



VSC 萬順昌

Van Shung Chong Holdings Limited

萬 順 昌 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股票代號 : 1001

Turning Challenges into Opportunities



VSC GROUP AT A GLANCE

WHO WE ARE

VSC Group (VSC and its subsidiaries) was founded in 1961 as a supplier of construction steel and materials. In the early 1990's, we expanded our presence into Mainland China. Today, VSC Group is a leading supply chain manager of industrial products like steel and engineering plastics. We are also a relevant player in washroom and kitchen products and represent brands like TOTO Japan and BAGNODESIGN London. We own an office building in Shanghai and specialize in upgrade of properties to maximize rental income and increase value.

We provide processing, inventory management services, logistics and financing for steel and engineering plastics.

We provide inventory management services, logistics, design and technical support for sanitary ware products.

VSC has a growing presence in Hong Kong, Macau, Southern, Eastern and Northern China.

Our objective is to be a relevant player in the markets we choose to serve and to serve markets where our knowledge and experience will allow for profitable growth.

WHERE WE ARE GOING

The Hong Kong and Macau construction markets will remain strong in the coming years. Hong Kong Steel will continue to drive top line growth by maintaining our market share of reinforcement bar and aggressively growing our share of structural products.

Hong Kong Steel will also invest in downstream processing of construction steel products to help in the transformation of the Hong Kong construction industry into a safe, efficient and environmentally responsible entity. We recently signed a joint venture agreement with a renowned international steel processing company. Their 30+ years of experience in cut & bend, mesh and precast combined with VSC's 50+ years as a relevant supplier to the Hong Kong construction market will make for the best processing and service solution to contractors.

Bao Shun Chang and Engineering Plastics will continue to expand geographically to serve Southern, Eastern and Northern China. Both Bao Shun Chang and Engineering Plastics have established themselves as strong local players and can use the same business model to expand throughout Mainland China.

Building & Design Solutions will continue to expand geographically and will roll out our new architectural and design centre concept to grow retail and project sales while maintaining a strong link to markets through our growing dealer partner network. China's drive for urbanization and growing middle and upper class will help us drive our top line strategy while allowing us to remain in the high-end segment of the market.

Property will focus on upgrading the recently acquired property in Putuo District (Shanghai).

MISSION

VSC will deliver on our vision by being responsible and relevant in the markets we choose to participate in. We will deliver sustainable shareholder value and the best total value solution to customers through excellent service, an efficient supply chain, financing and value-added processing. We will be knowledgeable of the market and the needs of our target customers. We will hire people that raise the average and will invest in the development of all of our employees.

VISION

VSC will be a preferred investment option for our SHAREHOLDERS. We will consistently execute on our strategies to provide desired returns on investment and sustainable growth. All strategies will have robust analysis and the proper market intelligence to assure delivery of our promises to our board of directors.

VSC will be a preferred supplier to CUSTOMERS. They will think of us when needing our products. Their purchasing experience will always be pleasant, informative and helpful in meeting their objectives.

VSC will be a preferred employer. We will hire only people that raise the average. We will hire for attitude and invest in development of our EMPLOYEES to create loyalty and love of company. We will provide a safe and pleasant working environment with constant learning and growth opportunities.

VALUES

- Safe and Enjoyable Working Environment
- Shareholder Value
- Customer Loyalty
- Integrity
- Honesty and Respect
- Responsiveness and Dedication
- Clear and Measurable Goals
- Embrace of Change
- Ambition and Confidence to Excel
- Teamwork

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. YAO Cho Fai Andrew (*Chairman*)

Mr. Frank MUÑOZ (*Chief Executive Officer*)

Non-Executive Director

Mr. DONG Sai Ming Fernando

Independent Non-Executive Directors

Mr. TAM King Ching Kenny

Mr. XU Lin Bao

Mr. TSE Lung Wa Teddy

Mr. YEUNG Wing Sun Mike

Company Secretary

Ms. LAM Yee Fan, ACS ACIS

Auditor

PricewaterhouseCoopers

Certified Public Accountants

Principal Bankers

Australia & New Zealand Banking Group Ltd.

Bank of China (Hong Kong) Limited

Bank of Communications Co., Ltd.

China Minsheng Banking Corp., Ltd.

Chong Hing Bank Limited

China CITIC Bank International Limited

CTBC Bank Co., Ltd.

DBS Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited

Industrial Bank of Taiwan Co., Ltd.

Oversea-Chinese Banking Corporation Limited

Shanghai Commercial Bank Ltd.

Standard Chartered Bank (Hong Kong) Limited

Share Registrars and Transfer Offices

Principal Registrar

MUFG Fund Services (Bermuda) Limited

(Formerly known as Butterfield Fulcrum Group (Bermuda) Limited)

26 Burnaby Street

Hamilton HM 11

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

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E-mail Address : vschk@vschk.com

Listed on The Stock Exchange of Hong Kong Limited

Stock Code : 1001



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HONG KONG

MACAU



MAINLAND CHINA

Positioned for Continued Growth and Sustainable Profitability

- Strong bank support, solid funding and cash management strategy
- Evolving value proposition model to enhance margin
- Well-positioned to serve strong Hong Kong construction market
- Evolving Mainland China expansion model to tap into high growth industries
- New and revitalized management team focused on shareholder value

Continued Improvement in Profit

- VSC Group's audited profit attributable to shareholders amounted to approximately HK\$104 million, up by 44.8% compared with last year
- VSC Group's audited consolidated net assets value ("NAV") was approximately HK\$782 million as at 31st March 2014, exceeds the audited consolidated NAV of approximately HK\$750 million as at 31st March 2013 by approximately HK\$32 million
- Final dividend of HK4.15 cents per ordinary share is recommended
- Market price closed at HK\$1.27 per ordinary share as at 31st March 2014, approximately 18.7% increase compared with the closing price of HK\$1.07 per ordinary share as at 31st March 2013

Investments/Strategies

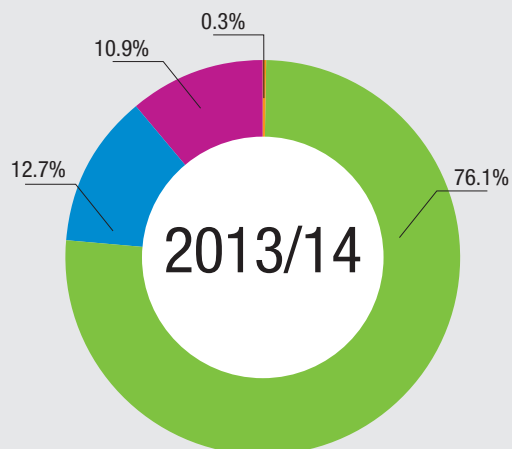
- Increased equity interest in Bao Shun Chang to 100% by way of capital reduction
- Completed acquisition of Central Park (formerly known as China CTS Tower), a 27-storey commercial building in Shanghai
- Completed disposal of the Point Jingan in Shanghai of which VSC Group held one-third equity interest
- Product diversification strategy in Hong Kong construction market – Non-reinforcement bar tons sold grew by 35.2%
- Mainland China regional expansion strategy in engineering plastics and steel
- Partnership with a renowned international steel processing company to build and operate a construction steel processing plant and serve Hong Kong
- Actively seeking acquisition opportunities

OUR NETWORK



Revenue by Lines of Business

- Steel
- Building & Design Solutions
- Engineering Plastics
- Property



FIVE-YEAR FINANCIAL SUMMARY

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

Consolidated Income Statement

	Year ended 31st March 2010 HK\$'000	Year ended 31st March 2011 HK\$'000	Year ended 31st March 2012 HK\$'000	Year ended 31st March 2013 HK\$'000	Year ended 31st March 2014 HK\$'000
Revenue	3,251,836	4,207,768	4,432,081	3,760,620	3,849,306
Operating profit	136,326	69,564	21,311	117,373	114,411
Net finance costs	(18,668)	(23,268)	(23,716)	(20,087)	(34,635)
Profit before income tax	104,762	52,904	6,060	100,815	149,356
Income tax (expense)/credit	(22,279)	(14,010)	4,787	(29,355)	(44,537)
Profit for the year	82,483	38,894	10,847	71,460	104,819
Attributable to:					
Equity holders of the Company	75,221	31,032	6,283	71,600	103,708
Non-controlling interests	7,262	7,862	4,564	(140)	1,111
	82,483	38,894	10,847	71,460	104,819
Dividends	22,361	7,869	7,454	21,525	31,094

