 (Note 2)	HK\$0.97	780	–	–	(50)	730
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	800	–	(100)	–	700
In aggregate	18th September 2009	18th September 2011 to 17th September 2019 (Note 3)	HK\$0.586	–	5,600	–	–	5,600
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.504	–	10,500	–	–	10,500
Sub-total				2,580	16,100	(100)	(50)	18,530
Others:								
In aggregate	2nd May 2003	2nd May 2003 to 1st May 2013	HK\$0.98	1,000	–	–	–	1,000
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.504	–	7,000	(1,000)	–	6,000
Sub-total				1,000	7,000	(1,000)	–	7,000
Total of Share Option Scheme				8,580	23,100	(1,100)	(50)	30,530

*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.
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.
  - (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.
  - (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.
3. The options to subscribe for Shares at a price of HK\$0.586 per Share are to be exercisable in whole or in part in the following manner:
  - (i) During the period starting from 18th September 2011 to 17th September 2012, the option may be exercised up to 33.33% of such Shares.
  - (ii) During the period starting from 18th September 2012 to 17th September 2013, the option may (to the extent not exercised in accordance with (i) above) be exercised up to 66.66% of such Shares.
  - (iii) During the period starting from 18th September 2013 to 17th September 2019, 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 37 to the accompanying consolidated financial statements.

## Competing Interests

For the year ended 31st March 2010, 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 consolidated financial statements 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, 9th July 2010

# Directors' Profile

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## Executive Directors



**Mr. Andrew Cho Fai Yao**

aged 44, 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 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 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 was 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 is also a director of most of the subsidiaries of the Company.



**Mr. Fernando Sai Ming Dong**

aged 48, 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 member of the Chinese People's Political Consultative Conference Guangzhou Huangpu District Committee. Mr. Dong joined the VSC Group in 1987. He is also a director of some of the subsidiaries of the Company.



**Mr. Kern Lim**

aged 40, joined the Company on 1st June 2010 as the chief financial officer and chief operating officer and further be appointed as the executive director on 9th July 2010. He has over 15 years of experience in the finance sector, particularly in the field of mergers and acquisitions. From 2008 to 2009, Mr. Lim was vice president of finance of the Venetian Macao-Resort-Hotel and from 2006 to 2008, he was the global chief financial officer of Asimco Technologies Limited, a Cayman Islands company with operations in China. From 2003 to 2006, Mr. Lim was the chief financial officer of Eastman Kodak Company for the Asia Pacific region. Mr. Lim is the independent director and audit committee of China Zaino International Ltd., a company listed on the Singapore Stock Exchange and the independent director, audit committee, chairman of remuneration and nomination committee of Mindray Medical International Limited, a company listed on the New York Stock Exchange. He was also the chairman of audit committee and the independent director of China Auto Electronic Group Ltd., a company listed on the Singapore Stock Exchange and retired on 30th April 2010. Mr. Lim received his bachelor's degree in financial and management accounting from the Nanyang Technological University in Singapore and went on to attend various executive programs at prestigious business schools such as the Stanford Graduate School of Business and the Graduate School of Business in Harvard University. Mr. Lim is a certified public accountant and the member of Institute of Certified Public Accountants Singapore.

## Independent Non-executive Directors



**Mr. Harold Richard Kahler**

aged 63, 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. Kahler is also a director of one of the subsidiaries of the Company.



**Mr. Kenny King Ching Tam**

aged 61, 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.



**Mr. Xu Lin Bao**

aged 61, 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 the chairman of directors of the Committee of Management of China Real Estate Association, the vice chairman of Real Estate Research Center of Shanghai Academy of Social Sciences and the 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

### 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 39 to 156, which comprise the consolidated and company statement of financial position as at 31st March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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.

### 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.

### 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39至156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二零一零年三月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合損益表、綜合全面損益表、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。

### 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責或承擔任何責任。

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。

# Independent Auditor's Report

## 獨立核數師報告

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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.

### 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 2010 and of the VSC Group's profit 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, 9th July 2010

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。

### 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二零一零年三月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，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，二零一零年七月九日

# Consolidated Income Statement

## 綜合損益表

For the year ended 31st March 2010 截至二零一零年三月三十一日止年度

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	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Revenue	5	3,251,836	4,659,507	收入
Cost of sales	7	(2,953,474)	(4,501,984)	銷售成本
<b>Gross profit</b>		<b>298,362</b>	157,523	<b>毛利</b>
Other gains/(losses) – net	6	5,239	(90,363)	其他收益/(虧損) – 淨額
Selling and distribution expenses	7	(20,857)	(35,604)	銷售及分銷支出
General and administrative expenses	7	(146,418)	(214,091)	一般及行政支出
<b>Operating profit/(loss)</b>		<b>136,326</b>	(182,535)	<b>經營溢利/(虧損)</b>
Finance income	10	1,314	4,281	財務收入
Finance costs	10	(19,982)	(51,978)	財務費用
Share of losses of associates – net	19	(12,896)	(26,508)	應佔聯營公司虧損 – 淨額
<b>Profit/(loss) before income tax</b>		<b>104,762</b>	(256,740)	<b>除稅前溢利/(虧損)</b>
Income tax (expense)/credit	11	(22,279)	6,546	所得稅(支出)/計入
<b>Profit/(loss) for the year</b>		<b>82,483</b>	(250,194)	<b>年度溢利/(虧損)</b>
Attributable to:				應佔：
Equity holders of the Company	12	75,221	(278,252)	本公司股權持有人
Minority interest		7,262	28,058	少數股東權益
		<b>82,483</b>	(250,194)	
<b>Earning/(loss) per ordinary share for profit/(loss) attributable to the equity holders of the Company during the year</b>				本公司本年度股權持有人應佔溢利/(虧損)計算之每股普通股盈利/(虧損)
– Basic	14	HK18.71 cents港仙	HK(73.01) cents港仙	– 基本
– Diluted	14	HK18.62 cents港仙	HK(73.01) cents港仙	– 攤薄
<b>Dividends</b>	13	<b>22,361</b>	–	<b>股息</b>

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 Comprehensive Income

## 綜合全面損益表

For the year ended 31st March 2010 截至二零一零年三月三十一日止年度

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	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
<b>Profit/(loss) for the year</b>	<b>82,483</b>	(250,194)	年度溢利／(虧損)
<b>Other comprehensive income</b>			其他全面收入
Currency translation differences	<b>1,611</b>	7,004	貨幣滙兌差額
Net revaluation deficit on available-for-sale financial assets	–	(172)	可供出售之財務資產之淨重估虧損
<b>Total comprehensive income/(loss) for the year</b>	<b>84,094</b>	(243,362)	年度全面收入／(虧損)總額
<b>Total comprehensive income/(loss) attributable to:</b>			應佔全面收入／(虧損)總額：
– Equity holders of the Company	<b>76,832</b>	(275,292)	– 本公司股權持有人
– Minority interest	<b>7,262</b>	31,930	– 少數股東權益
	<b>84,094</b>	(243,362)	

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。

# Statement of Financial Position

## 財務狀況表

As at 31st March 2010 於二零一零年三月三十一日

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	附註 Note	綜合 Consolidated		本公司 Company		
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
<b>Non-current assets</b>						<b>非流動資產</b>
Property, plant and equipment	15	21,441	22,017	–	–	物業、廠房及設備
Investment properties	16	15,000	28,000	–	–	投資物業
Leasehold land and land use rights	17	10,930	11,132	–	–	租賃土地及土地使用權
Investments in subsidiaries	18	–	–	528,888	523,094	於附屬公司之投資
Investments in associates	19	241,304	253,515	–	–	於聯營公司之投資
Deferred income tax assets	20	25,267	42,733	–	–	遞延所得稅資產
Available-for-sale financial assets	21	–	580	–	–	可供出售之財務資產
<b>Total non-current assets</b>		<b>313,942</b>	357,977	<b>528,888</b>	523,094	<b>非流動資產總額</b>
<b>Current assets</b>						<b>流動資產</b>
Inventories	23	245,720	259,697	–	–	存貨
Due from customers on installation contract work	24	–	700	–	–	應收客戶之安裝合約工程
Trade and bill receivables	25	409,826	257,189	–	–	應收賬款及票據
Loan receivables	25	24,500	21,000	–	–	應收貸款
Prepayments, deposits and other receivables	26	178,756	163,989	–	–	預付款項、按金及其他應收賬款
Derivative financial instruments	22	990	130	–	–	衍生金融工具
Amounts due from associates	19	52,344	62,065	–	–	應收聯營公司
Pledged bank deposits	27	57,182	35,893	12,248	12,156	已抵押銀行存款
Cash and cash equivalents	27	160,935	100,679	381	325	現金及現金等值
<b>Total current assets</b>		<b>1,130,253</b>	901,342	<b>12,629</b>	12,481	<b>流動資產總額</b>
<b>Current liabilities</b>						<b>流動負債</b>
Trade and bill payables	28	247,473	81,687	–	–	應付賬款及票據
Receipts in advance		24,888	59,975	–	–	預收款項
Accrued liabilities and other payables	29	99,399	43,790	107	103	應計負債及其他應付賬款
Amount due to an associate	19	–	1,568	–	–	應付一間聯營公司
Current income tax liabilities		7,105	5,783	–	–	流動所得稅負債
Derivative financial instruments	22	–	739	–	–	衍生金融工具
Borrowings	30	410,281	489,417	7,764	7,750	借貸
<b>Total current liabilities</b>		<b>789,146</b>	682,959	<b>7,871</b>	7,853	<b>流動負債總額</b>
<b>Net current assets</b>		<b>341,107</b>	218,383	<b>4,758</b>	4,628	<b>流動資產淨額</b>
<b>Total assets less current liabilities</b>		<b>655,049</b>	576,360	<b>533,646</b>	527,722	<b>總資產減流動負債</b>
<b>Non-current liabilities</b>						<b>非流動負債</b>
Derivative financial instruments	22	133	3,172	133	3,172	衍生金融工具
Deferred income tax liabilities	20	5	5	–	–	遞延所得稅負債
Borrowings	30	3,925	11,647	3,925	11,647	借貸
<b>Total non-current liabilities</b>		<b>4,063</b>	14,824	<b>4,058</b>	14,819	<b>非流動負債總額</b>
<b>Net assets</b>		<b>650,986</b>	561,536	<b>529,588</b>	512,903	<b>資產淨額</b>

# Statement of Financial Position

## 財務狀況表

As at 31st March 2010 於二零一零年三月三十一日

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	附註 Note	綜合 Consolidated		本公司 Company		
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
<b>Equity</b>						<b>權益</b>
<b>Capital and reserves attributable to equity holders of the Company</b>						<b>本公司股權持有人應佔股本及儲備</b>
Share capital	31	<b>41,413</b>	38,143	<b>41,413</b>	38,143	股本
Reserves	33					儲備
– Proposed final dividend	13	<b>9,939</b>	–	<b>9,939</b>	–	– 建議末期股息
– Others		<b>569,805</b>	500,184	<b>478,236</b>	474,760	– 其他
		<b>621,157</b>	538,327	<b>529,588</b>	512,903	
<b>Minority interest</b>		<b>29,829</b>	23,209	–	–	<b>少數股東權益</b>
<b>Total equity</b>		<b>650,986</b>	561,536	<b>529,588</b>	512,903	<b>權益總額</b>

姚祖輝

Yao Cho Fai, Andrew

主席

Chairman

唐世銘

Dong Sai Ming, Fernando

執行董事

Executive Director

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 31 March 2010 截至二零一零年三月三十一日止年度

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	本公司股權持有人應佔 Attributable to equity holders of the Company				少數股東 權益 Minority interest	權益總額 Total equity	
	股本 Share capital	其他儲備 Other reserves	保留盈利 Retained earnings	總額 Total			
	千港元 HK\$'000 (附註31) (Note 31)	千港元 HK\$'000 (附註33) (Note 33)	千港元 HK\$'000 (附註33) (Note 33)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
<b>As at 1st April 2008</b>	38,043	509,275	288,413	835,731	242,173	1,077,904	於二零零八年 四月一日
(Loss)/profit for the year	-	-	(278,252)	(278,252)	28,058	(250,194)	年度(虧損)/溢利
Other comprehensive income							其他全面收入
- Currency translation differences	-	3,132	-	3,132	3,872	7,004	- 貨幣滙兌 差額
- Impairment loss on available-for-sale financial assets	-	(172)	-	(172)	-	(172)	- 可供出售之 財務資產之 減值虧損
Total comprehensive income/(loss)	-	2,960	(278,252)	(275,292)	31,930	(243,362)	全面收入/(虧損) 總額
Transfer from retained earnings	-	1,033	(1,033)	-	-	-	轉撥自保留盈利
Issuance of shares – exercise of share options	100	680	-	780	-	780	股份發行 – 行使 購股權
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 – 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	-	(19,225)	-	(19,225)	(250,240)	(269,465)	出售一間附屬公司
<b>As at 31st March 2009</b>	38,143	494,405	5,779	538,327	23,209	561,536	於二零零九年 三月三十一日
<b>As at 1st April 2009</b>	<b>38,143</b>	<b>494,405</b>	<b>5,779</b>	<b>538,327</b>	<b>23,209</b>	<b>561,536</b>	於二零零九年 四月一日
Profit for the year	-	-	75,221	75,221	7,262	82,483	年度溢利
Other comprehensive income							其他全面收入
- Currency translation differences	-	1,611	-	1,611	-	1,611	- 貨幣滙兌 差額
Total comprehensive income	-	1,611	75,221	76,832	7,262	84,094	全面收入總額
Transfer from retained earnings	-	407	(407)	-	-	-	轉撥自保留盈利
Issuance of shares – share placement	3,160	12,640	-	15,800	-	15,800	股份發行 – 配股
Issuance of shares – exercise of share options	110	484	-	594	-	594	股份發行 – 行使購股權
Lapse of share options	-	(11)	11	-	-	-	失效之購股權
Share option scheme – value of services	-	2,026	-	2,026	-	2,026	購股權計劃 – 服務價值
Dividends paid to equity holders of the Company	-	-	(12,422)	(12,422)	-	(12,422)	已付本公司股權 持有人之股息
Dividends paid to a minority shareholder of a subsidiary	-	-	-	-	(642)	(642)	已付一間附屬公司 之一位少數股東之 股息
<b>As at 31st March 2010</b>	<b>41,413</b>	<b>511,562</b>	<b>68,182</b>	<b>621,157</b>	<b>29,829</b>	<b>650,986</b>	於二零一零年 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 Statement of Cash Flows

## 綜合現金流量表

For the year ended 31st March 2010 截至二零一零年三月三十一日止年度

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	附註 Note	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
<b>Cash flows from operating activities</b>				<b>經營活動之現金流</b>
Cash generated from operations	34(a)	158,407	377,776	經營產生之現金
Interest received		1,314	4,281	已收利息
Interest paid		(10,612)	(39,535)	已付利息
Hong Kong profits tax refunded/(paid)		785	(2,103)	收回/(已付) 香港 利得稅
China corporate income tax paid		(4,161)	(13,296)	已付中國企業所得稅
Macau profits tax paid		(88)	(63)	已付澳門利得稅
Net cash generated from operating activities		145,645	327,060	經營活動產生之 現金淨額
<b>Cash flows from investing activities</b>				<b>投資活動之現金流</b>
Purchase of property, plant and equipment		(7,695)	(14,874)	購置物業、廠房及 設備
Proceeds from disposals of property, plant and equipment	34(b)	187	1,050	出售物業、廠房及 設備之所得款項
Dividends received from an available-for-sale financial asset		—	4,302	一項可供出售之 財務資產之股息收入
Net cash outflow from disposal of certain interests in a subsidiary and recognised it as an associate		—	(167,466)	出售於一間附屬公司之 若干權益之淨現金 流出及確認其為一間 聯營公司
Proceeds from disposal of certain interest in an associate		—	110,078	出售一間聯營公司之 若干權益之所得款項
Proceeds from disposal of available-for-sale financial assets upon disposal of a subsidiary	34(c)	2,211	—	出售一間附屬公司 引致出售可供出售之 財務資產之所得款項
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 an investment property	16	23,448	—	出售一項投資物業之 所得款項
Amount recovered from a fully impaired available-for-sale financial asset		386	194	收回一項已全數減值之 可供出售之財務資產
Net cash inflow/(outflow) from investing activities		18,537	(59,616)	投資活動流入/(流出) 之現金淨額

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
附註 Note			
<b>Cash flows from financing activities</b>			<b>融資活動之現金流</b>
New bank loans	49,885	60,175	新增銀行貸款
Repayment of bank loans	(83,065)	(188,579)	償還銀行貸款
Net decrease in trust receipt bank loans	(53,678)	(449,821)	信託收據銀行貸款之 淨減少
(Increase)/decrease in pledged bank deposits	(21,289)	142,667	已抵押銀行存款 (增加)/減少
Dividends paid to equity holders of the Company	(12,422)	(4,959)	已付本公司股權持有人 之股息
Dividends paid to a minority shareholder of a subsidiary	(642)	–	已付一間附屬公司之 一位少數股東之股息
Proceeds from issuance of shares – exercise of share options	594	–	發行股份 – 行使購股權 之所得款項
Proceeds from issuance of shares – share placement	15,800	780	發行股份 – 配股之 所得款項
Net cash outflow from financing activities	(104,817)	(439,737)	融資活動流出之 現金淨額
Increase/(decrease) in cash and cash equivalents	59,365	(172,293)	現金及現金等值之 增加/(減少)
Cash and cash equivalents, beginning of the year	100,679	271,435	年初之現金及 現金等值
Translation adjustments	891	1,537	滙兌調整
Cash and cash equivalents, end of the year	160,935	100,679	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

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### 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 stockholding and trading of construction materials such as steel products, sanitary wares, kitchen cabinets, home furniture and plastic resins and installation work of kitchen cabinets.

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 9th July 2010.

### 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 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」)主要從事存銷及買賣建築材料，例如鋼材產品、潔具、廚櫃、家具及塑膠樹脂與及安裝廚櫃。

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二零一零年七月九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。且按歷史成本慣例編製，並已就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按公平價值列賬。

## 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 on hand inventories and committed purchase orders and fluctuations of steel price could affect the VSC Group's financial performance significantly. 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 these 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)

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### 2.1 編製基準 (續)

萬順昌集團從事鋼材產品買賣並受商品價格風險之影響。於批准本綜合財務報表當日，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。更多財務風險因素之詳情載於本綜合財務報表附註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，包括調整手頭上之存貨水平，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之潛在風險。

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性會計推算。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

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## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

- (i) *New/revised standards and amendments to existing standards effective for the financial year beginning on 1st April 2009*

The VSC Group has adopted the following new/revised standards and amendments to existing standards that are mandatory for the VSC Group's financial year beginning on 1st April 2009 and relevant to the VSC Group's operation. The impact on the VSC Group's accounting policies upon adoption is set out below:

- HKAS 1 (Revised), "Presentation of Financial Statements". The revised standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity in a statement of comprehensive income.