Consolidated Statement of Financial Position

	As at 31st March 2010 HK\$'000	As at 31st March 2011 HK\$'000	As at 31st March 2012 HK\$'000	As at 31st March 2013 HK\$'000	As at 31st March 2014 HK\$'000
Non-current assets	313,942	238,979	261,030	269,475	1,396,632
Current assets	1,130,253	1,598,956	1,528,920	1,509,695	1,256,341
Current liabilities	(789,146)	(1,158,642)	(1,097,100)	(1,028,215)	(1,197,426)
Non-current liabilities	(4,063)	(1,501)	(1,127)	(817)	(673,915)
Net assets	650,986	677,792	691,723	750,138	781,632
Equity:					
Share capital	41,413	41,413	41,413	41,377	41,770
Reserves	579,744	603,243	617,494	673,747	739,422
Capital and reserves attributable to equity holders	621,157	644,656	658,907	715,124	781,192
Non-controlling interests	29,829	33,136	32,816	35,014	440
Total equity	650,986	677,792	691,723	750,138	781,632

Note:

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



With a new and revitalized management team in place, we are prepared to deliver more value to our shareholders

Yao Cho Fai Andrew
Chairman and Executive Director

Redefine the positioning of Van Shung Chong to pursue long-term growth

Dear Shareholders,

On behalf of the board of directors (the "Board") of Van Shung Chong Holdings Limited (the "Company") and its subsidiaries (collectively, the "VSC Group"), it is my pleasure to present the audited consolidated results of the VSC Group for the year ended 31st March 2014.

The VSC Group underwent a series of important internal changes in the past year and a half. As Chairman of the Board, I wish to emphasize that our ambitious strategy to implement a new organizational structure and new management roles have brought about notable improvements across business lines. I am humbled by our progress and development so far as the VSC Group continued to deliver a strong performance during the year, with profit attributable to shareholders amounting to approximately HK\$104 million. This represented a notable profit increase of 44.8% from approximately HK\$72 million last year. Although we are still in the early stages of the transformation process, our mission and mandate for the future as a company have never been more uniform and clearer. As such, I am highly confident that under the guidance of our new and revitalized management team, we are well on track to propel our business forward to achieve key corporate milestones in the years to come.

The operating environment for our core construction steel business remained robust during the year. This was principally driven by a number of large infrastructure development projects undertaken and funded by the Hong Kong government. This includes mega developments such as the West Kowloon Terminus Project, Kai Tak Development Project and Hong Kong-Zhuhai-Macau Bridge Project,

respectively and the new round of casino construction projects in Macau. The construction industry is set to expand even further in the coming years with the continuation of large-scale infrastructure and commercial projects, as well as the Hong Kong government's new ambitious measures to substantially increase the land supply for private and public residential flats. As one of the top construction steel distributors in the region, such ample opportunities in the market will bode well for the VSC Group in terms of revenue and market share expansion.

With our leadership fully established in the market, the VSC Group is now striving to move closer to customers by redefining our value proposition to include value-added services uncommon in the Hong Kong market. Our vision is to become not just a leading construction steel distributor in Hong Kong but a value-added steel products and services provider that can revolutionize the traditional supply chain model. Acknowledging that Hong Kong's booming construction industry needs to address efficiency and labour shortage issues, we will invest in an automated, state-of-the-art construction and steel processing plant. The investment will help the industry tackle inefficiencies, cash flow constraints and project delays commonly found in today's construction market.

During the year, we have achieved a new milestone for our steel coil processing and distribution business in Mainland China, with Bao Shun Chang becoming a fully consolidated subsidiary of the VSC Group since October 2013. With focus on high-growth industries requiring surface critical coil, the business realignment with 100% control in Bao Shun Chang has since allowed the VSC Group to expedite the

implementation of product, client and supplier diversification strategies to maximize our business exposure. We are making great progress with the new initiative and we are standing in good stead to achieve the goal in expanding beyond our existing market coverage in Eastern China.

The Building & Design Solutions business continued to grow during the year. Replicating the success of our "TOTO" branded flagship Architectural & Design ("A&D") Centre, we have opened a new 4,000 square feet space for London-based sanitary and fittings brand "BAGNODESIGN" in January 2014. The concept was well received by the market as quality conscious retail customers are looking to take their shopping experience to a more personalized level, where first-hand experience of products are equally important. I am pleased to report that our two A&D Centres in Hong Kong are currently a self-sustaining business unit. We look forward to implementing this concept in Mainland China in the coming year, so as to capture opportunities brought forth by the region's rising disposal income amongst urban households.

We are also actively exploring other investment opportunities to bring greater value for our shareholders. Leveraging our extensive network in Mainland China, we have ventured into the local property investment business with focus on developments located in prime commercial districts of Shanghai. During the year, we have completed the acquisition of a 27-storey commercial building in Putuo District, a new central business district in Shanghai, for a consideration of RMB708 million. Taking advantage of its prime location, the VSC Group has renamed the building as "Central Park" and is in the process of upgrading it into a Grade-A office building complex. Target completion date for the renovation and upgrading procedure is scheduled for the second half of 2015. The new leasing project is expected to generate a stable cash flow for the VSC Group. Whilst asset enhancement opportunities in Shanghai remain abundant, we will adhere a prudent stance in all our property investment decisions and will only consider accretive acquisitions opportunities when we believe we have fulfilled the goals set for our core business segments.

Looking ahead, a solid foundation has been laid in the past year to actualize our transformational journey in becoming a value-added supply chain provider in the regions and markets we operate in. Internally, clear measurable goals have been enforced to enhance financial discipline and accountability amongst all business units. I strongly believe that all these efforts will pay off soon and help us grow into a more lean and efficient organization. On a macro point of view, I anticipate vast prospects in Mainland China in the foreseeable future. With economic growth stabilized at around 7.5%, Chinese policymakers have since taken various steps to open new areas of growth. Such reforms include the continuation of urbanization and the launch of the country's first free trade zone in Shanghai. I am confident that the redefined positioning of the VSC Group and growing business presence in Mainland China is well positioned to capture such opportunities in the market and will ultimately deliver significant value to our shareholders in the long term.

I would like to take this opportunity to thank the management and all our staff for their hard work and devotion during the year. We also owe our success to our long term shareholders, valued customers, as well as our business partners for their continued support.

Yao Cho Fai Andrew

Chairman and Executive Director

30th June 2014

CEO'S STATEMENT



*With our sustainable transformation,
our mission and mandate for the future
have never been more uniform and clearer*

Frank Muñoz
Executive Director and
Chief Executive Officer

Significant progress in business restructuring, resulting in simplified organization and foundation for sustainable improvement

Dear Chairman, Directors, Shareholders, Stakeholders and Colleagues,

I am pleased to report the results of the VSC Group for the year starting April 2013 and ending March 2014 (the "year" or "FY2014").

In spite of a challenging global market and a China economy that is slowing down, we delivered on most of the commitments made in our, board approved, annual operating plan.

Our transformation strategy continues and we are happy to report that our net profit grew by 46.7% while revenue grew by 2.4% year over year.

TRANSFORMATION UPDATE

In our last annual report to shareholders, we identified and documented a clear list of deliverables. The achievement of these objectives was crucial to the future of our Company as we set out to transform the Company into a focused and nimble organization capable of capturing untapped value and potential capable of delivering profit even in the most challenging economic environments. We are encouraged by the progress made and promise to continue on the path of continuous value creation.

FY2014 was a year of substantial progress in our transformation journey. We made significant changes to our business model and eliminated or restructured non-performing businesses, with one-time impairment provisions on such businesses totalling approximately HK\$63 million. We simplified our organization and determined that we would remain in business lines where we have relevance, expertise and competitive strength. We also reserved for those

businesses where closing or divestment was not executed in FY2014 but would be completed in the months to come. Our new organization is simpler comprising three major lines of business, Industrial Materials Distribution Group ("IMDG"), Building & Design Solutions Group ("BDSG") and Property Group.

INDUSTRIAL MATERIALS DISTRIBUTION GROUP

We brought together our steel and engineering plastics distribution business and created what we now call Industrial Materials Distribution Group. This new organization allows for synergies in steel procurement, logistics and supply chain management. We will be able to share resources across businesses and reduce expenses in the process. In May 2014, all China distribution businesses co-located from separate offices in Shanghai to our newly acquired office building in Putuo District. Having our teams under the same roof will allow us to take advantage of our combined expertise while sharing corporate resources, minimizing risk through better controls and reducing expenses. Our steel procurement consolidation and geographic expansion strategies are now managed from Shanghai.