As a result the VSC Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earning per share.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

- (i) *新訂／經修訂之準則及修訂對現有於二零零九年四月一日起之財政年度生效之準則*

萬順昌集團已採納以下對現有準則並為萬順昌集團始於二零零九年四月一日起之財政年度必須採納之新訂／經修訂之準則及修訂及與萬順昌集團之業務有關。採納後對萬順昌集團之會計政策影響如下：

- 香港會計準則第1號(經修訂)「財務報表之呈列」。此項經修訂準則禁止在權益變動表中列報收入及支出項目(即「非權益持有者的權益變動」)，規定「非權益持有者的權益變動」在全面損益表中必須與權益持有者之權益變動分開列報。

因此，萬順昌集團在綜合權益變動表中列報所有權益持有者之權益變動，而非權益持有者之權益變動則在綜合全面損益表中列報。比較數字已重新列報，以符合經修訂準則。由於會計政策之改變只影響列報方面，故此對每股盈利並無影響。



## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(i) *New/revised standards and amendments to existing standards effective for the financial year beginning on 1st April 2009 (Continued)*

- HKAS 23 (Revised), “Borrowing costs”. The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The adoption of HKAS 23 (Revised) has no material impact on the consolidated financial statements.

## 2 主要會計政策概要 (續)

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### 2.1 編製基準 (續)

(i) *新訂／經修訂之準則及修訂對現有於二零零九年四月一日起之財政年度生效之準則 (續)*

- 香港會計準則第23號(經修訂)「借貸成本」。此項經修訂準則規定實體將收購、建造或生產合資格資產(需經一段長時間方能使用或出售之資產)直接應佔之借貸成本撥充資本，作為該資產成本的一部份。並已取消即時支銷該等借貸成本之選擇權。採納香港會計準則第23號(經修訂)對綜合財務報表並無重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(i) *New/revised standards and amendments to existing standards effective for the financial year beginning on 1st April 2009 (Continued)*

- HKFRS 2 (Amendment), “Share-based Payment Vesting Conditions and Cancellations”. The amendment clarifies the definition of “vesting conditions” and specifies the accounting treatment of “cancellations” by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All “non-vesting conditions” and “vesting conditions” that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The adoption of HKFRS 2 (Amendment) has no material impact on the consolidated financial statements.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

(i) *新訂／經修訂之準則及修訂對現有於二零零九年四月一日起之財政年度生效之準則 (續)*

- 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」。此項修訂澄清「歸屬條件」之定義及具體說明對方「取消」以股份為基礎之補償計劃之安排之會計處理。歸屬條件僅指服務條件(要求對方於指定期間完成服務)及表現條件(要求於指定期間完成服務及達成具體目標)。在估計授予之權益工具之公平價值時，所有「非歸屬條件」及屬於市場條件之「歸屬條件」均考慮在內。所有之取消被視為加速給予處理，立即確認在剩餘歸屬期間原本應當確認之金額。採納香港財務報告準則第2號(修訂)對綜合財務報表並無重大影響。

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(i) *New/revised standards and amendments to existing standards effective for the financial year beginning on 1st April 2009 (Continued)*

- HKFRS 7 (Amendment), “Financial Instruments: Disclosures”. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurement. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and content of liquidity risk. The VSC Group has included additional relevant disclosures in the consolidated financial statements.

## 2 主要會計政策概要 (續)

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### 2.1 編製基準 (續)

(i) *新訂／經修訂之準則及修訂對現有於二零零九年四月一日起之財政年度生效之準則 (續)*

- 香港財務報告準則第7號(修訂)「金融工具：披露」。此項修訂增加有關公平價值計量之披露規定及修訂有關流動資金風險之披露。此項修訂就公平價值計量披露引入一項三層架構，並就分類為最低層的該等工具計量規定若干明確量化披露。該等披露有助改善不同實體之間有關公平價值計量之影響的可比較性。此外，該項修訂澄清並加強有關流動資金風險披露之現有規定，主要規定衍生及非衍生財務負債之流動資金風險分析需分別呈列。其亦規定在有需要理解流動資金風險性質及背景的情況下，對財務資產進行到期日分析。萬順昌集團已於綜合財務報表中包括額外之相關披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(i) *New/revised standards and amendments to existing standards effective for the financial year beginning on 1st April 2009 (Continued)*

- HKFRS 8, “Operating segments”. HKFRS 8 replaces HKAS 14, “Segment Reporting”. It requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision-maker (“CODM”), who has been identified as the executive directors.

The adoption of HKFRS 8 resulted in a change in the identification of reportable segments presented in the consolidated financial statements and has led to increased disclosures. The comparative figures have also been presented on the same basis.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

(i) *新訂／經修訂之準則及修訂對現有於二零零九年四月一日起之財政年度生效之準則 (續)*

- 香港財務報告準則第8號，「經營分部」。香港財務報告準則第8號取代香港會計準則第14號「分部報告」。此項要求採用「管理層方法」，即分部資料須按照與內部匯報所採用之相同基準列報予主要營運決策者（「主要營運決策者」），即執行董事。

採納香港財務報告準則第8號引致綜合財務報表之分部匯報有所變動及增加披露。比較數字已按相同基準列報。

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

- (ii) *Amendments and interpretations to existing standards that are effective but are not currently relevant to the VSC Group*

The following amendments and interpretations to existing standards are mandatory for the first time for the financial year beginning on 1st April 2009, but not currently relevant to the VSC Group:

HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, the Jointly Controlled Entity or Associate
HK(IFRIC) – Int 13	Customer Loyalty Programme
HK(IFRIC) – Int 15	Arrangement for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfer of Assets from Customers

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

- (ii) *對現有已生效之準則之修訂及詮釋但現時與萬順昌集團無關*

以下對現有準則之修訂及詮釋為始於二零零九年四月一日起之財政年度之首年必須採納但現時與萬順昌集團無關：

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
香港財務報告準則第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
香港 (國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃
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
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
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



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(iii) *New/revised standards and amendments and interpretation to existing standards that are not effective and have not been early adopted by the VSC Group*

The following new/revised standards, amendments and interpretation to existing standards relevant to the VSC Group have been issued, but are not effective for the financial year beginning on 1st April 2009 and the VSC Group has not early adopted them:

- HKFRS 2 (Amendment), “Group Cash-settled Share-based Payment Transactions” (effective for annual period beginning on or after 1st January 2010). In addition to incorporating HK(IFRIC) – Interpretation 8, “Scope of HKFRS 2” and HK(IFRIC) – Interpretation 11, “HKFRS 2 – Group and Treasury Share Transactions”, the amendment expands on the guidance in HK(IFRIC) – Interpretation 11 to address the classification of group arrangements that were not covered by the interpretation. The new guidance is not expected to have a material impact on the consolidated financial statements.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

(iii) *萬順昌集團無提前採納對現有未生效之準則之新訂／經修訂之準則及修訂及詮釋*

以下已頒佈與萬順昌集團有關對現有之準則之新訂／經修訂準則、修訂及詮釋，但於二零零九年四月一日起之財政年度並未生效及萬順昌集團並沒有提前採納之新訂／經修訂：

- 香港財務報告準則第2號(修訂)「集團現金結算股份付款交易」(於二零一零年一月一日起或以後年度期間生效)。除收錄香港(國際財務報告詮釋委員會)－詮釋第8號「香港財務報告準則第2號之範圍」及香港(國際財務報告詮釋委員會)－詮釋第11號「香港財務報告準則第2號－集團及庫存股份交易」外，該項修訂本擴大香港(國際財務報告詮釋委員會)－詮釋第11號之指引，針對該詮釋以往並未涵蓋之集團安排分類。預期新指引不會對綜合財務報表構成重大影響。

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(iii) *New/revised standards and amendments and interpretation to existing standards that are not effective and have not been early adopted by the VSC Group (Continued)*

- HKFRS 3 (Revised), “Business Combinations” (effective for annual period beginning on or after 1st July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated income statement. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed. The VSC Group will apply HKFRS 3 (Revised) prospectively to all business combinations from 1st April 2010.

## 2 主要會計政策概要 (續)

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### 2.1 編製基準 (續)

(iii) *萬順昌集團無提前採納對現有未生效之準則之新訂／經修訂之準則及修訂及詮釋 (續)*

- 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)。此項經修訂準則繼續對企業合併採用收購法，但有若干重大變動。例如，收購企業支付之所有款項必須按收購日之公平價值記賬，而分類為債務之或然付款其後須在綜合損益表中重新計值。對被收購方之少數股東權益計值時，可於個別收購中選擇按公平價值或少數股東權益應佔被收購方淨資產計量。所有收購相關成本必須支銷。萬順昌集團將自二零一零年四月一日起對所有企業合併採用香港財務報告準則第3號(經修訂)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(iii) *New/revised standards and amendments and interpretation to existing standards that are not effective and have not been early adopted by the VSC Group (Continued)*

- HKFRS 9, “Financial Instruments” (effective for annual period beginning on or after 1st January 2013). HKFRS 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of HKAS 39. The approach in HKFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The VSC Group will apply HKFRS 9 from 1st April 2013.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

(iii) *萬順昌集團無提前採納對現有未生效之準則之新訂／經修訂之準則及修訂及詮釋 (續)*

- 香港財務報告準則第9號「金融工具」(於二零一三年一月一日起或以後年度期間生效)。香港財務報告準則第9號改善並簡化香港會計準則第39號所規定之財務資產分類及計量方法。香港財務報告準則第9號之方法乃以實體管理其金融工具之方式(其業務模式)及該等財務資產之合約性現金流量特性為基礎。萬順昌集團將自二零一三年四月一日起採用香港財務報告準則第9號。

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(iii) *New/revised standards and amendments and interpretation to existing standards that are not effective and have not been early adopted by the VSC Group (Continued)*

- HKAS 27 (Revised), “Consolidated and Separate Financial Statements” (effective for annual period beginning on or after 1st July 2009). The revised standard requires the effects of all transactions with minority interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The VSC Group will apply HKAS 27 (Revised) prospectively to transactions with minority interest from 1st April 2010.

## 2 主要會計政策概要 (續)

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### 2.1 編製基準 (續)

(iii) *萬順昌集團無提前採納對現有未生效之準則之新訂／經修訂之準則及修訂及詮釋 (續)*

- 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)。此項經修訂準則規定，假若控制權沒有改變及與少數股東權益之所有交易將不再導致商譽或盈虧，則此等交易必須在權益中記錄。此項準則亦列明失去控制權時之會計處理方法，任何於實體之剩餘權益按公平價值重新計量，並確認收益或虧損於溢利或虧損中。萬順昌集團將自二零一零年四月一日起對少數股東權益之交易採用香港會計準則第27號(經修訂)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(iii) *New/revised standards and amendments and interpretation to existing standards that are not effective and have not been early adopted by the VSC Group (Continued)*

- HK(IFRIC) – Int 17, “Distribution of non-cash assets to owners” (effective for annual period beginning on or after 1st July 2009). The interpretation is part of the Hong Kong Institute of Certificated Accountants’ (“the HKICPA”) annual improvements project published in May 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The VSC Group will apply HK(IFRIC) – Int 17 from 1st April 2010. It is not expected to have a material impact on the VSC Group’s consolidated financial statements.

In addition, the HKICPA has published a number of amendments to existing standards under its annual improvements project. These amendments are expected to have no material impact to the consolidated financial statements of the VSC Group.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

(iii) *萬順昌集團無提前採納對現有未生效之準則之新訂／經修訂之準則及修訂及詮釋 (續)*

- 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)。此項詮釋為香港會計師公會(「香港會計師公會」)於二零零九年五月頒佈年度改進項目之一部分。此項詮釋就主體向股東分配非現金資產作為儲備分派或股息之安排之會計處理提供指引。香港財務報告準則第5號亦已被修改,規定資產只能夠在其現有狀況下及可能分配時才可分類為持作分配。萬順昌集團將會自二零一零年四月一日後採用香港(國際財務報告詮釋委員會)－詮釋第17號。並不預期對萬順昌集團之綜合財務報表有重大影響。

另外,香港會計師公會就年度改進項目對現有準則已頒佈數項修訂。不期望此等修訂會對萬順昌集團之綜合財務報表有重大影響。



## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

- (iv) *New/revised standards and amendments and interpretation to existing standards that are not effective and are not relevant to the VSC Group.*

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

- (iv) 對現有並未生效及與萬順昌集團無關之準則之新訂／經修訂之準則及修訂及詮釋。

		生效日期 (會計年度始於) <b>Effective date (for accounting period commencing on)</b>
香港會計準則第24號 (經修訂)	關連人士披露	二零一一年一月一日
HKAS 24 (Revised)	Related Party Disclosures	1st January 2011
香港會計準則第32號(修訂) HKAS 32 (Amendment)	供股分類 Classification of Rights Issue	二零一零年二月一日 1st February 2010
香港會計準則第39號(修訂) HKAS 39 (Amendment)	合資格對沖項目 Eligible Hedged Items	二零零九年七月一日 1st July 2009
香港財務報告準則第1號 (經修訂) HKFRS 1 (Revised)	首次採納香港財務報告準則 First time Adoption of HKFRSs	二零零九年七月一日 1st July 2009
香港財務報告準則第1號 (修訂) HKFRS 1 (Amendment)	首次採納者之額外豁免 Additional Exemptions for First-Time Adopters	二零一零年一月一日 1st January 2010
香港財務報告準則第1號 (修訂) HKFRS 1 (Amendment)	首次採納有關香港財務報告準則 第7號比較披露資料的有限豁免 Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters	二零一零年七月一日 1st July 2010
香港(國際財務報告詮釋 委員會)－詮釋第14號 HK(IFRIC) – Int 14	預付最低撥款規定 Prepayments of a Minimum Funding Requirement	二零一一年一月一日 1st January 2011
香港(國際財務報告詮釋 委員會)－詮釋第19號 HK(IFRIC) – Int 19	以股本工具抵銷財務負債 Extinguishing Financial Liabilities with Equity Instruments	二零一零年七月一日 1st July 2010

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 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 2010.

#### (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.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

## 2 主要會計政策概要 (續)

### 2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至二零一零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。

集團內公司之間之交易、交易之結餘及未實現收益予以抵銷。未實現虧損亦予以抵銷。

## 2 Summary of significant accounting policies (Continued)

### 2.2 Consolidation (Continued)

#### (a) Subsidiaries (Continued)

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 statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.8), 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.

#### (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 2.8 for the impairment of non-financial assets including goodwill.

## 2 主要會計政策概要 (續)

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### 2.2 綜合賬目 (續)

#### (a) 附屬公司 (續)

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之政策符合一致。

在本公司之財務狀況表內，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2.8)。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與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。

#### (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%投票權之股權。於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2.8，包括商譽之非財務資產之減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.2 Consolidation (Continued)

#### (c) Associates (Continued)

The VSC Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated 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.

### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

## 2 主要會計政策概要 (續)

### 2.2 綜合賬目 (續)

#### (c) 聯營公司 (續)

萬順昌集團應佔收購後聯營公司的溢利或虧損於綜合損益表中確認，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已作出付款。

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有減值證明，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收益或虧損已於綜合損益表中確認。

### 2.3 分部報告

營運分部以向主要營運決策者提供內部呈報之呈報方法一致，其被視為制定策略性決定之執行董事及負責營運分部之資源分配及評估表現。

## 2 Summary of significant accounting policies (Continued)

### 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 consolidated 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 consolidated income statement, and other changes in the carrying amount are recognised in equity.

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.

## 2 主要會計政策概要 (續)

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### 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，港元為本公司之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收益或虧損以及將外幣計值之貨幣資產及負債以年終滙率換算而產生之滙兌收益或虧損於綜合損益表中確認。

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綜合損益表中確認，賬面金額之其他變動則於權益中確認。

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收益或虧損之一部份。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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.4 Foreign currency translation (Continued)

#### (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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (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.

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 consolidated 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 主要會計政策概要 (續)

### 2.4 外幣換算 (續)

#### (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) 各財務狀況表呈列之資產及負債均以該財務狀況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主要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。

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綜合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,並以期終匯率換算。

## 2 Summary of significant accounting policies (Continued)

### 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 consolidated income statement during the financial year in which they are incurred.

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 (Note 2.8).

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

## 2 主要會計政策概要 (續)

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### 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綜合損益表內支銷。

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。

若資產之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。（附註2.8）

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)

### 2.6 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 consolidated 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 consolidated income statement.

### 2.7 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 consolidated income statement.

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 consolidated income statement during the period in which they are incurred.

## 2 主要會計政策概要 (續)

### 2.6 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以營業租約列賬。租約期間內以直線法於綜合損益表內支銷或當出現減值時，其減值已於綜合損益表中確認。

### 2.7 投資物業

持作長期租金收益或資本增值或兩者兼備之物業，且並非由萬順昌集團內之公司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，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綜合損益表中確認。

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綜合損益表內支銷。

## 2 Summary of significant accounting policies (Continued)

### 2.7 Investment properties (Continued)

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 consolidated income statement.

### 2.8 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)

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### 2.7 投資物業 (續)

若投資物業變成業主自用，則重新分類為物業、廠房及設備，其物業之公平價值於重新分類當日轉為成本。

若一項物業、廠房及設備因其用途改變而成為一項投資物業，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權益中確認為物業、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，有關收益已於綜合損益表中確認。

### 2.8 於附屬公司，聯營公司及非財務資產之投資之減值

無特定使用期限之資產，如商譽，毋須攤銷，如商譽，但此等資產每年均接受減值評估。當有任何事件或情況有所改變並有跡象顯示其賬面金額未能收回，資產會被進行減值檢查。資產賬面金額超越其可收回價值之數額確認為減值虧損。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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.8 Impairment of investments in subsidiaries, associates and non-financial assets (Continued)

Impairment testing of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.9 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.