BUILDING & DESIGN SOLUTIONS GROUP

We also re-defined our business model for Building & Design Solutions Group. Teams in each city and province are focused on the regional trends and our sales efforts seek to make the most of China's drive for urbanization. We closed stores that were not profitable and implemented retail strategies while strengthening our dealer network and adding resources to grow project sales. We have invested in architectural and design centres ("A&D centres") to grow retail sales and strengthened our project teams. Hong Kong BDS moved away from the showroom concept and in April 2013, under TOTO banner opened the largest sanitary A&D centre in

CEO'S STATEMENT

Hong Kong. We also opened an additional A&D centre to cater to architects and designers looking for European made products. Our new A&D centre under the banner of BAGNODESIGN London was opened in January 2014.

By representing TOTO Japan and BAGNODESIGN London, we are now able to provide the market a great selection of Japanese and European sanitary ware products. Our A&D centres provide architects and designers access to great quality products in an elegant and beautiful setting.

PROPERTY GROUP

Our property strategy continues to deliver value to shareholders. Our team specializes in buying and upgrading for significant increase in rental income.

FY2014 SUMMARY

IMDG delivered 3.8% improvement in net profit and 3.4% sales growth year over year.

Our steel distribution business (Hong Kong Steel and Bao Shun Chang) delivered excellent results. Tons sold grew by 14.0% while net profit increased by 6.1% year over year. Supported by a strong construction market in Hong Kong and a growing automotive industry in Mainland China, we were able to deliver improvements in spite of a decrease in steel prices in the second half of the year. Hong Kong Steel, which sells to Hong Kong and Macau's construction industries delivered significant volume growth in the infrastructure segment and was able to grow reinforcement bar tons by 31.0% while other tons of products like piling and carbon structurals grew by 35.2%.

Our engineering plastics distribution business struggled in the last half of the year and while they delivered a profit, we were not able to deliver on our plan. While gross profit margin increased by almost 50 basis points, lower sales and bad debt write-offs, related to a customer that went into administration by local government, caused net profit to decrease. Our sales in Hong Kong and Shenzhen, which made up 57.2% of total sales during the last fiscal year, decreased to 41.4% for the year as many exporters reduced their purchases. We continued to make great strides in expanding our geographic presence into Mainland China. Our newly opened office in Xiamen managed to increase sales by 71.7%, while our Eastern China sales offices (Shanghai, Ningbo and Suzhou) delivered over 8.4% sales growth during the year.

Our BDSG sales were fairly flat in total but grew by 4.3% excluding Shenzhen operation, which was closed in 2013. We generated a loss of approximately HK\$3.2 million for the year primarily caused by restructuring expenses in Changsha, Wuhan and the closing of Shenzhen operation. One-time expenses related to the opening of the two A&D centres in Hong Kong and closing of showrooms also contributed to the loss.

Restructuring of Changsha and Wuhan BDS was necessary as both of these businesses were recent acquisitions and business models were not well-aligned with the markets currently served. Restructuring included headcount reduction and stores closing. Our brand partner, TOTO, and dealer partners were very supportive of restructuring and total sales were not affected. We are happy to report that restructuring has delivered on objectives we set and trends show that both Changsha and Wuhan BDS will deliver on profit and growth commitments for the financial year ending 31st March 2015. Changsha and Wuhan BDS have exclusive distribution rights in Hunan and Hubei respectively. New structure and organization allow us to use our growing dealer network to boost our sales on a province wide scale.

New A&D centres in Hong Kong are expected to facilitate retail and project sales growth on the back of a strong construction market. Trends in both retail and projects are showing top line and bottom line improvement.

While investments in projects since we entered the property sector have been minority investments, we have always been the operator. Being the operator of properties in Dalian and Shanghai, allowed us to gain significant insight and experience that we are now using in our new acquisition of Central Park (formerly known as China CTS Tower), a 27-storey office building in Putuo District (Shanghai) which is 100% owned by us. The sale of the Point Jingan in the fourth quarter of the year, delivered relevant experience and great shareholder value. We plan to use the experience gained in the upgrade and disposal processes of our assets as we manage our Putuo property (Shanghai) and review other opportunities for investment.

OUTLOOK

The uncertainties of the global markets and China's slowdown in economic growth will inevitably have an impact across the region. We expect the global steel market to continue to face imbalances. China's steel production continues to outpace demand and will put pressure on pricing. Iron ore output is also outpacing demand giving steel mills cost relief as steel price falls.

As China's growth slows down, the competitive environment will continue to intensify. We will seek opportunities in new products and processes with existing customers and continue our geographic expansion into areas where we are not present.

In steel, we will continue to diversify our product and process offering while continuing to create a more efficient supply chain across all products. Our Hong Kong Steel team will continue to deliver aggressive growth by continuing to grow market share of structurals and carbon plate while maintaining our market share in reinforcement bar. Hong Kong and Macau infrastructure, residential and non-residential construction will continue at a break neck pace.

We will continue to work with contractors and the government to define the right investment in downstream processing for construction steel. In May 2014, we signed a joint venture agreement with a renowned international steel processing company. Their knowledge of processing and our experience in construction steel procurement and distribution will make us a sizeable player in downstream construction steel processing.

Bao Shun Chang will continue its drive to move from a local player in surface critical coil serving automotive, home appliance and construction to a national distributor across multiple product lines of steel. We will also explore an export strategy to take advantage of Mainland China's steel production capacity.

Engineering plastics will continue to focus on high-growth industries and expanding our geographic presence in Mainland China. We have worked to strengthen our ties to our strategic partners like Sabic Innovative Plastics Hong Kong Limited and Toray Plastics (China) Co. Ltd. and will work to recover and grow our market share in Hong Kong and Southern China.

China urbanization will continue at an accelerated pace. Coupled with the property upgrade drive that is taking place in tier 1 cities, our BDSG business should benefit as long as we remain in the high-end segment of sanitary ware. New brands are continually making their way to China and we will have to remain vigilant and one step ahead by using our relationships with developers and the brands we represent to expand our reach geographically.

Our partnership with BAGNODESIGN London will allow us to tap into the needs of architects and designers looking for a high-end European option in sanitary ware. Our partnership with BAGNODESIGN London gives us exclusivity for China and Asia.

BDSG is now positioned for significant growth. Our recent re-organization in Changsha and Wuhan created a province wide sales strategy further boosting its presence in China's interior.

SUMMARY

We have concluded a robust restructuring process that included the elimination of businesses that were not adding value while taking up valuable resources. For the first time in many years, VSC has begun new financial year, with a clean slate as it relates to legacy issues and non-performing businesses. Our strong results of the year allowed us to close businesses that had been generating losses in prior years and face related expenses while still delivering a significant improvement in net profit year over year. We will continue to mandate that each office, city and overall business deliver a profit. We will not subsidize non-performing or non-strategic businesses.

Our new organization is lean, nimble and, as a result of recent changes, very focused. We have a new management team that is driving a revitalized business model and delivering earnings improvement. We maintain that we are far from our potential and that our share price is significantly undervalued. We are now positioned to deliver aggressive top line growth and continuous bottom line improvement.

I want to thank our chairman and board of directors for their guidance and trust. We thank our partners (suppliers, banks, service providers) for their constant support.

I want, especially, to thank our employees for their loyalty and hard work. FY2014 was full of changes and challenges that tested our personnel's ability to embrace change. Thank you for your trust, dedication and perseverance. Our recent results show that the sacrifices made were necessary and fruitful. Our future results will prove recent decisions accurate.

Frank Muñoz

Executive Director and Chief Executive Officer

30th June 2014

FINANCIAL OVERVIEW AND STAFFING

Results

The VSC Group's results showed significant improvements in the year as a series of important internal changes were implemented. Gross profit for the year was approximately HK\$370 million, up by 4.2% compared to last year, while revenue grew by 2.4% year over year. Net profit surged by 46.7% to approximately HK\$105 million, a significant improvement from last year's net profit of approximately HK\$71 million. Gross profit margin and net profit margin were about 9.6% and 2.7% respectively, higher than about 9.4% and 1.9% respectively recorded in last year.

Profit attributable to the equity holders of the Company was approximately HK\$104 million (2013: HK\$72 million). Basic earnings per ordinary share was HK24.93 cents (2013: HK17.30 cents). The Board recommended a final dividend of HK4.15 cents (2013 final: HK2.9 cents) per ordinary share for the year.

Liquidity and Financing

The VSC Group's cash and cash equivalents were approximately HK\$371 million as at 31st March 2014 (2013: HK\$460 million) of which about 4.4% were in US dollar, about 40.2% were in Chinese Renminbi ("RMB"), about 55.4% were in HK dollar. Net cash flow used in operating activities for the year was approximately HK\$129 million.

As at 31st March 2014, the VSC Group's total borrowings amounted to approximately HK\$1,572 million of which 100% were interest bearing borrowings (2013: HK\$581 million). Net interest bearing borrowings, after deducting pledged bank deposits of approximately HK\$39 million (2013: HK\$97 million) and cash and bank deposits of approximately HK\$371 million (2013: HK\$460 million), amounted to approximately HK\$1,162 million (2013: HK\$24 million). Gearing ratio as at 31st March 2014, 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 increased from 3.1% to 59.8% and current ratio was decreased from 1.47 times to 1.05 times as compared to 31st March 2013. 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.

Contingent Liabilities

As at 31st March 2014, the VSC Group had no material contingent liability.

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 volatility of RMB, the VSC Group will continue to match RMB payments with RMB receipts to minimize the exchange exposure.

As at 31st March 2014, about 72.3% of the VSC Group's interest-bearing borrowings were denominated in HK dollar, about 20.5% in US dollar and about 7.2% in RMB. Forward foreign exchange 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 2014, 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 RMB117 million. All of the VSC Group's borrowings as at 31st March 2014 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.

Charges on Assets

As at 31st March 2014, the VSC Group had certain charges on assets which included (i) bank deposits of approximately HK\$13 million which were pledged as collateral for the VSC Group's banking facilities, and (ii) investment properties of approximately HK\$1,006 million were pledged as collaterals for certain of the VSC Group's bank borrowings.

Staffing

As at 31st March 2014, the VSC Group employed 327 staff. The Company is focusing on building an elite team to help lead the Company to future success. During the year, options to subscribe for 8,700,000 ordinary shares have been offered and granted to our directors and employees under the share option scheme adopted on 11th August 2011.

Corporate Governance

The board of directors (the “Board”) of Van Shung Chong Holdings Limited (the “Company”) is committed to maintain high standards of corporate governance. It believes that high standards of corporate governance provide 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 Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31st March 2014 (the “year”), save for the deviations discussed below.

During the year, in order to comply with the CG Code provision A.4.1, the Company’s non-executive directors have been appointed for a specific term, they (including all other directors) are subject to retirement by rotation and re-election at least once every three years according to the Company’s Bye-laws.

CG Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other important engagement at the relevant time, certain directors were unable to attend the special general meeting of the Company held on 5th December 2013. However, all the directors attended the annual general meeting and special general meeting of the Company held on 16th August 2013.

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 (the “Company’s Model Code”) regarding securities transactions by the directors of the Company 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 from time to time. 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. The Company’s Model Code also applies to other specified relevant employees of the VSC Group in respect of their dealings in the securities of the Company.

Board of Directors

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

The executive directors are responsible for managing the overall business. They are mainly involve in the formulation and execution of the corporate strategies. The non-executive director and independent non-executive directors consist of eminent business executives from Hong Kong and Mainland China, 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. Non-executive director and 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.

The Board has adopted the Board Diversity Policy during the year. Under the Policy, the Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional and industry experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE REPORT

In March 2014, the Company was pleased to welcome Mr. Yeung Wing Sun Mike to the Board. He adds diversity to the Board and has a wealth of financial and banking experience. At present, more than half of the directors on the Board are independent non-executive directors. The Board composition reflects various cultural and educational backgrounds, professional development, length of service, knowledge of the Company and a broad range of individual attributes, interests and values. The Board considers the current composition has provided the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business. The Board will continue to review its composition from time to time taking into consideration specific needs for the VSC Group's business.

Four Board committees, namely the Executive Committee, the Remuneration Committee, the Nomination 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, chief financial officer and human resource director under the leadership of the chief executive officer.

Minutes of Board meetings are taken and kept 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, Board Committees meetings and general meetings attended by each director during the year is as follows:

Directors	Board Meeting	Remuneration Committee Meeting	Audit Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Special General Meeting
<i>Executive Directors:</i>						
Mr. Yao Cho Fai Andrew (Chairman)	4/4	2/2	N/A	1/1	1/1	1/2
Mr. Frank Muñoz (Chief Executive Officer)	4/4	N/A	N/A	N/A	1/1	2/2
<i>Non-Executive Director:</i>						
Mr. Dong Sai Ming Fernando	4/4	N/A	N/A	N/A	1/1	2/2
<i>Independent Non-Executive Directors:</i>						
Mr. Tam King Ching Kenny	4/4	2/2	2/2	1/1	1/1	1/2
Mr. Xu Lin Bao	4/4	2/2	2/2	1/1	1/1	1/2
Mr. Tse Lung Wa Teddy	3/4	2/2	2/2	N/A	1/1	2/2
Mr. Yeung Wing Sun Mike (appointed on 25th March 2014)	1/1	N/A	N/A	N/A	N/A	N/A
Total Number of Meetings Held	4	2	2	1	1	2

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of legal actions against the directors and officers within the VSC Group.

Chairman and Chief Executive

The Chairman and the Chief Executive Officer of the Board are Mr. Yao Cho Fai Andrew and Mr. Frank Muñoz respectively. The roles of the Chairman and the Chief Executive Officer are distinct and segregated with a clear division of responsibility.

The Chairman plays a leading role and is responsible for effective running of the Board while the Chief Executive Officer is delegated with the authority and responsibility of overall management, business development and implementation of the VSC Group's strategy determined by the Board in achieving its overall commercial objectives.

Board meetings for each year are scheduled in advance to give all directors an opportunity to attend, and are structured to encourage open discussion.

Specific Terms of Non-Executive Directors

The Company's non-executive directors are appointed for a specific term. They (including all other directors) are, subject to retirement by rotation and re-election at the annual general meeting at least once every three years according to the Company's Bye-laws.

Executive Committee

Executive Committee has been in place since March 2006 and now consists of all executive directors with Mr. Yao Cho Fai Andrew as chairman and Mr. Frank Muñoz as member.

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

Minutes of committee meetings are taken and kept by the company secretary and, together with any supporting committee papers, are available to all Board members.

The Company adopted a new terms of reference of the Executive Committee in March 2012 in order to conform with the amendments made to the CG Code in relation to corporate governance functions and it is responsible for performing the corporate governance duties as follows:

- (i) implementing and compliance with the laws, regulations, listing rules, bye-laws, internal regulations applicable to the Company;
- (ii) providing a means for timely and accurate disclosure of information;
- (iii) ensuring effective communication with the Company's shareholders;
- (iv) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- (v) reviewing and monitoring the training and continuous professional development of directors and senior management;
- (vi) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (vii) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and

- (viii) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the year, the Executive Committee has carried out the duties on the corporate governance functions of the Company in accordance with its terms of reference.

Remuneration Committee

The Remuneration Committee has been in place since July 2005 and comprises the independent non-executive director Mr. Xu Lin Bao as chairman, the executive director Mr. Yao Cho Fai Andrew and two independent non-executive directors, Mr. Tam King Ching Kenny and Mr. Tse Lung Wa Teddy as members. 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 Remuneration Committee has adopted the model where it has delegated responsibility to determine the remuneration packages of individual executive directors and senior management as well as reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives. The Remuneration Committee also makes recommendation to the Board on the remuneration of the non-executive directors. No director or any of his associates may be involved in any decisions as to his own remuneration. The Company has adopted new terms of reference of the Remuneration Committee in March 2012 to conform with the provisions set out in the CG Code. The terms of reference of the Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Minutes of committee meetings are taken and kept by the company secretary and, together with any supporting committee papers, are available to all Board members.

During the year, the Remuneration Committee has reviewed and determined the remuneration packages of the executive directors and made recommendations to the Board as to the remuneration policy and structure for senior management of the Company.

The attendance record of the Remuneration Committee meeting is stated in the table under "Board of Directors" of this report.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee has been in place since December 1998 and now consists of four independent non-executive directors with Mr. Tam King Ching Kenny as chairman and Mr. Xu Lin Bao, Mr. Tse Lung Wa Teddy and Mr. Yeung Wing Sun Mike (appointed on 25th March 2014) as members. Mr. Tam King Ching Kenny is an independent non-executive director with appropriate professional accounting expertise as required under Rule 3.10 of the Listing Rules.