## 2 主要會計政策概要 (續)

### 2.8 於附屬公司，聯營公司及非財務資產之投資之減值 (續)

當收到附屬公司或聯營公司之股息時，倘股息超過該附屬公司或聯營公司在股息宣派期間之全面收入總額，或在獨立財務報表之投資賬面金額超過綜合財務報表被投資方淨資產（包括商譽）之賬面金額，則必須對有關投資進行減值測試。

### 2.9 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，貸款及應收款及可供出售。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。



## 2 Summary of significant accounting policies (Continued)

### 2.9 Financial assets (Continued)

#### (i) Classification (Continued)

##### (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 consolidated statement of financial position (Note 2.14 and 2.15).

##### (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.

## 2 主要會計政策概要 (續)

### 2.9 財務資產 (續)

#### (i) 分類 (續)

##### (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綜合財務狀況表中之「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」。(附註2.14及2.15)。

##### (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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.9 Financial assets (Continued)

#### (ii) Recognition and measurement

Regular 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 consolidated 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.

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 consolidated 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 consolidated income statement as part of other income when the VSC Group’s right to receive payments is established.

## 2 主要會計政策概要 (續)

### 2.9 財務資產 (續)

#### (ii) 確認及計量

買賣經常性財務資產在交易當日(即萬順昌集團承諾購買及出售資產之日期)確認。所有並非按公平價值計入損益記賬之財務資產，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之財務資產初步按公平價值確認，及交易成本於綜合損益表支銷。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擁有權之重要風險及回報已實質上轉移，財務資產將不予確認。可供出售之財務資產及按公平價值計入損益記賬之財務資產其後以公平價值列賬。貸款及應收款項採用實際利息方法，以攤銷成本列賬。

因「按公平價值計入損益之財務資產」類別內公平價值變動產生之收益或虧損於產生期間在綜合損益表內確認。當萬順昌集團收取付款之權利確立時，財務資產按公平價值計入損益之股息收入確認於綜合損益表內作為其收入之一部份。

## 2 Summary of significant accounting policies (Continued)

### 2.9 Financial assets (Continued)

#### (ii) Recognition and measurement (Continued)

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 consolidated income statement; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as “other gains/(losses) – net”.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of “other gains/(losses) – net” when the VSC Group’s right to receive payments is established.

## 2 主要會計政策概要 (續)

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### 2.9 財務資產 (續)

#### (ii) 確認及計量 (續)

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綜合損益表中確認；非貨幣性證券之滙兌差額則於其他全面收入中確認。被分類為可供出售之貨幣性證券及非貨幣性證券之公平價值變動，亦已於其他全面收入中確認。

當被分類為可供出售之證券出售或減值時，其已於權益確認之累計公平價值調整會作為「其他收益／(虧損) – 淨額」計入綜合損益表內。

採用實際利息計算之可供出售證券之利息已於綜合損益表中確認。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綜合損益表中確認為「其他收益／(虧損) – 淨額」之一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.10 Impairment of financial assets

#### (i) Assets carried at amortised cost

The VSC Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the VSC Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or

## 2 主要會計政策概要 (續)

### 2.10 財務資產之減值

#### (i) 以攤銷成本列賬之資產

萬順昌集團於每個報告期末評估是否存在客觀證據證明某一財務資產或某一財務資產組合出現減值。只有存在客觀證據證明於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事項」)，而該宗(或該等)虧損事項對該項或該組財務資產的估計未來現金流量構成之影響可以合理估計，則有關之財務資產或財務資產組合會出現減值及產生減值虧損。

萬順昌集團用於釐定是否存在減值虧損客觀證據之標準如下：

- 發行人或債務人遇上嚴重財政困難；
- 違反合約，例如逾期或拖欠償還利息或本金；
- 集團基於與借款人的財政困難有關的經濟或法律原因，向借款人提供一般貸款人不會考慮的特惠條件；
- 借款人有可能破產或進行其他財務重組；
- 因為財政困難而使該財務資產的活躍市場不再存在；或

## 2 Summary of significant accounting policies (Continued)

### 2.10 Impairment of financial assets (Continued)

#### (i) Assets carried at amortised cost (Continued)

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio;
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The VSC Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the VSC Group may measure impairment on the basis of an instrument's fair value using an observable market price.

## 2 主要會計政策概要 (續)

### 2.10 財務資產之減值 (續)

#### (i) 以攤銷成本列賬之資產 (續)

- 可觀察資料顯示，自初始確認後，某組合財務資產之估計未來現金流量有可計量之減少，雖然該減少尚未能在該組合之個別財務資產內確定，有關資料包括：
  - (i) 該組合之借款人之還款狀況之不利變動；
  - (ii) 與該組合資產逾期還款相關連的全國性或地方經濟狀況。

萬順昌集團首次評估減值之客觀證據是否存在。

虧損金額乃根據資產賬面金額與按財務資產原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用虧損）之現值兩者之差額計量。資產賬面金額予以削減，而虧損金額則在綜合損益表中確認。如貸款或持至到期之投資為浮動利率，計量任何減值虧損之貼現率為按合同釐定之現時實際利率。在實際應用中，萬順昌集團可利用可觀察的市場價格，按工具之公平價值計量減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.10 Impairment of financial assets (Continued)

#### (i) Assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

#### (ii) Assets classified as available-for-sale

The VSC Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets 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 separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated income statement, the impairment loss is reversed through the separate consolidated income statement.

## 2 主要會計政策概要 (續)

### 2.10 財務資產之減值 (續)

#### (i) 以攤銷成本列賬之資產 (續)

如在隨後期間，減值虧損之金額減少，而此減少可客觀地聯繫至確認減值後發生之事件（例如債務人之信用評級有所改善），則之前已確認的減值虧損可在綜合損益表中撥回。

#### (ii) 分類為可供出售之資產

萬順昌集團於各報告期末評估一項財務資產或一組財務資產有否減值之客觀證據。就分類為可供出售之股本投資而言，證券之公平價值大幅或長期低於其成本亦為該資產出現減值之證據。如可供出售財務資產出現此等跡象，其累計虧損（按收購成本與現時公平價值之差額減去該財務資產之前已確認於溢利或虧損中之任何減值虧損計量）將從權益扣除，並於獨立的綜合損益表中確認。於獨立的損益表內確認之股本工具減值虧損不會透過獨立的綜合損益表中撥回。如在隨後期間，分類為可供出售之債務工具之公平價值增加，而該增加可客觀地與減值虧損於綜合損益表確認後發生之事件有關，則減值虧損透過獨立綜合損益表中撥回。



## 2 Summary of significant accounting policies (Continued)

### 2.11 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 consolidated income statement within “other gains/(losses) – net”.

### 2.12 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.

### 2.13 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)

### 2.11 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綜合損益表之「其他收益／(虧損)－淨額」中確認。

### 2.12 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（根據正常操作能力），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。

### 2.13 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.13 Installation contracts (Continued)

The aggregate of the costs incurred and the profit or 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.

### 2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

### 2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

### 2.16 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 主要會計政策概要 (續)

### 2.13 安裝合約 (續)

每份合約產生之成本與已確認之溢利或虧損總額，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，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。

### 2.14 應收及其他應收賬款

應收賬款為在日常運作中就商品銷售或提供服務而應收客戶之款項。如預期於一年或以內(或仍在正常經營週期中，則可延長)收回應收及其他應收賬款，則該等賬款分類為流動資產。否則，該等賬款呈列為非流動資產。

應收及其他應收賬款最初按公平價值確認，而其後則採用實際利率法按已攤銷成本減值撥備計量。

### 2.15 現金及現金等值

現金及現金等值包括手頭現金及於三個月內到期存於銀行之通知存款。

### 2.16 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 Summary of significant accounting policies (Continued)

### 2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

### 2.18 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 consolidated 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.

### 2.19 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 consolidated income statement in the period in which they are incurred.

## 2 主要會計政策概要 (續)

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### 2.17 應付賬款

應付賬款為在正常業務運作中購買之貨品及服務而應支付之義務。如付款於在一年或以內(或仍在正常經營週期中,則可延長)到期,則應付賬款分類為流動負債;否則,該等賬款呈列為非流動負債。

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。

### 2.18 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綜合損益表中確認。

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2個月,否則借貸界定為流動負債。

### 2.19 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綜合損益表扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to item recognised directly in other comprehensive income or 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 consolidated 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.

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 主要會計政策概要 (續)

### 2.20 當期及遞延所得稅

期內稅項開支包括當期及遞延所得稅。稅項於綜合損益表中確認，惟若稅項與直接計入其他全面收入或權益之項目有關。

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其於綜合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。

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 Summary of significant accounting policies (Continued)

### 2.20 Current and deferred income tax (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by 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.

#### 2.21 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)

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### 2.20 當期及遞延所得稅 (續)

倘有合法執行權利以當期稅項資產抵銷當期稅項負債，以及當遞延所得稅資產和負債涉及由同一稅務機關就應課稅實體或有意以淨額基準結算結餘之不同應課稅實體徵收所得稅，遞延所得稅資產與負債則互相抵銷。

#### 2.21 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.21 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 expense 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 consolidated 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)

### 2.21 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。所有支出總額於歸屬期間（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。公司在綜合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)

### 2.21 Employee benefits (Continued)

#### (d) 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.

### 2.22 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.

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 主要會計政策概要 (續)

### 2.21 員工福利 (續)

#### (d) 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。

### 2.22 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。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.23 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.

### 2.24 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.

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 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.

## 2 主要會計政策概要 (續)

### 2.23 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。

### 2.24 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。

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。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。

## 2 Summary of significant accounting policies (Continued)

### 2.24 Revenue recognition (Continued)

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.

#### (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 2.13).

#### (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.

## 2 主要會計政策概要 (續)

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### 2.24 收入確認 (續)

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。

#### (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2.13)。

#### (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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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## 2 Summary of significant accounting policies (Continued)

### 2.24 Revenue recognition (Continued)

#### (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.

### 2.25 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 consolidated 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 consolidated statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

### 2.26 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the VSC Group's and the Company'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)

### 2.24 收入確認 (續)

#### (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。

### 2.25 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綜合損益表中扣除。

#### (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綜合財務狀況表中顯示。租金收入於租賃期內以直線法記賬。

### 2.26 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及本公司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 price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. 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.

(a) *Market risk*

(i) **Price risk**

The VSC Group is subject to commodity price risk because certain subsidiaries of the VSC Group are engaged in the trading of steel products. As at 31st March 2010, the VSC Group's had committed sales orders of approximately 216,000 metric tonnes (for which the selling price is fixed), which exceeded the aggregate amount of on-hand inventories and committed purchase orders. Over the coming year, the VSC Group will be required to purchase steel products to fulfil these committed sales orders not covered by inventories and committed purchase orders. As the prices of steel products can fluctuate materially, the VSC Group's results may be affected significantly by future fluctuations in steel prices (Note 4a).

### 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（包括價格風險、外匯風險及現金流量及公平價值利率風險），信貸風險及流動資金風險。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。

(a) *市場風險*

(i) **價格風險**

由於萬順昌集團之若干附屬公司從事鋼材產品貿易，故此萬順昌集團面對商品價格風險。於二零一零年三月三十一日，萬順昌集團已確定之銷售訂單約216,000公噸（其銷售價格已固定不變）已超過手頭存貨及已確定之購貨訂單。來年，萬順昌集團將會為此沒有存貨及已確定之購貨訂單之鋼材產品之銷售訂單進行採購以履行合約。由於鋼材產品之價格波動甚大，萬順昌集團之業績將可能面對重大未來鋼材價格波動之影響（附註4a）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (i) Price risk (Continued)

The VSC Group has entered into steel future contracts to partly manage its steel price risk exposures. At 31st March 2010, if the price of steel future contracts strengthened/weakened by 10% with all other variables held constant, profit before income tax for the year would have been approximately HK\$5,403,000 higher/lower (2009: loss before income tax: nil), mainly as a results of fair value gain/(loss) on steel future derivatives.

###### (ii) Foreign exchange risk

The VSC Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The VSC Group may use forward contracts 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.

### 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)

萬順昌集團已訂立鋼材期貨合約以管理部份面對鋼材價格風險。於二零一零年三月三十一日，若鋼材期貨合約之價格上升/下跌10%，而其他可變因素維持不變，年度除稅前溢利將會增加/減少約5,403,000港元(二零零九年：除稅前虧損：無)，主要由於鋼材期貨衍生工具之公平價值收益/(虧損)所致。

###### (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之外匯風險。對於未來商業貿易並確認外國業務之資產及負債及淨投資造成之外匯風險，萬順昌集團可採用與對外金融機構訂立之遠期合約對沖部分風險。



### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (ii) Foreign exchange risk (Continued)

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 asset as at 31st March 2010 would be an estimated HK\$27,000 (2009: HK\$1,464,000) lower or HK\$27,000 (2009: HK\$655,000) higher were the quoted forward exchange rates to be 1% lower/higher with all other variables held constant.

The VSC Group also mitigates the foreign exchange risk by maintaining HK dollar, United States dollar ("US dollar") and Chinese Renminbi ("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 RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations to the foreign exchange control promulgated by the Mainland China government.

### 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)

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%，而其他可變因素維持不變，遠期外匯合約於二零一零年三月三十一日之淨資產賬面金額估計將減少27,000港元（二零零九年：1,464,000港元）或增加27,000港元（二零零九年：655,000港元）。

萬順昌集團亦維持港元、美元（「美元」）及人民幣（「人民幣」）銀行賬戶以減少外匯風險，並採用相關銀行賬戶支付該等幣值之款項。除人民幣以外其他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並無重大影響。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 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 which is partially offset by cash held at variable rates.

The fair values of the interest rate instruments are determined using the estimated future cash flows. The carrying amount of the interest rate instrument which was a liability as at 31st March 2010 would be an estimated HK\$1,000 (2009: HK\$538,000) lower/higher were the interest rate had been 100 basis points higher/lower with all other variables held constant.

At 31st March 2010, if interest rates on floating rate borrowings had been 100 basis points higher/lower with all other variables held constant, profit before income tax for the year would have been approximately HK\$2 million lower/higher (2009: loss before income tax would be HK\$4 million higher/lower), mainly as a result of higher/lower interest expenses on floating rate borrowings.

### 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部份則由浮息現金抵銷。

利率掉期工具之公平價值按未來現金流量推算。若利率增加／減少100個基點，而其他可變因素維持不變，利率工具於二零一零年三月三十一日之負債賬面金額估計將減少／增加1,000港元(二零零九年：538,000港元)。

於二零一零年三月三十一日，倘借貸之浮動利率增加／減少100個基點，而所有其他可變因素維持不變，年度除稅前溢利將減少／增加約為2,000,000港元(二零零九年：除稅前虧損增加／減少4,000,000港元)，主要由於浮息借貸的利息支出增加／減少所致。

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (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 as trade and bill receivables, loan receivables, certain amount of 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.

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

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、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之銀行，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之信貸風險有限。

萬順昌集團訂有政策以確保銷售是具給予具備適當財政實力及押付恰當比例之訂金之客戶。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款之可回收款額，藉此保證為不能回收之賬款計提適當減值虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

As at 31st March 2010, the VSC Group has a concentration of credit risk given that the top 10 customers account for 44% (2009: 43%) 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 currently low 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 receivable 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 histories of defaults.

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

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 信貸風險 (續)

於二零一零年三月三十一日，萬順昌集團截至年終應收賬款及票據之結餘總額中，頭十名客戶佔當中之44% (二零零九年：43%)，故此，萬順昌集團有集中信貸風險。管理層經考慮該等客戶之財務狀況及交易往績後，認為有關該等客戶之信貸風險為低。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之金額，均在記錄撥備之範疇內，而董事認為，已就不可能收回的應收賬款及票據作充足之撥備。

尚未過期或減值之其他應收賬款之信貸質素已參考交易對手方之過往違約比率資料作出評估。現有交易對手未曾試過違約。

萬順昌集團並無重大餘下之信貸風險。

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (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.

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

The liquidity of the VSC Group depends on new borrowings and re-financed existing borrowings. With long-standing relationships with a group of banks, management is confident that the VSC Group can secure 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 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

奉行審慎之流動資金風險管理指維持足夠現金及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。

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之滾動預測。流動資金儲備包含未提取的借貸額及現金及現金等值。

萬順昌集團之流動資金取決於新造借貸及為現在借貸再融資。由於與一眾銀行有長期往來關係，管理層有信心萬順昌集團能夠取得充足銀行融資額以支持本身之業務營運。

管理層相信已執行所有必須之措施以維持充份之流動資金儲備，以支持萬順昌集團之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及銀行借貸，滿足本身之營運資金需求。

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### 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.

	少於1年 Less than 1 year 千港元 HK\$'000	1至2年 Between 1 and 2 years 千港元 HK\$'000	2至5年 Between 2 and 5 years 千港元 HK\$'000	總額 Total 千港元 HK\$'000
<b>Consolidated</b>				
At 31st March 2009				
Trade and bill payables	81,687	–	–	81,687
Receipts in advance	59,975	–	–	59,975
Derivative financial instruments	739	–	3,172	3,911
Accrued liabilities and other payables	43,790	–	–	43,790
Borrowings	489,417	7,750	3,897	501,064
Interest payable	17,550	–	–	17,550
At 31st March 2010				
Trade and bill payables	<b>247,473</b>	–	–	<b>247,473</b>
Receipts in advance	<b>24,888</b>	–	–	<b>24,888</b>
Derivative financial instruments	–	<b>133</b>	–	<b>133</b>
Accrued liabilities and other payables	<b>99,399</b>	–	–	<b>99,399</b>
Borrowings	<b>410,281</b>	<b>3,925</b>	–	<b>414,206</b>
Interest payable	<b>10,479</b>	–	–	<b>10,479</b>
<b>Company</b>				
At 31st March 2009				
Accrued liabilities and other payables	103	–	–	103
Derivative financial instruments	–	–	3,172	3,172
Borrowings	7,750	7,750	3,897	19,397
At 31st March 2010				
Accrued liabilities and other payables	<b>107</b>	–	–	<b>107</b>
Derivative financial instruments	–	<b>133</b>	–	<b>133</b>
Borrowings	<b>7,764</b>	<b>3,925</b>	–	<b>11,689</b>

### 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。十二個月內到期之結餘與其賬面結餘相等，而貼現之影響並不重大。

綜合  
於二零零九年  
三月三十一日  
應付賬款及票據  
預收款項  
衍生金融  
工具  
應計負債及  
其他應付賬款  
借貸  
應付利息

於二零一零年  
三月三十一日  
應付賬款及票據  
預收款項  
衍生金融工具  
應計負債及  
其他應付賬款  
借貸  
應付利息

本公司  
於二零零九年  
三月三十一日  
應計負債及  
其他應付賬款  
衍生金融  
工具  
借貸

於二零一零年  
三月三十一日  
應計負債及  
其他應付賬款  
衍生金融  
工具  
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 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 statement of financial position) less pledged bank deposits and cash and cash equivalents. Total capital is calculated as equity (excluding minority interest), as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios at 31st March 2010 and at 31st March 2009 were as follows:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Total borrowings (Note 30)	414,206	501,064	借貸總額(附註30)
Less: Cash and cash equivalents and pledged bank deposits (Note 27)	(218,117)	(136,572)	減：現金及現金等值及已抵押銀行存款(附註27)
Net debt	196,089	364,492	淨負債
Total equity (excluding minority interest)	621,157	538,327	權益總額(不包括少數股東權益)
Total capital	817,246	902,819	資本總額
Gearing ratio	24%	40%	資本負債比率

The gearing ratio decreased during the year due to the repayment of bank borrowings and the cash flow generated from operations.