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. 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 has adopted new terms of reference of the Audit Committee in March 2012 to conform with the provisions set out in the CG Code. The terms of reference of the Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and the Stock Exchange.

Minutes of committee meetings are taken and kept by the company secretary and, together with any supporting committee papers, are available to all Board members.

During the year, 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. The Audit Committee has reviewed the VSC Group's interim and annual consolidated financial statements for the year and was content that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

The attendance record of the Audit Committee meetings is stated in the table under "Board of Directors" of this report.

Nomination Committee

The Nomination Committee has been in place since March 2012 and includes the executive director Mr. Yao Cho Fai Andrew as chairman and two independent non-executive directors, Mr. Xu Lin Bao and Mr. Tam King Ching Kenny as members. The Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment or re-appointment of directors and Board succession. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement VSC's corporate strategy and accessing the independence of independent non-executive directors. The Company has adopted new terms of reference of the Nomination Committee in March 2012 to conform with the provisions set out in the CG Code. The terms of reference of the Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and the Stock Exchange.

Minutes of committee meetings are taken and kept by the company secretary and, together with any supporting committee papers, are available to all Board members.

During the year, the Nomination Committee has reviewed the Board composition, the appointment and re-appointment of directors and also considered any proposed changes to the Board to complement the Company's corporate strategy.

The attendance record of the Nomination Committee meeting is stated in the table under "Board of Directors" of this report.

Corporate Governance Function

While the Board is and remains principally responsible for the corporate governance functions of the Company, it has delegated the relevant duties to the Executive Committee to ensure the proper performance of corporate governance functions of the Company. In this connection, the terms of reference of the Executive Committee includes various duties relating to corporate governance matters which are set out in paragraph "Executive Committee" of this report.

Internal Control & Risk Management

The Board and the Audit Committee are responsible for developing and maintaining the system of internal controls of the VSC Group to protect shareholders' interest and to safeguard the VSC Group's assets by setting appropriate policies and reviewing the effectiveness of major control procedures for financial, operational, compliance and risk management areas. During the year, the Company has engaged an independent professional firm to perform an internal control review of the VSC Group. The Board and the Audit Committee have reviewed the effectiveness of the VSC Group's system of internal controls on all major operations, including financial, operational and compliance controls and risk management functions, and have considered the adequacy of resources, qualifications and experience of staff of the VSC Group's accounting and financial function, and their training programs and budget, by reviewing the internal audit reports prepared by the independent professional firm and management letters submitted by external auditor. Also, the Board and the Audit Committee met with the internal and external auditors and management to discuss findings from their works and resolution. The Board and the Audit Committee considered that the system of internal controls was operating effectively for the year ended 31st March 2014.

The Company has set up a corporate practices committee in May 2013, chaired by Mr. Tse Lung Wa Teddy. The committee is responsible for risk assessment and management in preventing or reducing operational risk that might damage VSC Group's value. The committee chairman periodically reviews with the chief executive officer, the chief financial officer and other members of the leadership team the procurement policy, credit policy and other policies and reports to the Board of any finding, as appropriate. Ms. Helen Luk, director of financial planning and risk analysis focuses on risk identification and ensures high priority issues are aggressively tackled and cost is effectively managed, thereby minimizing risks and allowing the VSC Group's objectives to be achieved optimally.

Auditor's Remuneration

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

Types of services	HK\$'000
Audit fee for the VSC Group	2,100
Taxation services	67
Total	2,167

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 shareholders, investors, analysts and the press. The management periodically meets with existing and potential investors to make corporate presentations. The VSC Group also promotes communications with non-institutional shareholders through public announcements of key developments of the Company as prescribed under the Listing Rules, annual general meeting and other general meetings of the Company. Such general meetings are presided over and led by the chairman, supported by other directors. Our user-friendly website, <http://www.vschk.com>, provides investors with the latest news, corporate profile, business information and financial information including announcements and annual and interim reports. The VSC Group continues to maintain a high level of transparency in information disclosures. A shareholders' communication policy has been established on 16th March 2012.

CORPORATE GOVERNANCE REPORT

Continuing Professional Development

On appointment to the Board, each director receives a comprehensive induction package covering policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a director to ensure that he is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements. All directors shall participate in continuous professional development to develop and refresh their knowledge and skills.

The directors are from time to time provided materials on amendments to or updates on the relevant laws, rules and regulations to ensure that their contribution to the Board remains informed and relevant. The Company has been encouraging the directors and officers to participate in a wide range of professional development courses and seminars relating to the Listing Rules, applicable regulatory requirements and corporate governance practices organized by professional bodies and/or independent auditors to further improve their relevant knowledge and skills.

All directors have confirmed that they have participated in appropriate continuous professional development activities by attending seminar relating to corporate governance and regulations or by reading materials relevant to their duties and responsibilities during the year.

Company Secretary

The company secretary supports the Chairman, the Board and Board committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The company secretary reports to the Board and assists the Board in functioning effectively and efficiently. She also advises the Board on governance matters and facilitates the induction and professional development of directors. All directors may call upon the company secretary for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board committees.

Ms. Lam Yee Fan is the company secretary of the Company. She is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. Ms. Lam undertook not less than 20 hours of relevant professional training during the year. For details of Ms. Lam, please refer to page 35 of this annual report.

Constitutional Documents

During the year, there was no change in the Company's constitutional documents.

Shareholders' Rights

The Board endeavours to maintain an on-going dialogue with shareholders. The Company encourages the shareholders to attend the general meetings and the chairmen of the Board and the Board committees should attend the annual general meeting ("AGM") to answer questions.

(A) Convening a Special General Meeting by Shareholders

Pursuant to Bye-law 58 of the Company's Bye-laws and section 74 of the Companies Act 1981 (as amended) of Bermuda (the "Companies Act"), shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. A meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors. Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

(B) Putting Forward Proposals at General Meetings

Sections 79 and 80 of the Companies Act allow certain shareholder(s) to make requisition to the Company to give notice to the shareholders in respect of any resolution which is intended to be moved at an AGM of the Company or circulate a statement in respect of any proposed resolution or business to be considered at a general meeting of the Company. Under section 79 of the Companies Act, at the expense of the requisitionists

unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of shareholders:

- (a) to give to the shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (b) to circulate to the shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The number of shareholders necessary to make the above-mentioned requisitions to the Company shall be:

- (a) either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (b) not less than one hundred shareholders.

Notice of any such intended resolution shall be given, and any such statement shall be circulated, to shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to section 80 of the Companies Act, the

Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in the above unless:

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the Company:
 - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - (ii) in the case of any other requisition, not less than one week before the meeting; and
- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect to the procedures in the above (i.e. the giving of notice of resolution and/or circulation of statement).

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

(C) Making Enquiry

Shareholders should direct their enquiries about their shareholdings to the Company's share registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For other enquiries, shareholders may send written enquiries to the Company, for the attention of company secretary by mail to Rooms 4903-7, 49/F., Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong.

The procedures for proposing a person for election as a director are made available at the Company's website (<http://www.vschk.com>).

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 (the “VSC Group”) for the year ended 31st March 2014.

Principal Activities

The VSC Group is principally engaged in stockholding and distribution of construction materials such as steel products, sanitary wares, kitchen cabinets, home furniture and engineering plastics, installation work of kitchen cabinets and property investment.

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 2014, the five largest customers of the VSC Group accounted for less than 19% of the VSC Group’s total revenue, while the five largest suppliers of the VSC Group accounted for approximately 53% of the VSC Group’s total purchases. In addition, the largest supplier of the VSC Group accounted for approximately 12% 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 2014 are set out in the consolidated income statement on page 40 of this annual report.

An interim cash dividend of HK3.3 cents per ordinary share was declared and paid during the year and the Board has recommended the payment of a final cash dividend of HK4.15 cents per ordinary share. Total cash dividend payable for the year ended 31st March 2014 will amount to HK7.45 cents per ordinary share or approximately HK\$31,094,000 (2013: HK\$21,525,000).

Share Capital and Share Options

Details of share capital and share options of the Company are set out in Notes 32 and 33, respectively, to the accompanying 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 34 to the accompanying consolidated financial statements.

As at 31st March 2014, approximately HK\$53,986,000 (2013: HK\$53,986,000) of the Company’s reserves and approximately HK\$21,933,000 (2013: HK\$17,327,000) of the Company’s retained earnings were available for distribution to its equity holders.

Purchase, Sale or Redemption of Shares

During the year ended 31st March 2014, pursuant to the mandates to repurchase shares of the Company obtained from the Company's shareholders at the annual general meetings of the Company held on 17th August 2012 and 16th August 2013, the Company repurchased an aggregate of 1,126,000 ordinary shares on The Stock Exchange of Hong Kong Limited for an aggregate consideration of HK\$1,298,140 (before expenses) and all these shares were subsequently cancelled by the Company.

Particulars of the repurchases are as follows:

Month	Number of Shares repurchased	Purchase price (HK\$)		Aggregate consideration (before expenses) (HK\$)	Note
		Highest	Lowest		
July 2013	360,000	1.12	1.04	393,400	1
August 2013	466,000	1.15	1.10	521,440	2
December 2013	78,000	1.34	1.21	98,540	3
January 2014	78,000	1.36	1.35	105,600	3
March 2014	144,000	1.25	1.24	179,160	3
Total	1,126,000			1,298,140	

Notes:

- (1) Pursuant to the mandate to repurchase shares of the Company obtained on 17th August 2012.
- (2) 366,000 shares were repurchased pursuant to the mandate to repurchase shares of the Company obtained on 17th August 2012; and 100,000 shares were repurchased pursuant to the mandate to repurchase shares of the Company obtained on 16th August 2013.
- (3) Pursuant to the mandate to repurchase shares of the Company obtained on 16th August 2013.

The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year ended 31st March 2014.

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 Land Use Rights

Details of movements of property, plant and equipment, investment properties and land use rights during the year are set out in 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 20 and 21, respectively, to the accompanying consolidated financial statements.

Borrowing

Particulars of borrowings as at 31st March 2014 are set out in Note 31 to the accompanying consolidated financial statements.

REPORT OF THE DIRECTORS

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\$241,000 (2013: HK\$4,000).

Directors and Directors' Service Contracts

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

Executive Directors

Mr. Yao Cho Fai Andrew, *Chairman*

Mr. Frank Muñoz, *Chief Executive Officer*

Non-executive Director

Mr. Dong Sai Ming Fernando

Independent Non-executive Directors

Mr. Tam King Ching Kenny

Mr. Xu Lin Bao

Mr. Tse Lung Wa Teddy

Mr. Yeung Wing Sun Mike (appointed on 25th March 2014)

In accordance with the Company's Bye-laws 86(2) and 87(1), Mr. Yeung Wing Sun Mike, Mr. Yao Cho Fai Andrew and Mr. Xu Lin Bao will retire from office at the forthcoming annual general meeting and being eligible, will offer themselves for re-election at such meeting.

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 2014, 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. Yao Cho Fai Andrew ("Mr. Yao")	Interest of controlled corporation, Huge Top (Note a) Beneficial owner	Deemed interest (indirectly) 100% (directly)	173,424,000	41.52%	–	173,424,000
			2,612,000	0.63%	1,500,000	4,112,000
			176,036,000	42.15%	1,500,000	177,536,000
Mr. Frank Muñoz	Beneficial owner	100% (directly)	–	–	8,000,000	8,000,000
Mr. Dong Sai Ming Fernando	Beneficial owner	100% (directly)	142,000	0.03%	200,000	342,000
Mr. Tam King Ching Kenny	Beneficial owner	100% (directly)	–	–	1,000,000	1,000,000
Mr. Xu Lin Bao	Beneficial owner	100% (directly)	–	–	1,000,000	1,000,000
Mr. Tse Lung Wa Teddy	Beneficial owner	100% (directly)	–	–	1,000,000	1,000,000

Notes:

- a. As at 31st March 2014, Huge Top Industrial Ltd. ("Huge Top") held 173,424,000 Shares. Mr. Yao is one of the two directors of Huge Top while the remaining director of Huge Top is Ms. Yao Che Li Miriam who is 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

(ii) Long positions in associated corporation – Huge Top

Name of Directors	Capacity	Attributable interest to the Directors	Number of shares	Approximate percentage
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. Dong Sai Ming Fernando	Beneficial owner	100% (directly)	13	15.48%

Save as disclosed above, as at 31st March 2014, 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.

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 2014, according to the register of interests kept by the Company under Section 336 of the SFO, the following entities had interests or short positions in the Shares and underlying Shares which fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity	Number of Shares	Approximate percentage
Huge Top	Beneficial owner	173,424,000	41.52%
Perfect Capital	Interest of controlled corporation	173,424,000 (Note a)	41.52%
Ms. Yao Che Li Miriam	Interest of controlled corporation	173,424,000 (Note b)	41.52%
	Beneficial owner	2,000,000	0.48%
		175,424,000	42.00%

Notes:

- (a) As at 31st March 2014, 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 2014, Huge Top held 173,424,000 Shares. Ms. Yao Che Li Miriam was one of the two directors of Huge Top while the remaining director of Huge Top was Mr. Yao who is the brother of Ms. Yao Che Li Miriam and therefore was deemed to be interested in these Shares through Huge Top.

Save as disclosed above, as at 31st March 2014, 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

The share option scheme adopted since 12th November 2001 (the “2001 Share Option Scheme”) was terminated on 11th August 2011 and a share option scheme had been adopted since 11th August 2011 (the “2011 Share Option Scheme”) at the 2011 annual general meeting of the Company. Upon termination of the 2001 Share Option Scheme, no further options will be granted thereunder but in all other respects, the provisions of the 2001 Share Option Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. The purpose of the 2011 Share Option Scheme is 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. The 2011 Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 11th August 2011 and will expire on 10th August 2021. Details of the terms of the 2011 Share Option Scheme were contained in the Company’s circular dated 8th July 2011.

REPORT OF THE DIRECTORS

The details of the movements in the share options granted to the Company's employees (including Directors) under the 2001 Share Option Scheme and 2011 Share Option Scheme during the year were as follows:

2001 Share Option Scheme

Name or category of participant	Date of grant	Exercise period	Note	Exercise price per Share	Number of share options				
					Beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	End of the year
					'000	'000	'000	'000	'000
Directors:									
Mr. Yao	13th September 2006	13th September 2007 to 12th September 2016		HK\$0.90	1,500	-	-	-	1,500
Mr. Dong Sai Ming Fernando	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. Tam King Ching Kenny	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					4,000	-	-	(300)	3,700
Employees:									
In aggregate	7th May 2003	7th May 2005 to 6th May 2013	1	HK\$0.97	500	-	-	(500)	-
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	300	-	(200)	-	100
In aggregate	18th September 2009	18th September 2011 to 17th September 2019	2	HK\$0.586	1,336	-	(584)	-	752
In aggregate	13th October 2009	13th October 2009 to 12th October 2019		HK\$0.504	10,500	-	-	-	10,500
Sub-total					13,636	-	(784)	(1,500)	11,350

Name or category of participant	Date of grant	Exercise period	Note	Exercise price per Share	Number of share options				
					Beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	End of the year
					'000	'000	'000	'000	'000
Others:									
In aggregate	2nd May 2003	2nd May 2003 to 1st May 2013		HK\$0.98	1,000	-	-	(1,000)	-
In aggregate	19th June 2008	19th June 2008 to 31st December 2014		HK\$0.78	1,000	-	-	-	1,000
In aggregate	13th October 2009	13th October 2009 to 12th October 2019		HK\$0.504	6,000	-	-	-	6,000
In aggregate	1st August 2011	1st August 2013 to 31st July 2015		HK\$0.692	3,815	-	(3,815)	-	-
Sub-total					11,815	-	(3,815)	(1,000)	7,000
Total of 2001 Share Option Scheme					29,451	-	(4,599)	(2,800)	22,052

Notes:

- The share options were vested in three tranches, with each tranche covering 30%, 40% and 30% of the relevant options respectively, i.e. exercisable to the extent of the respective percentage of the relevant options and with the 1st, 2nd and 3rd tranche becoming exercisable from 7th of May in the years 2005, 2006 and 2007 respectively and the years onwards till 6th May 2013. These options have been expired on 7th May 2013.
- The share options were vested in three tranches, with each tranche covering one-third of the relevant options, i.e. exercisable to the extent of one-third of the relevant options and with the 1st, 2nd and 3rd tranche becoming exercisable from 18th of September in the years 2011, 2012 and 2013 respectively and the years onwards till 17th September 2019.