### 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(包括已在綜合財務狀況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)，如在綜合財務狀況表所示，加淨負債計算。

於二零一零年三月三十一日及二零零九年三月三十一日之資本負債比率如下：

本年度期間，資本負債比率下跌是由於償還銀行借貸及經營所產生之現金流。

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### 3 Financial risk management (Continued)

#### 3.3 Fair value estimation

The VSC Group uses the following hierarchies for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Assets measured at fair value as at 31st March 2010:

	第一層 Level 1 千港元 HK\$'000	第二層 Level 2 千港元 HK\$'000	第三層 Level 3 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
Assets – Consolidated					資產 – 綜合
Steel future contracts	980	–	–	980	鋼材期貨合約
Forward foreign exchange contracts	–	10	–	10	遠期外匯合約
	980	10	–	990	
Liabilities – Consolidated and Company					負債 – 綜合及本公司
Interest rate instrument	–	133	–	133	利率工具

### 3 財務風險管理 (續)

#### 3.3 公平價值估算

萬順昌集團運用以下階系以釐定及披露金融工具之公平價值：

第一層：公平價值按相同資產在活躍市場之報價(未經調整)計算

第二層：公平價值按所有可觀察，不論直接或間接，在已記錄公平價值中有重大影響的輸入之估值技術計算

第三層：公平價值按所有非根據市場數據(非可觀察輸入)在已記錄公平價值中有重大影響的輸入之估值技術計算

於二零一零年三月三十一日按公平價值計算之資產：

## 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) Onerous contracts

As at 31st March 2010, the VSC Group had committed sales orders which exceeded the aggregate amount of on-hand inventories and committed purchase orders. Management expects the cost of certain future purchases to fulfil these sales orders will exceed the contracted selling prices of the sales orders and hence a provision for onerous contracts has been made.

In estimating the amount by which the cost of purchases are expected to exceed sales prices of committed sales orders, management takes into account the cost of on-hand inventories, the cost of committed purchase orders and the forecast market price of future purchases where this can be reliably estimated. For the sales orders which the management expects to fulfil after 30th September 2010, no provision has been made since management considers the loss, if any, arising from fulfilling such orders, cannot be reliably estimated at this time.

As at 31st March 2010, if steel prices had weakened/strengthened by 10% relative to the management's expected cost of purchase of steel inventories with all other variables held constant, profit before income tax for the year would have been approximately HK\$23,762,000 higher/lower.

## 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) 有償契約

於二零一零年三月三十一日，萬順昌集團已確定之銷售訂單已超過手頭存貨及已確定之購貨訂單之總額。管理層預期將來用以滿足此等銷售訂單之若干採購成本會比銷售訂單所訂約之售價為高，因此已就有償契約作出撥備。

在推算採購成本比已確定銷售訂單之銷售價格之金額為高時，管理層已計算手頭存貨之成本、已確定購貨訂單之成本及按可靠推算未來市場對期貨採購之價格。由於管理層現時未能可靠地推算為滿足預期於二零一零年九月三十日後履行之銷售訂單之虧損，如有，因此並沒有就此等訂單作撥備。

於二零一零年三月三十一日，若鋼材價格相對管理層預期採購鋼材存貨之成本（所有可變因素維持不變）下跌／上升10%，年度除稅前溢利將會增加／減少約23,762,000港元。

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### 4 Critical accounting estimates and judgements (Continued)

#### (b) 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 in response to severe industry cycle. Management reassesses the estimations at each balance sheet date.

#### (c) Trade and other receivables

The VSC Group's management determines the provision for impairment of trade and other receivable 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 (續)

#### (b) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中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。其可因客戶對鋼材之需求轉變及競爭對手為應付嚴峻行業週期採取之行動而大幅改變。管理層會於每個結算日重估該等推算。

#### (c) 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。

## 4 Critical accounting estimates and judgements (Continued)

### (d) Income taxes and deferred income tax

The VSC Group is mainly subject to income taxes in Hong Kong, Mainland China and Macau. 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.

### (e) 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)

### (d) 所得稅及遞延所得稅

萬順昌集團主要須繳納香港、中國內地及澳門之所得稅。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。

### (e) 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。

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### 5 Revenue and segment information

The VSC Group's revenue consists of the following:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Sales of goods	3,244,042	4,654,506	貨品銷售
Revenue from installation contracts	3,401	-	安裝工程收入
Service income	3,282	2,978	服務收入
Rental income	1,111	2,023	租務收入
<b>Total revenue</b>	<b>3,251,836</b>	4,659,507	收入總額

The VSC Group's businesses are managed according to the nature of their operations and the products and services they provide.

Management has determined the operating segments based on the reports reviewed by the VSC Group's CODM that are used to make strategic decisions. The CODM considers the VSC Group operates predominantly in four operating segments:

- (i) Steel distribution;
- (ii) Building products;
- (iii) Plastics; and
- (iv) Coil centres.

The VSC Group disposed of its 40% interests in coil centres on 31st October 2009 and 31st December 2009 by 20% on each date. Other operations mainly comprise the provision of rental services in Hong Kong and other investments which do not constitute separately reportable segments.

The VSC Group's CODM assesses the performance of operating segments based on a measure of profit before tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as legal expenses and impairments, when the impairment is the result of an isolated, non-recurring event.

The revenue from external parties reported to CODM is measured in a manner consistent with that in the consolidated financial statements.

### 5 收入及分部資料

萬順昌集團之收入包括如下：

萬順昌集團按其營運性質及所提供之產品及服務管理其業務。

管理層已釐定其營運分部，按由萬順昌集團之主要營運決策者審閱報告後制定其策略性決定。主要營運決策者認為萬順昌集團主要經營四個營運分部：

- (i) 鋼材分銷；
- (ii) 建築產品；
- (iii) 塑膠；及
- (iv) 卷鋼中心。

萬順昌集團已於二零零九年十月三十一日及二零零九年十二月三十一日分別出售於卷鋼中心之20%權益，共40%。其他業務主要包括在香港提供之租務服務及其他投資，此兩者並沒有構成獨立之分部匯報。

萬順昌集團之主要營運決策者按除稅前溢利之計算而評估營運分部之表現。此計算基準不包括經營分部中非經常性支出之影響，如法律費用及獨立及非經常性事項產生之減值。

向主要營運決策者匯報源自對外人士之收入之計算方法與綜合財務報表一致。



## 5 Revenue and segment information (Continued)

Analysis of the VSC Group's results by business segment for the year ended 31st March 2010 is as follows:

	鋼材分銷 Steel distribution 千港元 HK\$'000	建築產品 Building products 千港元 HK\$'000	塑膠 Plastics 千港元 HK\$'000	其他業務 Other operations 千港元 HK\$'000	未分配 Unallocated 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
External revenue	2,621,004	366,161	261,730	2,941	-	3,251,836	對外收入
Operating profit/(loss)	130,968	17,311	10,522	4,954	(27,429)	136,326	經營溢利/(虧損)
Finance income	172	-	6	24	1,112	1,314	財務收入
Finance costs	(16,970)	(798)	(722)	(446)	(1,046)	(19,982)	財務費用
Share of losses of associates – net	-	-	-	(12,896)	-	(12,896)	應佔聯營公司虧損 – 淨額
Profit/(loss) before tax	114,170	16,513	9,806	(8,364)	(27,363)	104,762	除稅前溢利/(虧損)
Other gains/(losses) – net	(29,276)	5	(109)	11,333	23,286	5,239	其他收益/(虧損) – 淨額
Depreciation and amortisation	(1,143)	(1,774)	(40)	-	(3,965)	(6,922)	折舊及攤銷
Income tax (expense)/credit	(18,709)	(2,964)	(177)	(825)	396	(22,279)	所得稅 (支出)/計入

Analysis of the VSC Group's results by business segment for the year ended 31st March 2009 is as follows:

	鋼材分銷 Steel distribution 千港元 HK\$'000	建築產品 Building products 千港元 HK\$'000	塑膠 Plastics 千港元 HK\$'000	卷鋼中心 Coil centres 千港元 HK\$'000	其他業務 Other operations 千港元 HK\$'000	未分配 Unallocated 千港元 HK\$'000	抵銷 Eliminations 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
External revenue	2,977,696	318,627	313,653	1,007,544	41,987	-	-	4,659,507	對外收入
Inter-segment revenue	65,573	-	-	-	-	-	(65,573)	-	分部間收入
	3,043,269	318,627	313,653	1,007,544	41,987	-	(65,573)	4,659,507	
Operating (loss)/profit	(90,651)	8,569	11,036	19,739	(49,559)	(81,669)	-	(182,535)	經營(虧損)/溢利
Finance income	1,322	5	1	1,895	-	1,058	-	4,281	財務收入
Finance costs	(31,247)	(1,608)	(871)	(8,213)	(1,611)	(8,428)	-	(51,978)	財務費用
Share of losses of associates – net	-	-	-	-	(26,508)	-	-	(26,508)	應佔聯營公司虧損 – 淨額
(Loss)/profit before tax	(120,576)	6,966	10,166	13,421	(77,678)	(89,039)	-	(256,740)	除稅前(虧損)/溢利
Other (losses)/gains – net	3,471	4,579	(177)	(67,108)	(14,875)	(16,253)	-	(90,363)	其他(虧損)/收益 – 淨額
Depreciation and amortisation	(3,174)	(1,437)	(38)	(5,936)	-	(3,751)	-	(14,336)	折舊及攤銷
Income tax credit/(expense)	15,952	(256)	(1,280)	(13,306)	2,452	2,984	-	6,546	所得稅計入/(支出)

## 5 收入及分部資料 (續)

萬順昌集團於截至二零一零年三月三十一日止年度按業務分部之業績分析如下：

萬順昌集團於截至二零零九年三月三十一日止年度按業務分部之業績分析如下：

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### 5 Revenue and segment information (Continued)

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, deferred income tax assets, 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, investments in associates, available-for-sale financial assets, amounts due from associates and derivative financial instruments. These are managed on a central basis and are part of the reconciliation to total balance sheet assets.

Segment liabilities comprise operating liabilities and exclude borrowings, derivative financial instruments and amount 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.

The segment assets and liabilities as at 31st March 2010 and capital expenditure for the year ended 31st March 2010 are as follows:

	鋼材分銷 Steel distribution 千港元 HK\$'000	建築產品 Building products 千港元 HK\$'000	塑膠 Plastics 千港元 HK\$'000	其他業務 Other operations 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
Segment assets	826,861	117,817	86,390	103,489	1,134,557	分部資產
Segment liabilities	(329,798)	(17,978)	(20,197)	(10,897)	(378,870)	分部負債
Capital expenditure	4,536	1,091	65	2,003	7,695	資本支出

### 5 收入及分部資料 (續)

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、遞延所得稅資產、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、應收聯營公司及衍生金融工具。此等項目會集中管理及為資產負債表資產總額對賬之一部份。

分部負債包括經營負債但不包括借貸、衍生金融工具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。

於二零一零年三月三十一日之分部資產及負債及截至二零一零年三月三十一日止年度之資本支出如下：

## 5 Revenue and segment information (Continued)

The segment assets and liabilities as at 31st March 2009 and capital expenditure for the year ended 31st March 2009 are as follows:

	鋼材分銷 Steel distribution 千港元 HK\$'000	建築產品 Building products 千港元 HK\$'000	塑膠 Plastics 千港元 HK\$'000	卷鋼中心 Coil centres 千港元 HK\$'000	其他業務 Other operations 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
Segment assets	704,200	110,878	35,482	–	64,469	915,029	分部資產
Segment liabilities	(167,832)	(12,565)	(7,694)	–	(3,149)	(191,240)	分部負債
Capital expenditure	384	3,200	13	8,545	2,732	14,874	資本支出

A reconciliation of segment assets and liabilities to total assets and liabilities are provided as follows:

於二零零九年三月三十一日之分部資產及負債及截至二零零九年三月三十一日止年度之資本支出如下：

分部資產及負債與資產及負債總額對賬如下：

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Segment assets	<b>1,134,557</b>	915,029	分部資產
Investment properties	<b>15,000</b>	28,000	投資物業
Investments in associates	<b>241,304</b>	253,515	於聯營公司之投資
Available-for-sale financial assets	–	580	可供出售之財務資產
Amounts due from associates	<b>52,344</b>	62,065	應收聯營公司
Derivative financial instruments	<b>990</b>	130	衍生金融工具
<b>Total assets</b>	<b>1,444,195</b>	1,259,319	<b>資產總額</b>

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Segment liabilities	<b>378,870</b>	191,240	分部負債
Borrowings	<b>414,206</b>	501,064	借貸
Derivative financial instruments	<b>133</b>	3,911	衍生金融工具
Amount due to an associate	–	1,568	應付一間聯營公司
<b>Total liabilities</b>	<b>793,209</b>	697,783	<b>負債總額</b>

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### 5 Revenue and segment information (Continued)

The Company is domiciled in Hong Kong. Analysis of the VSC Group's revenue by geographical market is as follows:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
<b>Revenue</b>			<b>收入</b>
Mainland China	<b>1,927,090</b>	3,390,185	中國內地
Hong Kong	<b>1,324,746</b>	1,269,322	香港
<b>Total revenue</b>	<b>3,251,836</b>	4,659,507	<b>收入總額</b>

For the year ended 31st March 2010, revenue of approximately HK\$365,117,000 (2009: HK\$242,598,000) was derived from a single external customer.

Analysis of the VSC Group's non-current assets by geographical market is as follows:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
<b>Non-current assets</b>			<b>非流動資產</b>
Mainland China	<b>274,930</b>	251,952	中國內地
Hong Kong	<b>39,012</b>	106,025	香港
<b>Total non-current assets</b>	<b>313,942</b>	357,977	<b>非流動資產總額</b>

Non-current assets comprise property, plant and equipment, investment properties, leasehold land and land use rights, investments in associates, deferred income tax assets and available-for-sale financial assets.

### 5 收入及分部資料 (續)

本公司於香港營運。萬順昌集團之收入按地區市場分析如下：

截至二零一零年三月三十一日止年度，約365,117,000港元（二零零九年：242,598,000港元）之收入乃賺取自一位對外客戶。

萬順昌集團之非流動資產按地區市場分析如下：

非流動資產包括物業、廠房及設備、投資物業、租賃土地及土地使用權、於聯營公司之投資、遞延所得稅資產及可供出售之財務資產。

## 6 Other gains/(losses) – net

## 6 其他收益／(虧損) — 淨額

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Provision for onerous contracts	(32,429)	–	有償契約之撥備
Loss on disposal of certain interest in a subsidiary			出售於一間附屬公司之若干權益之虧損
– 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 interest in an associate	–	(9,771)	出售於一間聯營公司之若干權益之虧損
Gain on disposal of an investment property (Note 16)	10,448	–	出售一項投資物業之收益(附註16)
Fair value loss on an investment property	–	(16,800)	一項投資物業之公平價值虧損
Fair value loss arising from a call option granted by a third party to acquire a company	–	(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
Impairment of goodwill	–	(9,810)	商譽減值
Net fair value losses on call/put options granted to/by a third party to dispose certain interests in a subsidiary	–	(2,132)	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
Fair value gains/(losses) on interest rate instruments	3,778	(2,528)	利率工具之公平價值收益／(虧損)
Net fair value losses on currency swap instruments	–	(4,000)	貨幣掉期工具之公平價值淨虧損
Net fair value (losses)/gains on forward foreign exchange contracts held for trading	(120)	2,727	持作買賣用途之遠期外匯合約之公平價值淨(虧損)／收益
Net fair value gains on steel future contracts	980	–	鋼材期貨合約之公平價值淨收益
Impairment loss on an available-for-sale financial asset	–	(200)	一項可供出售之財務資產之減值虧損
Gain on disposal of available-for-sale financial assets upon disposal of a subsidiary (Note 34(c))	1,631	–	出售一間附屬公司引致出售可供出售之財務資產之收益(附註34(c))
Dividend income from unlisted available-for-sale financial assets	–	227	非上市可供出售之財務資產之股息收入
Net exchange gain	509	9,847	淨滙兌收益
Amount recovered from an available-for-sale financial asset fully impaired previously	386	194	收回一項以往已全數減值之可供出售之財務資產
Consulting services income (Note 37(a))	19,634	–	諮詢服務收入(附註37(a))
Sundry income	422	–	雜項收入
	5,239	(90,363)	

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### 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支出之分析如下：

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Raw material consumed and finished goods sold	<b>3,018,978</b>	4,391,183	原材料耗用及製成品銷售
(Write-back)/write-down of inventories	<b>(65,504)</b>	75,817	存貨(撤回)/撇減
Depreciation of property, plant and equipment	<b>6,720</b>	13,913	物業、廠房及設備之折舊
Loss on disposals of property, plant and equipment (Note 34(b))	<b>1,372</b>	8,448	出售物業、廠房及設備之虧損(附註34(b))
Amortisation of leasehold land and land use rights	<b>202</b>	423	租賃土地及土地使用權之攤銷
Employee benefit expenses (Note 8)	<b>76,645</b>	115,503	僱員福利支出(附註8)
Operating lease rental in respect of			營業租約租金
– land and buildings	<b>14,709</b>	16,622	– 土地及樓宇
– plant and machinery	–	2,531	– 廠房及機器
Impairment of trade receivables	<b>8,267</b>	16,547	應收賬款減值
Impairment of other receivables	–	3,272	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
Auditor's remuneration	<b>1,500</b>	2,180	核數師酬金
Others	<b>57,860</b>	101,768	其他
Total cost of sales, selling and distribution expenses and general and administrative expenses	<b>3,120,749</b>	4,751,679	銷售成本、銷售及分銷支出與一般及行政支出總額



## 8 Employee benefit expenses (including directors' emoluments)

## 8 僱員福利支出（包含董事酬金）

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Salaries and allowances	55,887	97,767	薪金及津貼
Bonus	13,904	4,670	花紅
Pension costs –			退休金成本 –
defined contribution plans	3,099	6,993	界定供款計劃
Share option scheme – value of services	2,026	1,292	購股權計劃 – 服務價值
Welfare and benefits	1,729	4,781	利益及福利
	<b>76,645</b>	115,503	

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.