REPORT OF THE DIRECTORS

2011 Share Option Scheme

Name or category of participant	Date of grant	Exercise period	Note	Exercise price per Share	Number of share options				
					Beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	End of the year
					'000	'000	'000	'000	'000
Directors:									
Mr. Frank Muñoz	16th November 2012	16th November 2013 to 15th November 2022	1	HK\$0.67	4,000	-	-	-	4,000
	27th November 2013	27th November 2013 to 26th November 2023	2	HK\$1.30	-	4,000	-	-	4,000
Mr. Tse Lung Wa Teddy	27th November 2013	27th November 2013 to 26th November 2023		HK\$1.30	-	1,000	-	-	1,000
Sub-total					4,000	5,000	-	-	9,000
Employees:									
In aggregate	16th November 2012	16th November 2012 to 15th November 2022	3	HK\$0.67	3,240	-	(460)	(300)	2,480
	27th November 2013	27th November 2013 to 26th November 2023	2	HK\$1.30	-	3,400	-	(500)	2,900
	17th December 2013	17th December 2013 to 16th December 2023	4	HK\$1.30	-	300	-	-	300
Sub-total					3,240	3,700	(460)	(800)	5,680
Others:									
In aggregate	7th September 2012	1st August 2014 to 31st July 2016		HK\$0.49	3,815	-	-	-	3,815
Total of 2011 Share Option Scheme					11,055	8,700	(460)	(800)	18,495

Notes:

- The share options were/will be vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 16th of November in the years 2013, 2014, 2015 and 2016 respectively and the years onwards till 15th November 2022.
- The share options were/will be vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 27th of November in the years 2014, 2015, 2016 and 2017 respectively and the years onwards till 26th November 2023.
- The share options were/will be vested in five tranches, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant options and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 16th of November in the years 2012, 2013, 2014, 2015 and 2016 respectively and the years onwards till 15th November 2022.
- The share options were/will be vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 17th of December in the years 2014, 2015, 2016 and 2017 respectively and the years onwards till 16th December 2023.

Related Party Transactions

Details of related party transactions are set out in Note 40 to the accompanying consolidated financial statements.

Competing Interests

For the year ended 31st March 2014, 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. There was no change in auditor of the Company in any of the preceding three years.

On behalf of the Board

Yao Cho Fai Andrew

Chairman and Executive Director

Hong Kong, 30th June 2014

DIRECTORS' PROFILE

Executive Directors

Mr. Yao Cho Fai Andrew

aged 48, is the chairman of the Company. Mr. Yao graduated from the University of California, Berkeley and Harvard Graduate School of Business. He serves as the Hong Kong Deputy to the 12th National People's Congress (NPC) of PRC, the Standing Committee Member of All-China Youth Federation, the Chairman of Hongkong-Shanghai Economic Development Association, the Board Member of Lingnan University in Hong Kong, the Vice-Chairman of Shanghai Federation of Industry & Commerce and the Board Member of Fudan University in Shanghai. 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. Mr. Yao is the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He also acts as a director of certain subsidiaries of the Company.

Mr. Frank Muñoz

aged 45, is the chief executive officer of the Company. Mr. Muñoz joined the VSC Group in June 2011. He holds a bachelor's degree in electrical engineering. He was the president and chief executive officer of Ryerson China Limited and president of Ryerson Asia Limited. He was also the chairman of the operating committee of the joint venture of Ryerson China Group and Shinsho Corporation, and board director of Guangzhou Baosteel Jing Chang Steel Processing Company Limited (a joint venture of Ryerson China Group, Shanghai Baosteel Corporation and Japan Mitsui & Co., Ltd.) in Nansha, China. Mr. Muñoz joined Ryerson Inc. in 1988 and has held various sales and operating positions. In 1994, he was part of the leadership team of Ryerson de Mexico SA de CV. From 1998 to 2006, he was the president and the chief operating officer of Ryerson de Mexico SA de CV. In 2006, he moved to China as the vice president of international of Ryerson Inc. and co-chairman of the board of VSC-Ryerson China Limited (Name changed to "Ryerson China Limited"). Mr. Muñoz was also a member of the executive and remuneration committees and a board director from April 2006 to June 2009, and the chairman of the board from October 2007 to June 2009 of Tata Ryerson India Limited (a joint venture of Ryerson Inc. and Tata Steel Ltd.). He was the chairman of all the subsidiaries of Ryerson China Limited. He also acts as a director of certain subsidiaries of the Company.

Non-Executive Director

Mr. Dong Sai Ming Fernando

aged 52, is a non-executive director of the Company. Mr. Dong joined the VSC Group in 1987. He has over twenty years' experience in international trading. Mr. Dong was extensively involved in warehouse management, property investment and the China operations of the VSC Group. He had 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.

Independent Non-Executive Directors**Mr. Tam King Ching Kenny**

aged 65, 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 Chartered Professional Accountants of Ontario, Canada. Mr. Tam is serving as a member of the Restructuring and Insolvency Faculty Executive Committee, the Small and Medium Practitioners Leadership Panel and the Insolvency SD Vetting 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 six 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, Starlite Holdings Limited, West China Cement Limited and BeijingWest Industries International Limited (appointed with effect on 27 January 2014). Mr. Tam was an independent non-executive director of North Asia Strategic Holdings Limited, a company listed on the GEM board of The Stock Exchange of Hong Kong Limited from September 2004 to February 2013. Mr. Tam is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company.

Mr. Xu Lin Bao

aged 65, joined the VSC Group in April 2006. He 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, the chairman of directors of the Committee of Management of China Real Estate Association from 1999 to June 2005, and currently 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 December 2005. Mr. Xu is the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company.

Mr. Tse Lung Wa Teddy

aged 50, joined the VSC Group in August 2012. He graduated with BA (Hon.) from University of Hong Kong in 1987, major in Economics and Philosophy. He is a business and commercial professional with extensive work experience gained in international steel arena and particularly in China region. He worked for Cargill Hong Kong Limited since 1992 till 2012 April and spent most of his time in steel sector. Mr. Tse was promoted to be the Senior Vice President of Cargill Ferrous International since 2008. He managed different trading books for various ferrous commodities globally, both physical and derivative markets and cross products arbitrage, business strategy and business risk management. He has successful track record of driving business growth to lead Cargill steel trading become the global market leader in the industry, particularly in commodities such as iron and steel related and mineral and resource international trading and distribution. He also worked as Vice President of Cargill Energy, Transportation and Industrial Asia business unit for China market since 2010 till 2012 April. Mr. Tse is the vice chairman of Smart Timing Steel Limited from 2012 July till now. Mr. Tse is a member of the Audit Committee and the Remuneration Committee of the Company. He is also the chairman of the Corporate Practice Committee of the Company.

Mr. Yeung Wing Sun Mike

aged 61, joined the VSC Group in March 2014. He has over 40 years' working experience in the banking industry. He began his career with the HSBC Group in 1972 and advanced himself in the organization by taking up different positions under various business streams including personal banking, sales and marketing, branch operation and trade service. Since 2001, Mr. Yeung was relocated to Shanghai and took up the role of Branch Manager of HSBC Shanghai. In June 2006, he was seconded to Hang Seng Bank (China) Limited and appointed as the Head of Personal Financial Service and Wealth Management. He assumed the role of Deputy Chief Executive and Head of Retail Banking and Wealth Management in May 2007. Mr. Yeung retired from HSBC Group in January 2014. Mr. Yeung is a member of Chinese People's Political Consultative Conference Committee in Shanghai and the Distinguished Advisory President of Hong Kong Chamber of Commerce in Shanghai. He was awarded the "Magnolia Gold Award" presented by the Shanghai Municipal government. Mr. Yeung is a member of the Audit Committee of the Company.

LEADERSHIP PROFILE

Mr. Lau Chi Chiu Patrick

Managing Director – Hong Kong Steel and International Trading

Mr. Lau Chi Chiu Patrick, aged 47, joined VSC in 1991. Mr. Lau has held various sales and marketing, and supply chain positions in our Plastics and Steel Group. He was the General Manager of Plastics business from April 2003 to November 2011 and the General Manager of Steel business in Hong Kong and International Trading from December 2011 to May 2013. Mr. Lau holds a Bachelor degree in Commerce (Marketing & Management) from Curtin University of Technology in Australia.