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.

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。終止僱用之員工未歸屬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。供款全部及即時歸屬予僱員。

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。

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### 8 Employee benefit expenses (including directors' emoluments) (Continued)

During the year ended 31st March 2010, the aggregate amount of the VSC Group's contributions to the aforementioned pension schemes was approximately HK\$3,099,000 (2009: HK\$6,993,000), net of forfeited contributions of approximately HK\$526,000 (2009: HK\$42,000). As at 31st March 2010, there is no unutilised forfeited contribution which could be utilised to reduce future contributions of the VSC Group (2009: nil).

### 9 Directors' and senior management' emoluments

#### (a) Directors' emoluments

The remuneration of every Director for the year ended 31st March 2010 is set out below:

	袍金	薪金及津貼	酌情花紅 <sup>(i)</sup>	僱主就退休金計劃之供款	購股權計劃—服務價值	總額	
	Fees	Salaries and allowances	Discretionary bonus <sup>(i)</sup>	Employer's contribution to pension scheme	Share option scheme – value of services	Total	
	千港元	千港元	千港元	千港元	千港元	千港元	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Executive directors</b>							<b>執行董事</b>
Mr. Yao Cho Fai, Andrew	–	1,206	–	12	–	1,218	姚祖輝先生
Mr. Dong Sai Ming, Fernando	–	429	–	12	–	441	唐世銘先生
<b>Independent non-executive directors</b>							<b>獨立非執行董事</b>
Dr. Chow Yei Ching	120	–	–	–	–	120	周亦卿博士
Mr. Harold Richard Kahler	349	–	–	–	–	349	Harold Richard Kahler先生
Mr. Tam King Ching, Kenny	120	–	–	–	–	120	譚競正先生
Mr. Xu Lin Bao	120	–	–	–	–	120	徐林寶先生
	709	1,635	–	24	–	2,368	

### 8 僱員福利支出 (包含董事酬金) (續)

截至二零一零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3,099,000港元（二零零九年：6,993,000港元），淨沒收供款約526,000港元（二零零九年：42,000港元）。於二零一零年三月三十一日，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（二零零九年：無）。

### 9 董事及高級管理人員酬金

#### (a) 董事酬金

截至二零一零年三月三十一日止年度每位董事酬金如下：

## 9 Directors' and senior management' emoluments (Continued)

### (a) Directors' emoluments (Continued)

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

	袍金	薪金及津貼	酌情花紅 <sup>(i)</sup>	僱主就退休金計劃之供款	購股權計劃—服務價值	總額	
	Fees	Salaries and allowances	Discretionary bonus <sup>(i)</sup>	Employer's Share option contribution to pension scheme	value of services	Total	
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
<b>Executive directors</b>							<b>執行董事</b>
Mr. Yao Cho Fai, Andrew	–	1,307	–	12	–	1,319	姚祖輝先生
Mr. Dong Sai Ming, Fernando	–	464	80	12	–	556	唐世銘先生
<b>Independent non-executive directors</b>							<b>獨立非執行董事</b>
Dr. Chow Yei Ching	120	–	–	–	323	443	周亦卿博士
Mr. Harold Richard Kahler	351	–	–	–	323	674	Harold Richard Kahler先生
Mr. Tam King Ching, Kenny	120	–	–	–	323	443	譚競正先生
Mr. Xu Lin Bao	120	–	–	–	323	443	徐林寶先生
	711	1,771	80	24	1,292	3,878	

Note:

- (i) The executive directors are entitled to discretionary bonuses which are determined with reference to the financial performance of different business units of the VSC Group.

The share option scheme – value of services represent charges to the consolidated 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.

## 9 董事及高級管理人員酬金 (續)

### (a) 董事酬金 (續)

截至二零零九年三月三十一日止年度每位董事酬金如下：

	袍金	薪金及津貼	酌情花紅 <sup>(i)</sup>	僱主就退休金計劃之供款	購股權計劃—服務價值	總額	
	Fees	Salaries and allowances	Discretionary bonus <sup>(i)</sup>	Employer's Share option contribution to pension scheme	value of services	Total	
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
<b>Executive directors</b>							<b>執行董事</b>
Mr. Yao Cho Fai, Andrew	–	1,307	–	12	–	1,319	姚祖輝先生
Mr. Dong Sai Ming, Fernando	–	464	80	12	–	556	唐世銘先生
<b>Independent non-executive directors</b>							<b>獨立非執行董事</b>
Dr. Chow Yei Ching	120	–	–	–	323	443	周亦卿博士
Mr. Harold Richard Kahler	351	–	–	–	323	674	Harold Richard Kahler先生
Mr. Tam King Ching, Kenny	120	–	–	–	323	443	譚競正先生
Mr. Xu Lin Bao	120	–	–	–	323	443	徐林寶先生
	711	1,771	80	24	1,292	3,878	

附註：

- (i) 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綜合損益表中列作開支。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 9 Directors' and senior management' emoluments (Continued)

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the VSC Group include one director (2009: one) whose emoluments are reflected in the analysis presented in Note 9(a) above. The emoluments paid/payable to the remaining four (2009: four) individuals during the year are as follows:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Salaries and allowances	4,958	4,109	薪金及津貼
Bonus	387	641	花紅
	<b>5,345</b>	4,750	
	二零一零年 2010	二零零九年 2009	
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	3	4	– 1,000,001港元至 1,500,000港元
– HK\$2,000,001 to HK\$2,500,000	1	–	– 2,000,001港元至 2,500,000港元
	<b>4</b>	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.

### 9 董事及高級管理人員酬金 (續)

#### (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(二零零九年：一位)，彼之酬金分析已載於上文附註9(a)。其餘四位(二零零九年：四位)人士於本年度期間之已付／應付酬金如下：

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

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	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Finance income			財務收入
Interest income:			利息收入：
– short-term bank deposits	341	3,516	– 短期銀行存款
– from an associate (Note 37(a))	973	765	– 來自一間聯營公司 (附註37(a))
	<b>1,314</b>	4,281	
Finance costs			財務費用
Interest expenses:			利息支出：
– bank borrowings wholly repayable within five years	(10,612)	(37,372)	– 須於五年內全數償還 之銀行借貸
– to a related party (Note 37(a))	–	(2,163)	– 予一關連人士 (附註37(a))
Bank charges	(9,370)	(12,443)	銀行費用
	<b>(19,982)</b>	(51,978)	
Net finance costs	<b>(18,668)</b>	(47,697)	淨財務費用

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### 11 Income tax (expense)/credit

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) 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 20% to 25% (2009: 9% to 25%).

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

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Current income tax			當期所得稅
– Hong Kong profits tax	(1,822)	(7,957)	– 香港利得稅
– China corporate income tax	(2,558)	(11,149)	– 中國企業所得稅
– Macau profits tax	–	(15)	– 澳門利得稅
Deferred income tax (Note 20)	(17,493)	24,602	遞延所得稅(附註20)
(Under)/over-provision in prior years	(406)	1,065	過往年度之(低估)/高估撥備
	<b>(22,279)</b>	6,546	

### 11 所得稅(支出)/計入

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%(二零零九年:16.5%)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介乎20%至25%(二零零九年:9%至25%)繳付中國企業所得稅。

於綜合損益表中確認之所得稅(支出)/計入之金額包括:



## 11 Income tax (expense)/credit (Continued)

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

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
Profit/(loss) before income tax and before share of losses of associates – net	<b>117,658</b>	(230,232)
Tax calculated at domestic tax rates applicable to profits in the respective countries	<b>(20,529)</b>	28,439
Income not subject to tax	<b>2,209</b>	408
Expenses not deductible for tax purposes	<b>(861)</b>	(747)
Tax losses not recognized as deferred tax assets	<b>(2,692)</b>	(13,678)
Derecognition of deferred tax assets (Under)/over-provision in prior years	<b>–</b>	(8,941)
	<b>(406)</b>	1,065
Income tax (expense)/credit	<b>(22,279)</b>	6,546

For the year ended 31st March 2010, the weighted average applicable tax rate was 17.4% (2009: 12.4%). The increase is due to the impact of the increase in tax rate in the PRC.

萬順昌集團除稅及應佔聯營公司虧損－淨額前溢利／(虧損)之稅項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：

截至二零一零年三月三十一日止年度，加權平均適用稅率為17.4%（二零零九年：12.4%）。其增加是由於中國稅率上升所致。

## 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 a profit of approximately HK\$10,687,000 (2009: HK\$11,259,000).

## 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10,687,000港元之溢利（二零零九年：11,259,000港元）。

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### 13 Dividends

### 13 股息

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
Interim dividend of HK3 cents per ordinary share (2009: nil)	12,422	-
Proposed final dividend of HK2.4 cents per ordinary share (2009: nil)	9,939	-
	<b>22,361</b>	-

A final dividend for the year ended 31st March 2010 of HK2.4 cents per ordinary share, totalling HK\$9,939,000 (2009: nil), has been recommended by the Directors for approval at the forthcoming Annual General Meeting of the Company. The proposed dividend has not been dealt as dividend payable as at 31st March 2010.

董事建議於即將舉行之本公司股東週年大會上批准派付截至二零一零年三月三十一日止年度末期股息每股普通股2.4港仙，合共9,939,000港元（二零零九年：無）。該建議股息並沒有於二零一零年三月三十一日之賬目中列為應付股息。

### 14 Earning/(loss) per ordinary share

#### (a) Basic

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

### 14 每股普通股盈利/(虧損)

#### (a) 基本

計算每股普通股基本盈利/(虧損)乃按本公司股權持有人應佔溢利/(虧損)除以年內已發行普通股之加權平均數計算。

	二零一零年 2010	二零零九年 2009
Profit/(loss) attributable to equity holders of the Company (HK\$'000)	75,221	(278,252)
Weighted average number of ordinary shares in issue ('000)	401,955	381,094
Basic earning/(loss) per ordinary share (HK cents)	18.71	(73.01)

## 14 Earning/(loss) per ordinary share (Continued)

### (b) Diluted

Diluted earning/(loss) per ordinary 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.

## 14 每股普通股盈利／(虧損) (續)

### (b) 攤薄

計算每股普通股攤薄盈利／(虧損)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。

	二零一零年 2010	二零零九年 2009	
Profit/(loss) attributable to equity holders of the Company and used to determine diluted earning/(loss) per ordinary share (HK\$'000)	75,221	(278,252)	本公司股權持有人應佔溢利／(虧損)及用以釐訂每股普通股攤薄盈利／(虧損)(千港元)
Weighted average number of ordinary shares in issue ('000)	401,955	381,094	已發行普通股之加權平均數(千股)
Adjustment for share options ('000)	1,978	—	調整購股權(千份)
Weighted average number of ordinary shares for diluted earning/(loss) per ordinary share ('000)	403,933	381,094	每股普通股攤薄盈利／(虧損)之普通股加權平均數(千股)
Diluted earning/(loss) per ordinary share (HK cents)	18.62	(73.01)	每股普通股攤薄盈利／(虧損)(港仙)

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### 15 Property, plant and equipment

### 15 物業、廠房及設備

	綜合 Consolidated					
	租賃物業裝修、 樓宇 傢俬及設備 Leasehold improvements, furniture and Buildings	千港元 HK\$'000	機器 Machinery	汽車 Motor vehicles	總額 Total	
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	(46,434)	(8,327)	(48,065)	(1,498)	(104,324)	出售一間附屬公司
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
Year ended 31st March 2010						截至二零一零年 三月三十一日止年度
Opening net book amount	3,849	16,114	438	1,616	22,017	期初賬面淨值
Additions	–	1,856	–	5,839	7,695	添置
Disposals	–	(1,138)	–	(421)	(1,559)	出售
Depreciation	(116)	(5,511)	(161)	(932)	(6,720)	折舊
Exchange differences	1	3	–	4	8	滙兌差額
Closing net book amount	3,734	11,324	277	6,106	21,441	期終賬面淨值
At 31st March 2010						於二零一零年三月三十一日
Cost	4,403	35,029	5,559	10,382	55,373	成本
Accumulated depreciation	(669)	(23,705)	(5,282)	(4,276)	(33,932)	累計折舊
Net book amount	3,734	11,324	277	6,106	21,441	賬面淨值

Depreciation expense is recognised in the consolidated income statement as follows:

於綜合損益表中確認之折舊支出如下：

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Cost of sales	–	6,699	銷售成本
General and administrative expenses	6,720	7,214	一般及行政支出
	6,720	13,913	

## 16 Investment properties

## 16 投資物業

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
At 1st April	28,000	44,800	於四月一日
Fair value loss	–	(16,800)	公平價值虧損
Disposal	(13,000)	–	出售
At 31st March	15,000	28,000	於三月三十一日

The rental income derived from the investment properties is approximately HK\$1,111,000 during the year (2009: HK\$2,033,000).

本年度期間，由投資物業所產生之租金收入約1,111,000港元（二零零九年：2,033,000港元）。

Details of the geographical locations and tenure are as follows:

地理位置及業權租賃期詳情如下：

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
In Hong Kong			於香港
– medium-term leases of 10 to 50 years	–	13,000	– 10至50年之中期租約
– long-term leases of over 50 years	15,000	15,000	– 超逾50年之長期租約
	15,000	28,000	

(i) An investment property was disposed during the year at a cash consideration of approximately HK\$23,448,000, resulting in a gain of approximately HK\$10,448,000.

(i) 本年度期間，一項投資物業以約23,448,000港元之現金代價售出，並錄得約10,448,000港元之收益。

(ii) As at 31st March 2010, investment properties of approximately HK\$15,000,000 (2009: HK\$28,000,000) were stated at open market value as determined by the directors based on valuations assessed by an independent, professionally qualified valuer. The VSC Group sold the remaining investment property subsequently on 7th June 2010 (Note 38).

(ii) 於二零一零年三月三十一日，約15,000,000港元（二零零九年：28,000,000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值之估值列賬。萬順昌集團其後於二零一零年六月七日出售餘下之投資物業（附註38）。

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### 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:

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
At 1st April	11,132	27,417	於四月一日
Amortisation	(202)	(423)	攤銷
Disposal of a subsidiary	–	(16,226)	出售一間附屬公司
Exchange differences	–	364	滙兌差額
At 31st March	10,930	11,132	於三月三十一日

Details of the geographical locations and tenure are as follows:

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
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
– long-term rights of over 50 years	10,833	11,035	– 超逾50年之長期使用權
	10,930	11,132	

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

### 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分析如下：

地理位置及業權租賃期詳情如下：

租賃土地及土地使用權之攤銷已包括在綜合損益表之一般及行政支出中。



## 18 Investments in subsidiaries

## 18 於附屬公司之投資

	本公司 Company		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Unlisted shares, at cost	71,746	71,746	非上市股份，按成本
Due from subsidiaries	457,142	451,348	應收附屬公司
	<b>528,888</b>	523,094	

The amounts due from subsidiaries are unsecured, non-interest bearing, denominated in Hong Kong dollar and without predetermined repayment terms.

應收附屬公司之金額為無抵押的、不計利息、以港元列賬及並無預定之還款期。

Details of the principal subsidiaries as at 31st March 2010 are as follows:

於二零一零年三月三十一日之主要附屬公司詳情如下：

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

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### 18 Investments in subsidiaries (Continued)

### 18 於附屬公司之投資 (續)

名稱 Name	註冊成立／成立 及經營地點 Place of incorporation/ establishment and operations	已發行及繳足 股本／註冊股本 Issued and fully paid share capital/ registered capital	萬順昌集團 應佔之股本 權益百分比(i) Percentage of equity interest attributable to the VSC Group (i)	主要業務 Principal activities
萬順昌行有限公司 Van Shung Chong Hong Limited	香港 Hong Kong	2,000港元普通股 10,000,000港元 無投票權 遞延股(ii) HK\$2,000 ordinary HK\$10,000,000 non-voting deferred (ii)	100%	買賣鋼材與及提供 管理服務 Trading of steel and provision of management services
順發貨倉有限公司 Vantage Godown Company Limited	香港 Hong Kong	200,000港元 HK\$200,000	100%	提供倉庫服務 Provision of warehousing services
萬順昌建築材料有限公司 VSC Building Products Company Limited	香港 Hong Kong	2港元 HK\$2	100%	買賣潔具、廚櫃及 家具及安裝廚櫃 Trading of sanitary wares, kitchen cabinets and home furniture and kitchen cabinet installation
萬順昌塑膠有限公司 VSC Plastics Company Limited	香港 Hong Kong	2港元 HK\$2	100%	買賣塑膠樹脂 Trading of plastics resins
萬順昌鋼鐵有限公司 VSC Steel Company Limited	香港 Hong Kong	38,000港元普通股 20,000,000港元 無投票權 遞延股(ii) HK\$38,000 ordinary HK\$20,000,000 non-voting deferred (ii)	100%	存銷及買賣鋼材 Stockholding and trading of steel
萬順昌鋼鐵(深圳)有限公司(iii) VSC Steel (Shenzhen) Co., Ltd. (iii)	中國內地 Mainland China	20,000,000港元 HK\$20,000,000	100%	存銷及買賣鋼材 Stockholding and trading of steel
亞萬鋼國際貿易(上海) 有限公司(iii) VSC Steel (Shanghai) Co., Ltd. (iii)	中國內地 Mainland China	7,280,000美元 US\$7,280,000	100%	存銷及買賣鋼材 Stockholding and trading of steel
金運貿易(深圳)有限公司(iii) VSC Trading (Shezhen) Co., Ltd. (iii)	中國內地 Mainland China	2,400,000港元 HK\$2,400,000	100%	買賣塑膠樹脂 Trading of plastics resins

## 18 Investments in subsidiaries (Continued)

Notes:

- (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. 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 enterprises established in Mainland China with an operating period of 20 years to 2028.

## 18 於附屬公司之投資 (續)

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附註：

- (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。

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### 19 Investments in associates/Amounts due from/(to) associates

### 19 於聯營公司之投資／應收／(應付) 聯營公司

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Investment cost	241,304	253,515	投資成本
Amounts due from associates	52,344	62,065	應收聯營公司
Amount due to an associate	–	(1,568)	應付一間聯營公司
	52,344	60,497	

The movements of investments in associates are as follows:

於聯營公司之投資變動如下：

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
At 1st April	253,515	158,882	於四月一日
Disposal of certain interests in a subsidiary and reclassified it as an associate	–	222,623	出售一間附屬公司之若干權益及重新分類其為一間聯營公司
Disposal of certain interests in an associate	–	(103,383)	出售一間聯營公司之若干權益
Share of losses of associates – net	(12,896)	(26,508)	應佔聯營公司虧損 – 淨額
Exchange differences	685	1,901	滙兌差額
At 31st March	241,304	253,515	於三月三十一日

## 19 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:

## 19 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：

名稱	註冊及已繳股本	成立／ 註冊地點	萬順昌集團應佔				萬順昌集團 應佔之股本 權益百分比
			Percentage of equity interest attributable to the VSC Group				
Name	Registered and paid up capital	Place of establishment/ incorporation	Attributable to the VSC Group				Percentage of equity interest attributable to the VSC Group
			資產 Assets 千港元 HK\$'000	負債 Liabilities 千港元 HK\$'000	收入 Revenues 千港元 HK\$'000	溢利／(虧損) Profit/(loss) 千港元 HK\$'000	
於二零一零年三月三十一日 As at 31st March 2010							
瑞爾盛中國有限公司(a) Ryerson China Limited (a)	15,000美元 US\$15,000	英屬處女群島 British Virgin Islands	169,127	(69,926)	200,462	2,044	20%
China Able Limited (b)	26,190,000美元 US\$26,190,000	英屬處女群島 British Virgin Islands	237,721	(107,983)	14,997	10,182	33.3%
VSC Hotel Investments Limited (c)	50美元 US\$50	英屬處女群島 British Virgin Islands	22,932	(26,258)	14,484	(26,140)	44%
Protection Asia Limited (d)	1,000美元 US\$1,000	薩摩亞 Samoa	2,997	(63)	—	—	37.5%
常熟寶順昌鋼材加工 有限公司(e) Changshu Baoshunchang Steel Processing Co., Ltd. (e)	6,400,000美元 US\$6,400,000	中國內地 Mainland China	28,625	(19,194)	44,896	1,018	34.9%
			461,402	(223,424)	274,839	(12,896)	

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 19 Investments in associates/Amounts due from/(to) associates (Continued)

### 19 於聯營公司之投資／應收／(應付) 聯營公司 (續)

名稱	註冊及已繳股本	成立／ 註冊地點	萬順昌集團應佔				萬順昌集團 應佔之股本 權益百分比
			Percentage of equity interest attributable to the VSC Group				
Name	Registered and paid up capital	Place of establishment/ incorporation	Attributable to the VSC Group				Percentage of equity interest attributable to the VSC Group
			資產 Assets 千港元 HK\$'000	負債 Liabilities 千港元 HK\$'000	收入 Revenues 千港元 HK\$'000	溢利／(虧損) Profit/(loss) 千港元 HK\$'000	
於二零零九年三月三十一日 As at 31st March 2009							
瑞爾盛中國有限公司(a) Ryerson China Limited (a)	15,000美元 US\$15,000	英屬處女群島 British Virgin Islands	142,876	(46,005)	64,970	(20,837)	20%
China Able Limited (b)	26,190,000美元 US\$26,190,000	英屬處女群島 British Virgin Islands	227,984	(108,760)	11,145	(3,164)	33.3%
VSC Hotel Investments Limited (c)	50美元 US\$50	英屬處女群島 British Virgin Islands	49,516	(22,882)	12,470	(3,033)	44%
Protection Asia Limited (d)	1,000美元 US\$1,000	薩摩亞 Samoa	2,997	(63)	–	–	37.5%
常熟寶順昌鋼材加工 有限公司(e) Changshu Baoshunchang Steel Processing Co., Ltd. (e)	6,400,000美元 US\$6,400,000	中國內地 Mainland China	21,753	(13,901)	10,135	526	34.9%
			445,126	(191,611)	98,720	(26,508)	



## 19 Investments in associates/Amounts due from/(to) associates (Continued)

Notes:

- (a) Ryerson China Limited (“Ryerson China”), which was formerly known as VSC-Ryerson China Limited, became an associate of the VSC Group when the VSC Group disposed of its 20% interest in Ryerson China on 31st October 2008 to Ryerson Pan-Pacific LLC (“Ryerson”) after the call option was exercised by Ryerson, reducing VSC Group’s equity interest in Ryerson China from 60% to 40%. Subsequently, the VSC Group further disposed of an additional 20% interest in Ryerson China on 31st December 2008 to Ryerson when the put option was exercised. The VSC Group has conditionally agreed to further dispose the remaining 20% interest in Ryerson China on 3rd June 2010 (Note 38).
- (b) China Able Limited (“China Able”) is a contractual joint venture which is held in equal shares between Fit Team Holdings Limited (“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 was an associate of the VSC Group since May 2007.

## 19 於聯營公司之投資／應收／(應付) 聯營公司 (續)

附註：

- (a) 當 Ryerson Pan-Pacific LLC (「Ryerson」) 行使其認購權後，Ryerson於二零零八年十月三十一日購入萬順昌集團所出售於瑞爾盛中國有限公司(「瑞爾盛中國」)，前稱為萬順昌－瑞爾盛中國有限公司之20%權益，萬順昌集團擁有瑞爾盛中國之股本權益因而由60%減少至40%。其後，當萬順昌集團行使其認沽權後，於二零零八年十二月三十一日進一步出售於瑞爾盛中國額外之20%權益予Ryerson。於二零一零年六月三日，萬順昌集團有條件同意再出售餘下於瑞爾盛中國之20%權益(附註38)。
- (b) China Able Limited (「China Able」) 乃一間由Fit Team Holdings Limited (「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。自二零零七年五月，China Able已成為萬順昌集團之一間聯營公司。

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### 19 Investments in associates/Amounts due from/(to) associates (Continued)

Notes: (Continued)

- (c) VSC Hotel Investments Limited ("VSC Hotel") became an associate of the VSC Group when the VSC Group disposed of 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 a negative goodwill of approximately HK\$1,128,000 was recognised in consolidated income statement in prior year. 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 20th July 2009, the call option was terminated.
- (d) Protection Asia Limited became an associate of the VSC Group when 37.5% of its equity interest was subscribed by CAMP (B.V.I.) Holdings Limited, a wholly owned subsidiary of the VSC Group, on 1st September 2007.
- (e) Changshu Baoshunchang Steel Processing Co., Ltd, which was formerly known as 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 Ryerson China of approximately HK\$31,936,000 is unsecured, bear interest at commercial rate, is repayable in 120 days and is not impaired. 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 2010 (2009: nil).

### 19 於聯營公司之投資／應收／(應付) 聯營公司 (續)

附註：(續)

- (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」)，其於VSC Hotel之股本權益由90%減少至40%。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%及已於往年度確認約1,128,000港元之負商譽於綜合損益表中。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，其行使期改為由二零零九年十一月一日至二零一一年四月三十日。於二零零九年七月二十日，其認購權已被終止。
- (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，認購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。
- (e) 常熟寶順昌鋼材加工有限公司，前稱為常熟寶順昌機電製造有限公司，自二零零五年十一月便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。

應收瑞爾盛中國約31,936,000港元之金額為無抵押、按商業利率計息、須於120日內償還及未作減值。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。於二零一零年三月三十一日，其賬面金額與其公平價值相約及沒有減值(二零零九年：無)。

## 19 Investments in associates/Amounts due from/(to) associates (Continued)

The amounts due from/(to) associates were denominated in the following currencies:

	綜合	
	Consolidated	
	二零一零年	二零零九年
	2010	2009
	千港元	千港元
	HK\$'000	HK\$'000
Chinese Renminbi	(3,869)	(2,278) 人民幣
Hong Kong dollar	56,213	62,775 港元
	52,344	60,497

## 19 於聯營公司之投資／應收／(應付) 聯營公司 (續)

應收／(應付) 聯營公司之金額包含下列貨幣：

## 20 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:

## 20 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。抵銷金額如下：

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
Deferred income tax assets:		遞延所得稅資產：	
– Deferred income tax assets to be recovered after 12 months	16,341	20,720	– 將於十二個月後收回之遞延所得稅資產
– Deferred income tax assets to be recovered within 12 months	8,926	22,013	– 將於十二個月內收回之遞延所得稅資產
	25,267	42,733	
Deferred income tax liabilities:		遞延所得稅負債：	
– Deferred income tax liabilities to be settled after 12 months	(5)	(5)	– 將於十二個月後清償之遞延所得稅負債
Net deferred income tax assets	25,262	42,728	遞延所得稅資產淨額

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### 20 Deferred income tax assets/ (liabilities) (Continued)

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

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
At 1st April	42,728	29,127	於四月一日
Recognised in the consolidated income statement	(17,493)	24,602	已於綜合損益表中 確認
Disposal of a subsidiary	–	(11,493)	出售一間附屬公司
Exchange differences	27	492	滙兌差額
At 31st March	25,262	42,728	於三月三十一日

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:

	綜合 Consolidated					
	投資物業之 公平價值虧損 Fair value losses on investment properties 千港元 HK\$'000	撥備 Provisions 千港元 HK\$'000	累計稅項虧損 Cumulative tax losses 千港元 HK\$'000	減慢折舊 Decelerated depreciation 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
At 1st April 2008	655	1,811	28,586	465	31,517	於二零零八年四月一日
Disposal of a subsidiary	–	(219)	(11,304)	1	(11,522)	出售一間附屬公司
Credited/(charged) to the consolidated income statement	1	(783)	22,989	141	22,348	已於綜合損益表中 計入/(扣除)
Exchange differences	–	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
(Charged)/credited to the consolidated income statement	(408)	4,520	(21,612)	(47)	(17,547)	已於綜合損益表中 (扣除)/計入
Exchange differences	–	–	27	–	27	滙兌差額
At 31st March 2010	248	5,351	19,156	560	25,315	於二零一零年 三月三十一日

### 20 遞延所得稅資產 / (負債) (續)

淨遞延所得稅資產變動如下：

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變動如下：

遞延所得稅資產：

## 20 Deferred income tax assets/ (liabilities) (Continued)

Deferred tax liabilities:

	綜合 Consolidated		總額 Total	
	加速折舊 Accelerated depreciation	投資物業之 公平價值收益 Fair value gains on investment properties		
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
At 1st April 2008	(160)	(2,230)	(2,390)	於二零零八年四月一日
Disposal of a subsidiary	29	–	29	出售一間附屬公司
Credited to the consolidated income statement	24	2,230	2,254	已於綜合損益表中計入
At 31st March 2009	(107)	–	(107)	於二零零九年三月三十一日
Credited to the consolidated income statement	54	–	54	已於綜合損益表中計入
At 31st March 2010	(53)	–	(53)	於二零一零年三月三十一日

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 2010, the deferred income tax assets recognised from tax loss of approximately HK\$11,091,000 (2009: HK\$26,612,000) can be carried forward indefinitely.

The VSC Group did not recognise deferred income tax assets of HK\$44,128,000 (2009: HK\$41,436,000) in respect of losses amounting to HK\$177,771,000 (2009: HK\$162,627,000) that can be carried forward against future taxable income. As at 31st March 2010, the cumulative tax losses of approximately HK\$8,543,000 (2009: HK\$4,857,000) can be carried forward indefinitely while tax losses of approximately HK\$169,228,000 (2009: HK\$157,770,000) will expire in five years.

## 20 遞延所得稅資產/ (負債) (續)

遞延所得稅負債：

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。於二零一零年三月三十一日，已就稅項虧損所確認之遞延所得稅資產約11,091,000港元(二零零九年：26,612,000港元)，該金額可以無限期結轉。

萬順昌集團並無就約177,771,000港元(二零零九年：162,627,000港元)之虧損確認約44,128,000港元(二零零九年：41,436,000港元)之遞延所得稅資產，該金額可以抵銷未來應課稅收。於二零一零年三月三十一日，累計稅項虧損約8,543,000港元(二零零九年：4,857,000港元)可以無限期結轉，而稅項虧損約169,228,000港元(二零零九年：157,770,000港元)將於五年內失效。

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### 20 Deferred income tax assets/ (liabilities) (Continued)

Deferred income tax liabilities of approximately HK\$1,866,000 (2009: HK\$669,000) have been recognized for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries. Management currently has no intention to remit those earnings.

### 21 Available-for-sale financial assets

All available-for-sale financial assets were unlisted and denominated in United States dollar. Movements are as follows:

### 20 遞延所得稅資產／ (負債) (續)

就若干附屬公司之未轉移盈利之應付預扣稅已被確認為約1,866,000港元(二零零九年：669,000港元)之遞延所得稅負債。管理層現時並無意轉移其盈利。

### 21 可供出售之財務資產

所有可供出售之財務資產為非上市及以美元列賬。其變動如下：

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
At 1st April	580	7,055	於四月一日
Impairment	—	(200)	減值
Disposal of a subsidiary	(580)	(6,103)	出售一間附屬公司
Net revaluation deficit recognised in reserve	—	(172)	已於儲備中確認之 淨重估虧損
At 31st March	—	580	於三月三十一日

## 22 Derivative financial instruments

## 22 衍生金融工具

	綜合 Consolidated				
	二零一零年 2010		二零零九年 2009		
	資產	負債	資產	負債	
	Assets	Liabilities	Assets	Liabilities	
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
Interest rate instrument (Note a)	–	133	–	3,906	利率工具 (附註a)
Currency swap instruments	–	–	88	–	貨幣掉期工具
Forward foreign exchange contracts – held for trading (Note b)	10	–	42	5	遠期外匯合約 – 持有作買賣 用途(附註b)
Steel future contracts (Note c)	980	–	–	–	鋼材期貨合約 (附註c)
<b>Total</b>	<b>990</b>	<b>133</b>	130	3,911	總額
Less non-current portion:					減去非當期部份：
Interest rate instrument	–	(133)	–	(3,172)	利率工具
<b>Current portion</b>	<b>990</b>	–	130	739	當期部份

	本公司 Company				
	二零一零年 2010		二零零九年 2009		
	資產	負債	資產	負債	
	Assets	Liabilities	Assets	Liabilities	
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
Interest rate instrument (Note d)	–	133	–	3,172	利率工具 (附註d)
Less non-current portion:					減去非當期部份：
Interest rate instrument	–	(133)	–	(3,172)	利率工具
<b>Current portion</b>	–	–	–	–	當期部份

The 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.

若被對沖項目之剩餘期間超過12個月，則衍生工具會分類為非流動資產或負債，而若被對沖項目之剩餘期間少於12個月，則為流動資產或負債。

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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 22 Derivative financial instruments (Continued)

Notes:

- (a) The notional principal amount of the outstanding interest rate instrument at 31st March 2010 was approximately HK\$11,689,000 (2009: HK\$19,397,000). Fair value gains/(losses) on the interest rate instrument as of 31st March 2010 were recognised in other gains/(losses) – net in the consolidated income statement. The settlement date is 8th September 2011.
- (b) The total notional principal amount of the outstanding forward foreign exchange contracts at 31st March 2010 was approximately HK\$7,760,000 (2009: HK\$57,350,000). Net fair value gains/(losses) on forward foreign exchange contracts as of 31st March 2010 were recognised in other gains/(losses) – net in the consolidated income statement. The settlement date is 26th May 2011.
- (c) The notional principal amount of the outstanding steel future contracts at 31st March 2010 was approximately HK\$53,141,000 (2009: nil). Net fair value gains on steel future contracts as of 31st March 2010 were recognised in other gains/(losses) – net in the consolidated income statement. The settlement date is 15th October 2010.
- (d) The notional principal amount of the outstanding interest rate instrument at 31st March 2010 was approximately HK\$11,689,000 (2009: HK\$19,397,000). Fair value gains/(losses) on the interest rate instrument as of 31st March 2010 were recognised in other gains/(losses) – net in the income statement. The settlement date is 8th September 2011.

### 22 衍生金融工具 (續)

附註：

- (a) 於二零一零年三月三十一日，尚有之利率工具之設定本金額約11,689,000港元(二零零九年：19,397,000港元)。於二零一零年三月三十一日，利率工具公平價值之收益／(虧損)已於綜合損益表之其他收益／(虧損)－淨額中確認。結算日為二零一一年九月八日。
- (b) 於二零一零年三月三十一日，尚有之遠期外匯合約之總設定本金額約7,760,000港元(二零零九年：57,350,000港元)。於二零一零年三月三十一日，遠期外匯合約之淨公平價值收益／(虧損)已於綜合損益表之其他收益／(虧損)－淨額中確認。結算日為二零一一年五月二十六日。
- (c) 於二零一零年三月三十一日，尚有之鋼材期貨合約之設定本金額約53,141,000港元(二零零九年：無)。於二零一零年三月三十一日，鋼材期貨合約之淨公平價值收益已於綜合損益表之其他收益／(虧損)－淨額中確認。結算日為二零一零年十月十五日。
- (d) 於二零一零年三月三十一日，尚有之利率工具之設定本金額約11,689,000港元(二零零九年：19,397,000港元)。於二零一零年三月三十一日，利率工具之公平價值收益／(虧損)已於損益表之其他收益／(虧損)－淨額中確認。結算日為二零一一年九月八日。

## 23 Inventories

## 23 存貨

	綜合 Consolidated	
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
Finished goods	<b>245,720</b>	259,697 製成品

The costs of inventories recognised as expenses and included in cost of sales in the consolidated income statement amounted to approximately HK\$3,018,978,000 (2009: HK\$4,391,183,000).

As at 31st March 2010, inventories of approximately HK\$30,993,000 (2009: HK\$27,884,000) were pledged as collaterals for certain of the VSC Group's bank borrowings, and certain inventories were held under trust receipts bank loan arrangements.

約3,018,978,000港元（二零零九年：4,391,183,000港元）之存貨成本已確認為支出並已包括在綜合損益表之銷售成本中。

於二零一零年三月三十一日，約30,993,000港元（二零零九年：27,884,000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。

## 24 Due from customers on installation contract work

## 24 應收客戶之安裝合約工程

	綜合 Consolidated	
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
Costs plus recognised profits less foreseeable losses	<b>19,701</b>	19,000 成本加已確認之溢利減可預見之虧損
Less: Progress billings received and receivable	<b>(19,701)</b>	(16,300) 減：已收及應收之進度賬款
Less: Impairment	-	(2,000) 減：減值
	-	700

The remaining carrying amount approximated its fair value. It is the industry's practice that the remaining balance will be settled after 1 year.

餘下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。

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### 25 Trade and bill receivables/Loan receivables

#### (a) Trade and bill receivables

### 25 應收賬款及票據／應收貸款

#### (a) 應收賬款及票據

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Trade and bill receivables			應收賬款及票據
– from third parties	410,967	254,178	– 自第三方
– from an associate	13,881	19,696	– 自一間聯營公司
Less: provision for impairment of trade receivables	(15,022)	(16,685)	減：應收賬款減值撥備
Trade and bill receivables, net	409,826	257,189	應收賬款及票據，淨額

Sales are either covered by (i) letters of credit with bill payable at sight or (ii) open account with credit terms of 15 to 60 days.

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60日不等。

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

應收賬款及票據根據發票日期之賬齡分析如下：

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
0 to 60 days	371,468	206,853	0 – 60日
61 to 120 days	32,479	31,258	61 – 120日
121 to 180 days	4,729	10,497	121 – 180日
181 to 365 days	1,121	9,685	181 – 365日
Over 365 days	15,051	15,581	超過365日
	424,848	273,874	
Less: Provision for impairment of trade receivables	(15,022)	(16,685)	減：應收賬款減值撥備
	409,826	257,189	

At 31st March 2010, included in trade and bill receivables were retentions from installation contract work of approximately HK\$2,798,000 (2009: HK\$1,905,000), which were not due for collection until satisfaction of the conditions specified in the underlying contracts.

於二零一零年三月三十一日，約2,798,000港元(二零零九年：1,905,000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。

At 31st March 2010, trade and bill receivables of approximately HK\$192,115,000 (2009: HK\$198,443,000) were fully performing and were from customers with no history of default.

於二零一零年三月三十一日，應收賬款及票據約192,115,000港元(二零零九年：198,443,000港元)已從沒有拖欠還款記錄之客戶中全數收回。

## 25 Trade and bill receivables/Loan receivables (Continued)

### (a) Trade and bill receivables (Continued)

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

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
At 1st April	16,685	21,535	於四月一日
Provision recognised in the consolidated income statement	9,348	19,082	已於綜合損益表中確認之撥備
Provision written back in the consolidated income statement	(1,081)	(2,535)	已於綜合損益表中撤回之撥備
Provision written-off	(9,950)	(2,317)	撤銷撥備
Derecognised on disposal of subsidiaries	–	(19,200)	終止確認出售附屬公司
Exchange differences	20	120	滙兌差額
At 31st March	15,022	16,685	於三月三十一日

As at 31st March 2010, trade receivables of approximately HK\$15,022,000 (2009: HK\$16,685,000) were impaired and provided for. The amount of net provision recognised in the consolidated income statement during the year was approximately HK\$8,267,000 (2009: HK\$16,547,000). The ageing of these receivables is as follows:

於二零一零年三月三十一日，應收賬款約15,022,000港元（二零零九年：16,685,000港元）已作減值及撥備。本年度期間，已於綜合損益表中確認之淨撥備約8,267,000港元（二零零九年：16,547,000港元）。其應收賬款賬齡分析如下：

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
0 to 60 days	147	384	0 – 60日
61 to 120 days	28	–	61 – 120日
121 to 180 days	254	433	121 – 180日
181 to 365 days	1,768	1,684	181 – 365日
Over 365 days	12,825	14,184	超過365日
	15,022	16,685	

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### 25 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:

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
0 to 60 days	176,851	43,184	0 – 60日
61 to 120 days	21,251	10,093	61 – 120日
121 to 180 days	3,897	3,006	121 – 180日
181 to 365 days	93	2,450	181 – 365日
Over 365 days	597	13	超過365日
	<b>202,689</b>	58,746	

The carrying amounts of net trade and bill receivables approximated their fair values as at 31st March 2010.

淨應收賬款及票據之賬面金額與其於二零一零年三月三十一日之公平價值相約。

The carrying amounts of trade and bill receivables were denominated in the following currencies:

應收賬款及票據之賬面金額包含下列貨幣：

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Chinese Renminbi	195,218	133,085	人民幣
Hong Kong dollar	214,916	134,910	港元
United States dollar	14,714	5,879	美元
	<b>424,848</b>	273,874	

### 25 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：

## 25 Trade and bill receivables/Loan receivables (Continued)

### (b) Loan receivables

A loan receivable of HK\$21,000,000 is secured by a loan receivable and certain equity interest of the borrower. The carrying amounts of this receivable approximated its fair values as at 31st March 2009 and 2010. It is denominated in Hong Kong dollar, is non-interest bearing and repayable on 5th December 2010.

The remaining loan receivable of HK\$3,500,000 is unsecured, denominated in Hong Kong dollar and repayable on 17th December 2010.

As at 31st March 2010, no loan receivables were past due, impaired and provided for (2009: approximately HK\$1,472,000). No provision has been recognised in the consolidated income statement during the year (2009: approximately HK\$1,472,000).

## 25 應收賬款及票據／應收貸款 (續)

### (b) 應收貸款

一項21,000,000港元之應收貸款由借入人之一項應收貸款及若干股本權益作抵押。此應收款之賬面金額與其於二零零九年及二零一零年三月三十一日之公平價值相約。應收貸款以港元列賬、不計利息及須於二零一零年十二月五日償還。

餘下3,500,000港元之應收貸款為無抵押、以港元列賬及須於二零一零年十二月十七日償還。

於二零一零年三月三十一日，沒有應收貸款已過期、減值及作撥備（二零零九年：約1,472,000港元）。本年度期間，沒有於綜合損益表中確認之撥備（二零零九年：約1,472,000港元）。

## 26 Prepayments, deposits and other receivables

## 26 預付款項、按金及其他應收賬款

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
Prepayments for purchases	168,967	147,139	預付採購款項
Rental and other deposits	3,286	3,105	租金及其他按金
Value added tax recoverable	1,257	4,188	可收回增值稅
Other receivables	2,660	21,376	其他應收賬款
Others	2,586	2,135	其他
	178,756	177,943	
Less: Provision for impairment of other receivables	—	(13,954)	減：其他應收賬款減值撥備
	178,756	163,989	

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### 26 Prepayments, deposits and other receivables (Continued)

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

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
At 1st April	13,954	10,442	於四月一日
Provision recognised in the consolidated income statement	–	3,272	已於綜合損益表中確認之撥備
Provision written-off	(13,954)	–	撇銷撥備
Exchange differences	–	240	滙兌差額
At 31st March	–	13,954	於三月三十一日

The carrying amounts of prepayments, deposits and other receivables approximated their fair values as at 31st March 2009 and 2010. They were denominated in the following currencies:

### 26 預付款項、按金及其他應收賬款(續)

其他應收賬款減值撥備變動如下：

預付款項、按金及其他應收賬款之賬面金額與其於二零零九年及二零一零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：

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Chinese Renminbi	174,150	174,264	人民幣
Hong Kong dollar	3,421	3,244	港元
United States dollar	1,185	435	美元
	178,756	177,943	



## 27 Pledged bank deposits/Cash and cash equivalents

## 27 已抵押銀行存款／現金及現金等值

	綜合 Consolidated		本公司 Company		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Cash on hand	312	407	–	–	手頭現金
Cash at bank	160,623	91,259	381	325	銀行存款
Short-term bank deposits	57,182	44,906	12,248	12,156	短期銀行存款
	218,117	136,572	12,629	12,481	
Less: Pledged bank deposits	(57,182)	(35,893)	(12,248)	(12,156)	減：已抵押銀行存款
Cash and cash equivalents	160,935	100,679	381	325	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：

	綜合 Consolidated		本公司 Company		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Chinese Renminbi	52,449	47,225	–	–	人民幣
Hong Kong dollar	131,871	68,635	184	129	港元
United States dollar	33,643	20,530	12,445	12,352	美元
Euro	79	71	–	–	歐羅
Others	75	111	–	–	其他
	218,117	136,572	12,629	12,481	

As at 31st March 2010, bank deposits of approximately HK\$57,182,000 (2009: HK\$35,893,000) were pledged as collateral for the VSC Group's bank borrowings, performance bonds and steel future contracts.

於二零一零年三月三十一日，約57,182,000港元(二零零九年：35,893,000港元)之銀行存款已抵押作為萬順昌集團銀行借貸，履約擔保書及鋼材期貨合約之抵押品。

# Notes to the Consolidated Financial Statements

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### 27 Pledged bank deposits/Cash and cash equivalents (Continued)

As at 31st March 2010, bank deposits of approximately HK\$12,248,000 (2009: HK\$12,156,000) were pledged as collateral for the banking facilities granted to a subsidiary of the Company.

As at 31st March 2010, cash and bank deposits totalling approximately HK\$52,449,000 (2009: HK\$47,225,000) 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.

### 28 Trade and bill payables

Payment terms with suppliers are either on letters of credit or open account. Certain suppliers grant credit period of around 30 days.

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

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
0 to 60 days	242,003	80,601	0 – 60日
61 to 120 days	4,050	579	61 – 120日
121 to 180 days	83	45	121 – 180日
181 to 365 days	438	245	181 – 365日
Over 365 days	899	217	超過365日
	<b>247,473</b>	81,687	

### 27 已抵押銀行存款／現金及現金等值（續）

於二零一零年三月三十一日，銀行存款約12,248,000港元（二零零九年：12,156,000港元）已作本公司之一間附屬公司所獲銀行融資之抵押品。

於二零一零年三月三十一日，現金及銀行存款共約52,449,000港元（二零零九年：47,225,000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。

### 28 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約30日。

應付賬款及票據根據發票日期之賬齡分析如下：

## 28 Trade and bill payables (Continued)

The carrying amounts of trade and bill payables approximated their fair values as at 31st March 2010. They were denominated in the following currencies:

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
Chinese Renminbi	45,146	66,380	人民幣
Hong Kong dollar	123,911	4,438	港元
United States dollar	78,416	10,869	美元
	<b>247,473</b>	81,687	

## 28 應付賬款及票據 (續)

應付賬款及票據之賬面金額與其於二零一零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：

## 29 Accrued liabilities and other payables

	綜合		
	Consolidated		
	二零一零年	二零零九年	
	2010	2009	
	千港元	千港元	
	HK\$'000	HK\$'000	
Accrual for employee benefit expenses	17,274	6,314	應計僱員福利支出
Accrual for operating expenses	13,918	14,113	應計經營支出
Value added tax payables	7,923	7,628	應付增值稅
Provision for onerous contracts	32,429	–	有償契約之撥備
Others	27,855	15,735	其他
	<b>99,399</b>	43,790	

## 29 應計負債及其他應付賬款

The carrying amounts of accrued liabilities and other payables approximated their fair values as at 31st March 2009 and 2010. 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二零一零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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### 29 Accrued liabilities and other payables (Continued)

They were denominated in the following currencies:

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Chinese Renminbi	47,658	30,722	人民幣
Hong Kong dollar	51,577	13,020	港元
United States dollar	164	48	美元
	<b>99,399</b>	43,790	

### 29 應計負債及其他應付賬款 (續)

應計負債及其他應付賬款包含下列貨幣：

### 30 Borrowings

### 30 借貸

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Non-current			非當期
– Long-term bank loans	3,925	11,647	– 長期銀行貸款
Current			當期
– Trust receipts bank loans, secured	247,803	301,481	– 信託收據銀行貸款， 抵押的
– Short-term bank loans, secured	154,714	144,186	– 短期銀行貸款，抵押的
– Long-term bank loans, secured, current portion	7,764	43,750	– 長期銀行貸款， 抵押的，當期部份
	<b>410,281</b>	489,417	
Total borrowings	<b>414,206</b>	501,064	借貸總額

## 30 Borrowings (Continued)

The VSC Group's borrowings are repayable as follows:

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Within one year	410,281	489,417	1年內
Between one and two years	3,925	7,750	1至2年
Between two and five years	–	3,897	2至5年
	<b>414,206</b>	501,064	

The Company's borrowings are repayable as follows:

	本公司 Company		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Within one year	7,764	7,750	1年內
Between one and two years	3,925	7,750	1至2年
Between two and five years	–	3,897	2至5年
	<b>11,689</b>	19,397	

The VSC Group's borrowings are secured by:

- (i) pledge of the VSC Group's inventories of approximately HK\$30,993,000 (2009: HK\$27,884,000) and certain of VSC Group's inventories held under trust receipts bank loan arrangements;
- (ii) pledge of the VSC Group's bank deposits of approximately HK\$12,248,000 (2009: HK\$35,893,000); and
- (iii) guarantees provided by the Company of approximately HK\$1,069,635,000 (2009: HK\$1,223,862,000) (Note 35).

萬順昌集團之借貸還款期如下：

本公司之借貸還款期如下：

萬順昌集團之借貸由以下作抵押：

- (i) 萬順昌集團已作抵押之存貨約30,993,000港元(二零零九年：27,884,000港元)，及若干存貨為透過銀行信託收據貸款之安排持有；
- (ii) 萬順昌集團已作抵押之銀行存款約12,248,000港元(二零零九年：35,893,000港元)；及
- (iii) 本公司提供之擔保約1,069,635,000港元(二零零九年：1,223,862,000港元)(附註35)。

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## 綜合財務報表附註

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### 30 Borrowings (Continued)

Borrowings were denominated in the following currencies:

	綜合 Consolidated		本公司 Company		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Chinese Renminbi	131,301	92,704	–	–	人民幣
Hong Kong dollar	271,216	368,910	–	–	港元
United States dollar	11,689	39,450	11,689	19,397	美元
	<b>414,206</b>	501,064	<b>11,689</b>	19,397	

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

	二零一零年 2010	二零零九年 2009	
Chinese Renminbi	3.8%	6.9%	人民幣
Hong Kong dollar	2.4%	2.1%	港元
United States dollar	0%	1.2%	美元

The carrying amounts of the borrowings approximated their fair values as at 31st March 2010.

### 30 借貸 (續)

借貸包含下列貨幣：

於結算日，借貸之實際年利率（每年）如下：

借貸之賬面金額與其於二零一零年三月三十一日之公平價值相約。

## 31 Share capital

## 31 股本

	法定（每股0.10港元 之普通股） Authorised (Ordinary shares of HK\$0.10 each)		已發行及繳足 （每股0.10港元之普通股） Issued and fully paid (Ordinary shares of HK\$0.10 each)		
	股份數目 Number of shares 千股 '000	面值 Nominal value 千港元 HK\$'000	股份數目 Number of shares 千股 '000	面值 Nominal value 千港元 HK\$'000	
As at 1st April 2008	1,000,000	100,000	380,428	38,043	於二零零八年 四月一日
Exercise of share options	–	–	1,000	100	行使購股權
As at 31st March 2009 and 1st April 2009	<b>1,000,000</b>	<b>100,000</b>	<b>381,428</b>	<b>38,143</b>	於二零零九年 三月三十一日及 二零零九年 四月一日
Share placement	–	–	<b>31,600</b>	<b>3,160</b>	配股
Exercise of share options	–	–	<b>1,100</b>	<b>110</b>	行使購股權
<b>As at 31st March 2010</b>	<b>1,000,000</b>	<b>100,000</b>	<b>414,128</b>	<b>41,413</b>	於二零一零年 三月三十一日

## 32 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.

## 32 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。



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### 32 Share options (Continued)

Movements of share options were:

授予日期 Date of grant	行使期 Exercise period	每股行使價 Exercise price per share 港元 HK\$	年初 Beginning of the year 千份 '000	授予 Granted 千份 '000	行使 Exercised 千份 '000	失效 Lapsed 千份 '000	年終 End of the year 千份 '000
二零零九年十月十三日 13th October 2009	二零零九年十月十三日至 二零一九年十月十二日 13th October 2009 to 12th October 2019	0.504	–	17,500	(1,000)	–	16,500
二零零九年九月十八日 18th September 2009	二零一一年九月十八日至 二零一九年九月十七日 18th September 2011 to 17th September 2019	0.586	–	1,866	–	–	1,866
二零零九年九月十八日 18th September 2009	二零一二年九月十八日至 二零一九年九月十七日 18th September 2012 to 17th September 2019	0.586	–	1,867	–	–	1,867
二零零九年九月十八日 18th September 2009	二零一三年九月十八日至 二零一九年九月十七日 18th September 2013 to 17th September 2019	0.586	–	1,867	–	–	1,867
二零零八年六月十九日 19th June 2008	二零零八年六月十九日至 二零一八年六月十八日 19th June 2008 to 18th June 2018	0.780	3,000	–	–	–	3,000
二零零六年九月十三日 13th September 2006	二零零七年九月十三日至 二零一六年九月十二日 13th September 2007 to 12th September 2016	0.900	2,500	–	(100)	–	2,400
二零零三年九月十九日 19th September 2003	二零零五年九月十九日至 二零一三年九月十八日 19th September 2005 to 18th September 2013	1.418	1,300	–	–	–	1,300
二零零三年五月七日 7th May 2003	二零零五年五月七日至 二零一三年五月六日 7th May 2005 to 6th May 2013	0.970	780	–	–	(50)	730
二零零三年五月二日 2nd May 2003	二零零三年五月二日至 二零一三年五月一日 2nd May 2003 to 1st May 2013	0.980	1,000	–	–	–	1,000
			8,580	23,100	(1,100)	(50)	30,530

The fair value of options granted was determined by the directors based on the valuations assessed by independent, professionally qualified valuers, using the Triomial 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 398 weeks. The market price at the dates of exercise of 1,000,000 share options on 2nd December 2009, 50,000 on 31st December 2009, and 50,000 on 31st January 2010 were HK\$1.16, HK\$1.16 and HK\$1.05 respectively.

### 32 購股權 (續)

購股權變動如下：

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三項式模型釐定。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398星期內每日股價統計分析而量度。於二零零九年十二月二日、二零零九年十二月三十一日及二零一零年一月三十一日分別行使1,000,000、50,000及50,000之購股權之市價分別為1.16港元、1.16港元及1.05港元。

## 33 Reserves

## 33 儲備

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	綜合 Consolidated								總額 Total	
	股份溢價 Share premium 千港元 HK\$'000	購股權 儲備 Share option reserve 千港元 HK\$'000	資本贖回 儲備(iii) Capital redemption reserve (iii) 千港元 HK\$'000	法定儲備(i) Statutory reserves (i) 千港元 HK\$'000	資本儲備 Capital reserve 千港元 HK\$'000	投資重估 儲備 Investment revaluation reserve 千港元 HK\$'000	累計外幣 滙兌調整 Cumulative foreign currency adjustments 千港元 HK\$'000	保留盈利 Retained earnings 千港元 HK\$'000		
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
Currency translation differences	-	-	-	-	-	-	3,132	-	3,132	貨幣滙兌差額
Net revaluation deficit on available-for-sale financial assets	-	-	-	-	-	(172)	-	-	(172)	可供出售之 財務資產之 淨重估虧損
Issuance of shares - exercise of share options	680	-	-	-	-	-	-	-	680	股份發行 - 行使 購股權
Transfer upon exercise of share options	323	(323)	-	-	-	-	-	-	-	轉撥自行使 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
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	-	-	-	(4,819)	-	(467)	(13,939)	-	(19,225)	出售一間 附屬公司
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

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## 33 Reserves (Continued)

## 33 儲備 (續)

	綜合 Consolidated								總額 Total	
	股份溢價 Share premium	購股權 儲備 Share option reserve	資本贖回 儲備(iii) Capital redemption reserve (iii)	法定儲備(i) Statutory reserves (i)	資本儲備 Capital reserve	投資重估 儲備 Investment revaluation reserve	累計外幣 滙兌調整 Cumulative foreign currency adjustments	保留盈利 Retained earnings		
At 1st April 2009	324,761	2,058	77,203	12,325	58,355	117	19,586	5,779	500,184	於二零零九年 四月一日
Profit for the year	-	-	-	-	-	-	-	75,221	75,221	年度溢利
Currency translation differences	-	-	-	-	-	-	1,611	-	1,611	貨幣滙兌差額
Issuance of share – share placement (iv)	12,640	-	-	-	-	-	-	-	12,640	股份發行 — 配股(iv)
Issuance of shares – exercise of share options (iv)	484	-	-	-	-	-	-	-	484	股份發行 — 行使 購股權(iv)
Transfer upon exercise of share options (iv)	120	(120)	-	-	-	-	-	-	-	轉撥自行使 購股權(iv)
Lapse of share options	-	(11)	-	-	-	-	-	11	-	失效之購股權
Transfer from retained earnings	-	-	-	407	-	-	-	(407)	-	轉撥自保留盈利
Share option scheme – value of services	-	2,026	-	-	-	-	-	-	2,026	購股權計劃 — 服務價值
Dividends paid to equity holders of the Company	-	-	-	-	-	-	-	(12,422)	(12,422)	已付本公司 股權持有人 之股息
At 31st March 2010	338,005	3,953	77,203	12,732	58,355	117	21,197	68,182	579,744	於二零一零年 三月三十一日

## 33 Reserves (Continued)

## 33 儲備 (續)

	本公司 Company					總額 Total	
	購股權 儲備 Share option reserve	資本贖回 儲備(iii) Capital redemption reserve (iii)	繳入 盈餘(ii) Contributed surplus (ii)	保留盈利 Retained earnings	股份溢價 Share premium		
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
At 1st April 2008	323,758	2,699	77,203	53,986	8,842	466,488	於二零零八年 四月一日
Profit for the year	–	–	–	–	11,259	11,259	年度溢利
Issuance of shares							股份發行
– exercise of share options	680	–	–	–	–	680	– 行使 購股權
Transfer upon exercise of share options	323	(323)	–	–	–	–	轉撥自行使 購股權
Lapse of share options	–	(1,610)	–	–	1,610	–	失效之購股權
Share option scheme							購股權計劃
– value of services	–	1,292	–	–	–	1,292	– 財務價值
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
At 1st April 2009	<b>324,761</b>	<b>2,058</b>	<b>77,203</b>	<b>53,986</b>	<b>16,752</b>	<b>474,760</b>	二零零九年 四月一日
Profit for the year	–	–	–	–	<b>10,687</b>	<b>10,687</b>	年度溢利
Issuance of shares							股份發行
– share placement (iv)	<b>12,640</b>	–	–	–	–	<b>12,640</b>	– 配股(iv)
Issuance of shares							股份發行
– exercise of share options (iv)	<b>484</b>	–	–	–	–	<b>484</b>	– 行使 購股權(iv)
Transfer upon exercise of share options (iv)	<b>120</b>	<b>(120)</b>	–	–	–	–	轉撥自行使 購股權(iv)
Lapse of share options	–	<b>(11)</b>	–	–	<b>11</b>	–	失效之購股權
Share option scheme							購股權計劃
– value of services	–	<b>2,026</b>	–	–	–	<b>2,026</b>	– 財務價值
Dividends paid	–	–	–	–	<b>(12,422)</b>	<b>(12,422)</b>	已付股息
At 31st March 2010	<b>338,005</b>	<b>3,953</b>	<b>77,203</b>	<b>53,986</b>	<b>15,028</b>	<b>488,175</b>	於二零一零年 三月三十一日

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 33 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) The capital redemption reserve was established upon repurchase of shares in prior years.
- (iv) As at 31st March 2010, the increase in share premium was due to the exercise of certain share options by employees and share placement during the year.

### 33 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) 資本贖回儲備之產生是由於往年回購股份所引致。
- (iv) 於二零一零年三月三十一日，股份溢價增加是由於僱員於本年度期間行使若干之購股權及配股所引致。

### 34 Consolidated statement of cash flows

### 34 綜合現金流量表

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

(a) 除稅前溢利／(虧損)與經營產生之現金淨額對賬如下：

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Profit/(loss) before income tax	104,762	(256,740)	除稅前溢利／(虧損)
Share of losses of associates – net	12,896	26,508	應佔聯營公司虧損 – 淨額
Interest income	(1,314)	(4,281)	利息收入
Interest expense	10,612	39,535	利息支出
Depreciation of property, plant and equipment	6,720	13,913	物業、廠房及設備之折舊
Loss on disposals of property, plant and equipment	1,372	8,448	出售物業、廠房及設備之虧損
Amortisation of leasehold land and land use right	202	423	租賃土地及土地使用權之攤銷
Gain on disposal of an investment property	(10,448)	–	出售一項投資物業之收益
Fair value loss of an investment property	–	16,800	一項投資物業之公平價值虧損
Loss on disposal of certain interest in a subsidiary	–	47,927	出售於一間附屬公司之若干權益之虧損
Gain on disposal of available-for-sale financial assets upon disposal of a subsidiary	(1,631)	–	出售一間附屬公司引致出售可供出售之財務資產之收益
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
Dividend income from unlisted available-for-sale financial assets	–	(227)	非上市可供出售之財務資產之股息收入
Impairment loss on an available-for-sale financial asset	–	200	一項可供出售之財務資產之減值虧損
Amount recovered from a fully impaired available-for-sale financial asset	(386)	(194)	收回一項已全數減值之可供出售之財務資產
Change in fair values of derivative financial instruments	(4,638)	16,123	衍生金融工具之公平價值變動
Goodwill impairment	–	9,810	商譽減值
Share option scheme – value of services	2,026	1,292	購股權計劃 – 服務價值

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 34 Consolidated statement of cash flows (Continued)

- (a) Reconciliation of profit/(loss) before income tax to net cash generated from operations is as follows:  
(Continued)

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Operating profit/(loss) before working capital changes	120,173	(70,692)	營運資金變動前之經營溢利/(虧損)
Decrease in inventories	13,977	277,824	存貨減少
Decrease in amounts due from customers on installation contract work	700	2,000	應收客戶之安裝合約工程減少
(Increase)/decrease in trade and bill receivables	(152,637)	257,064	應收賬款及票據(增加)/減少
(Increase)/decrease in loan receivables	(3,500)	1,472	應收貸款(增加)/減少
(Increase)/decrease in prepayments, deposits and other receivables	(14,767)	60,755	預付款項、按金及其他應收賬款(增加)/減少
Decrease in amounts due from associates	9,721	48,757	應收聯營公司減少
(Decrease)/increase in amount due to an associate	(1,568)	1,568	應付一間聯營公司(減少)/增加
Increase/(decrease) in trade and bill payables	165,786	(195,719)	應付賬款及票據增加/(減少)
Decrease in receipts in advance	(35,087)	(41,191)	預收款項減少
Increase in accrued liabilities and other payables	55,609	35,938	應計負債及其他應付賬款增加
Net cash generated from operations	158,407	377,776	經營產生之現金淨額

### 34 綜合現金流量表(續)

- (a) 除稅前溢利/(虧損)與經營產生之現金淨額對賬如下:(續)



### 34 Consolidated statement of cash flows (Continued)

- (b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Net book amount	1,559	17,752	賬面淨值
Loss on disposals of property, plant and equipment	(1,372)	(8,448)	出售物業、廠房及設備之虧損
Less: included in amounts due from associates	187	9,304	
	–	(8,254)	減：已包括應收聯營公司
Proceeds from disposals of property, plant and equipment	187	1,050	出售物業、廠房及設備之所得款項

- (c) In the consolidated statement of cash flows, proceeds from disposal of available-for-sale financial assets upon disposal of a subsidiary comprise:

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Net assets disposed			出售之淨資產
Available-for-sale financial assets	580	–	可供出售之財務資產
Gain on disposal of available-for-sale financial assets upon disposal of a subsidiary	1,631	–	出售一間附屬公司引致出售可供出售之財務資產之收益
Cash consideration received	2,211	–	已收之現金代價

The VSC Group disposed of its entire interest in Greater China Metal Ltd. to a third party at a consideration of approximately HK\$2,211,000 during the year.

萬順昌集團於本年度期間以約2,211,000港元之代價出售全部於Greater China Metal Ltd.之權益予第三者。

### 34 綜合現金流量表 (續)

- (b) 在綜合現金流量表中，出售物業、廠房及設備之所得款項包括：

- (c) 於綜合現金流量表中，出售一間附屬公司引致出售可供出售之財務資產之所得款項包括：

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## 綜合財務報表附註

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### 35 Guarantees

### 35 擔保

	本公司 Company		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Guarantees provided by the Company in respect of banking facilities of its subsidiaries	<b>1,069,635</b>	1,223,862	本公司就其附屬公司所獲銀行融資而提供之擔保

### 36 Commitments

### 36 承擔

#### (a) Capital commitments

Capital commitments in respect of property, plant and equipment are as follows:

#### (a) 資本承擔

關於物業、廠房及設備之資本承擔如下：

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Contracted but not provided for	–	167	已訂約但未確認

#### (b) Commitments under operating leases

Total commitments payable under various non-cancellable operating lease agreements in respect of rented premises are analysed as follows:

#### (b) 營業租約承擔

就承租物業而訂立之不可撤銷營業租約之應付承擔總額分析如下：

	綜合 Consolidated		
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Not later than one year	<b>10,083</b>	7,682	未逾1年
Later than one year and not later than five years	<b>5,305</b>	6,843	逾1年及未逾5年
Later than five years	<b>758</b>	1,327	逾5年
	<b>16,146</b>	15,852	

## 36 Commitments (Continued)

### (c) Commitments under derivative contracts

As at 31st March 2010, the VSC Group had outstanding forward foreign currency contracts to purchase approximately US\$1,000,000 (2009: US\$7,400,000) for approximately HK\$7,760,000 (2009: HK\$57,350,000), for the purpose of hedging against the VSC Group's commitments arising from its trading activities. The settlement date is 26th May 2011.

As at 31st March 2010, the VSC Group had outstanding steel future contracts to purchase 10,000 metric tonnes of rebar at approximately RMB47,600,000 (2009: nil), for the purpose of hedging against the VSC Group's commitments arising from its trading activities. The settlement date is 15th October 2010.

As at 31st March 2010, the VSC Group had an outstanding interest rate instrument with notional principal amount of approximately HK\$11,689,000 (2009: HK\$19,397,000). The settlement date is 8th September 2011.

As at 31st March 2010, the Company had an outstanding interest rate instrument with notional principal amount of approximately HK\$11,689,000 (2009: HK\$19,397,000). The settlement date is 8th September 2011.

## 36 承擔 (續)

### (c) 衍生合約承擔

於二零一零年三月三十一日，萬順昌集團尚有約7,760,000港元(二零零九年：57,350,000港元)未行使之遠期外匯貨幣合約以用作購買約1,000,000美元(二零零九年：7,400,000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。結算日為二零一一年五月二十六日。

於二零一零年三月三十一日，萬順昌集團尚有約人民幣47,600,000元(二零零九年：無)未行使之鋼材期貨合約以用作購買10,000公噸鋼筋，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。結算日為二零一零年十月十五日。

於二零一零年三月三十一日，萬順昌集團尚有一項設定本金額約11,689,000港元未行使之利率工具(二零零九年：19,397,000港元)。結算日為二零一一年九月八日。

於二零一零年三月三十一日，本公司尚有一項設定本金額約11,689,000港元未行使之利率工具(二零零九年：19,397,000港元)。結算日為二零一一年九月八日。

# Notes to the Consolidated Financial Statements

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### 37 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 business:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Consulting services provided to an associate	(i)	19,634	–	向一間聯營公司 提供之諮詢服務
Management services provided to an associate	(i)	227	–	向一間聯營公司 提供之管理服務
Sales of goods to associates	(i)	251,414	176,140	向聯營公司 銷售貨品
Purchase of goods from a related party*	(i)	–	132,784	向一關連人士 採購貨品*
Rental income received from an associate	(ii)	114	–	已收一間聯營公司之 租金收入
Rental expenses paid to an associate	(ii)	6,554	6,594	已付一間聯營公司 之租金支出
Interest paid to a related party*	(iii)	–	2,163	已付一關連人士 之利息*
Interest received from an associate	(iv)	973	765	已收一間聯營公司 之利息

Notes:

- (i) Consulting and management services were provided and goods were sold and purchased at prices mutually agreed by both parties.
- (ii) Rental income and expenses were determined by reference to open market rental.
- (iii) No interest expenses were determined (2009: 4% per annum) on overdue balances.
- (iv) Interest income was determined at a rate of approximately 2% (2009: 3%) per annum on overdue balances.

\* This company relates to Shinsho Corporation, a 30% minority shareholder of VSC Shinsho Company Limited, which is an associate of the VSC Group.

### 37 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：

附註：

- (i) 所提供之諮詢及管理服務及所銷售及採購之貨品皆按雙方達成協議之價格收取。
- (ii) 租金收入及支出乃參考公開市場之租值而釐訂。
- (iii) 沒有利息支出按過期結餘計算（二零零九年：年利率4%）。
- (iv) 利息收入乃以年利率約2%（二零零九年：3%）按過期結餘計算。

\* 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，且為萬順昌集團之一間聯營公司。

### 37 Related party transactions (Continued)

#### (b) Key management compensation

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	
Salaries and allowances	8,004	5,250	薪金及津貼
Bonus	427	560	花紅
Pension costs			退休金成本
– defined contribution schemes	168	44	– 界定供款計劃
	<b>8,599</b>	5,854	

### 37 與關連人士之交易 (續)

#### (b) 主要管理層報酬

### 38 Events after the balance sheet date

- (a) On 3rd June 2010, CAMP (B.V.I.) Holdings Limited (“CAMP BVI”), a wholly owned subsidiary of the VSC Group, entered into a share repurchase agreement with Ryerson to dispose the remaining 20% interest in Ryerson China that was classified as investments in associates as at 31st March 2010. The agreed consideration is US\$17,500,000 (equivalent to approximately HK\$136,500,000). The completion of the transaction shall take place on the fifth business day after the fulfillment or waiver (as the case may be) of the conditions precedent (or such other date as the Company, CAMP BVI, Ryerson and Ryerson China may agree).

It is estimated that upon the completion, the VSC Group will record a gain of approximately HK\$36,552,000 as a result of the disposal, the earnings of the VSC Group is expected to increase by HK\$36,552,000 for the year ending 31st March 2011, the VSC Group's total assets will increase by approximately HK\$36,552,000, its total liabilities will remain unchanged and its net assets will increase by approximately HK\$36,552,000.

### 38 結算日後事項

- (a) 於二零一零年六月三日，萬順昌集團之一間全資附屬公司，CAMP (B.V.I.) Holdings Limited (「CAMP BVI」)，已與Ryerson訂立股份購回協議，出售餘下於瑞爾盛中國之20%權益，並於二零一零年三月三十一日分類為於聯營公司之投資。協議代價為17,500,000美元（相等於約136,500,000港元）。將於達成或豁免（視乎情況而定）先決條件後第五個營業日（或本公司、CAMP BVI、Ryerson及瑞爾盛中國可能協定之其他日期）完成交易。

估計待交易完成後，萬順昌集團將因出售事項而錄得約36,552,000港元之收益，而截至二零一一年三月三十一日止年度，萬順昌集團之盈利會預期增加約36,552,000港元，萬順昌集團之資產總額將上升約36,552,000港元，而負債總額將維持不變及其淨資產亦將上升約36,552,000港元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 38 Events after the balance sheet date (Continued)

- (b) On 7th June 2010, Van Shung Chong Hong Limited, a wholly owned subsidiary of the VSC Group, entered into a sales and purchase agreement with a connected person to dispose of the investment properties as at 31st March 2010. The agreed consideration is HK\$15,000,000. The completion of the transaction is scheduled to take place on 9th August 2010.

It is estimated that upon the completion, the VSC Group will record a loss of approximately HK\$100,000 as a result of the disposal, the earnings of the VSC Group is expected to decrease by HK\$100,000 for the year ending 31st March 2011, the VSC Group's total assets will decrease by approximately HK\$100,000, its total liabilities will remain unchanged and its net assets will decrease by approximately HK\$100,000.

### 38 結算日後事項 (續)

- (b) 於二零一零年六月七日，萬順昌集團之一間全資附屬公司，萬順昌行有限公司，已與一位關聯人士訂立買賣協議，出售於二零一零年三月三十一日已分類為投資物業之物業。代價為15,000,000港元。並計劃於二零一零年八月九日完成買賣。

估計待交易完成後，萬順昌集團將因出售事項而錄得約100,000港元之虧損，而截至二零一一年三月三十一日止年度，萬順昌集團之盈利會預期減少約100,000港元，萬順昌集團之資產總額將下跌約100,000港元，而負債總額將維持不變及其淨資產亦下跌約100,000港元。







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