Mr. Jiang Zhong Xian

Managing Director – Bao Shun Chang

Mr. Jiang Zhong Xian, aged 51, is the Managing Director of Shanghai Bao Shun Chang International Trading Co., Ltd. (Bao Shun Chang). He joined Bao Shun Chang, a joint venture of VSC and Shanghai Baosteel Development Co., Ltd., in 1993. Mr. Jiang graduated from Northeastern University with a Bachelor degree in Mechanical Engineering and holds a Master degree in EMBA degree in China Europe International Business School. He has worked in Shanghai Baosteel for over 30 years and has more than 23 years of experience in steel trading. Mr. Jiang is the vice chairman of Shanghai Federation of Industry & Commerce Steel Chamber of Commerce and the chairman of Pre-Painted Galvanised Steel Chamber of Commerce with extensive knowledge in the domestic and international steel market.

Mr. Deng Ming Eric

Managing Director of Building & Design Solutions, Mainland China

Mr. Deng Ming Eric, aged 37, joined the VSC in 2003. He has over 15 years of experience in sanitary ware distribution and has great relationships with TOTO Supplier. Mr. Deng holds a Bachelor degree in Material Engineering from Shanghai University of Engineering Science.

Mr. Siu Yik Lun Alan

General Manager – Building & Design Solutions, Hong Kong

Mr. Siu Yik Lun Alan, aged 36, joined VSC since 2001 in our Marketing Department and switched to Building Products Division since 2009. He has over 13 years of experience in wholesale and retail business. He holds a Bachelor degree in Business Administration with major in Accountancy from City University of Hong Kong. He is experienced in sales & marketing of medium to high end building materials.

Mr. Lau Shui Kee Eric

General Manager – Engineering Plastics

Mr. Lau Shui Kee Eric, aged 38, joined VSC in 2013. Mr. Lau was the Sales Director (Industrial Sales) – Asia Pacific of Alcoa International (Asia) Limited. He has over 14 years of experience in sales, marketing and business development in Asia. Mr. Lau holds a Master degree in Business Administration from The University of Canberra and a Bachelor degree in Mechanical Engineering from The University of New South Wales in Australia.

Mr. Mak Yiu Man Daniel

Managing Director – Property Investment

Mr. Mak Yiu Man Daniel, aged 57, joined VSC in 2014. Mr. Mak has over 33 years of experience in land acquisition, valuation & development, sales and leasing as well as asset management. Prior to joining VSC, he held senior executive positions for the Hong Kong Housing Society, Savills (Hong Kong) Limited, and various dominant companies. Mr. Mak holds a Bachelor degree in Estate Management from Reading University, UK and a Master degree in Business Studies from University of Salford, UK. He is a fellow member of The Royal Institution of Chartered Surveyors, a fellow member of the Hong Kong Institute of Surveyor, a Registered Professional Surveyor (GP) and a member of China Institutes of Real Estate Appraisers and Agents.

Ms. Luk Pui Yin Grace

Chief Financial Officer

Ms. Luk Pui Yin Grace, aged 49, joined VSC in 2013. Ms. Luk started her career in the audit field and has held positions as Director, Financial Controller and Vice President in various multinational companies with her last position being the Chief Operating Officer and Chief Financial Officer of North Asia Strategic Holdings Limited (listed on the Growth Enterprise Market of the Hong Kong Stock Exchange). She received her Bachelor degree in Business Administration from the Chinese University of Hong Kong. She is a fellow of the UK Association of Chartered Certified Accountant, an associate of both the UK Chartered Institute of Management Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Yip Wing Yan Charles

Group Treasurer

Mr. Yip Wing Yan Charles, age 44, joined VSC in 2011. Prior to joining VSC, Mr. Yip was the Corporate Treasury Director of Semiconductor Manufacturing International Corporation, the largest and most advanced semiconductor foundry in Mainland China, listed in both New York Stock Exchange and the Hong Kong Stock Exchange. Before working in the corporate side, Mr. Yip has over 13 years of bank treasury experience in market making and financial trading with various international banks in Hong Kong, including UBS, HSBC, Citibank, and The Standard Chartered Bank. Mr. Yip holds a Bachelor degree in Commerce majoring in Accounting and Finance from the University of New South Wales in Australia.

Ms. Lam Yee Fan Karen

Company Secretary

Ms. Lam Yee Fan Karen, aged 46, joined VSC as Company Secretary in 2013. Ms. Lam has over 20 years of experience in company secretarial practices and corporate governance in various companies that are listed on the Hong Kong Stock Exchange and/or NASDAQ. Prior to joining VSC, Ms. Lam was the Company Secretary of North Asia Strategic Holdings Limited (listed on the Growth Enterprise Market of the Hong Kong Stock Exchange). Ms. Lam holds a Master degree of Corporate Finance from The Hong Kong Polytechnic University, a Bachelor degree of Arts in Accountancy from the City University of Hong Kong and a Bachelor degree in Laws from the Peking University. She is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.

Ms. Lau Ching Han Charity

Human Resources Director

Ms. Lau Ching Han Charity, aged 52, was the Senior Human Resources Manager of VSC from 2005 to 2008 and became the Human Resources Director of VSC in 2009. Ms. Lau has over 26 years of experience in human resources and administration and has held various senior positions prior to joining VSC. Ms. Lau holds a Diploma in Personnel Management from the Hong Kong Polytechnic University and a Master degree of Science in Human Resources from the University of Ireland, Dublin as well as the Certification of Human Resources Professional of China. She is an associate member of The Hong Kong Institute of Chartered Secretaries, The Institute of Chartered Secretaries and Administrators and a member of Hong Kong Institute of Human Resources Management.

For over 50 years, VSC has grown from a Hong Kong steel trader to a national player in China. We have grown our market share in construction steel and added investments in high-end coil distribution and processing. We have diversified our product offer to include engineering plastics and complimented our construction materials offer to include kitchen, bathroom products. Our growth strategy has always included a strong sense of community and commitment to people. VSC's history has been built on values like integrity, honesty and respect.

VSC is engaged in a rigorous transformation to capture the untapped value of the entire organization and to establish ourselves as a value-creation leader in the industries we choose to be in. By transforming our business into a more efficient, more agile, more entrepreneurial and shareholder-focused enterprise, we are preparing ourselves for a future of profitable and sustainable growth. We are focused on delivering continuous and consistent value to shareholders, customers and all stakeholders. Our transformation journey is in the early stage but has already started to deliver improvements. We have clearly defined a capital allocation strategy that assures sufficient funding to support growth while considering acquisitions, capital expenditures, dividend payout, and share buyback. We are committed to creating a path to continuous value creation and sustainable transformation. We will place emphasis on talent upgrade. Our objective is creating an organization that is flatter and closer to the markets we serve. Our talent management and upgrade process is allowing us to establish succession and create expertise to support expansion, diversification and invest in downstream services to deliver a differentiated value proposition. Every new employee must increase the average and all employees are being challenged to deliver on objectives. We have modified our reward and remuneration systems to incentivize the right type of growth and to encourage behavior that is aligned with our aspirations and values. Employees have clear goals that contribute to the delivery of our annual plan and receive feedback in a timely manner.

We are determined to build on our history to create a brighter future. We will be a relevant player in the markets we choose to be in and deliver shareholder value across all lines of business. Each business we run must be independent, profitable and self-funded. We will consider acquisitions based on our ability to deliver improvements, availability of talent as well as our ability to deliver on synergies that provide shareholders an acceptable return. Our value proposition will continue to evolve accordingly to assure that our customers think of us first when requiring our products and services. Every business opportunity will be reviewed with a long-term view, a focus on bottom line, return on assets and long-term viability.

SUSTAINABLE TRANSFORMATION

We seek to continue to strengthen our leadership position in the market by growing profitably through our integrated positions along the value chain of steel, engineering plastics and building & design solutions.

We will continue to:

- Drive continuous improvement in all businesses;
- Work with customers to develop integrated value-added solutions that are tailored to their specific requirements;
- Differentiate our value proposition in construction steel by investing in processing capacity to help improve the inefficiencies of the supply chain that exists today in the Hong Kong market;
- Strengthen our capital structure to increase our financial flexibility;
- Maximize return on assets by continuing to look at inventory reduction strategies and timely collection of trade receivables;
- Explore acquisitions that complement our current business and provide access to talent;
- Roll out our talent management process;
- Recruit, retain, train and develop managers that are strategic thinkers and can execute on our growth initiatives and aspirations;
- Invest in training that allows us to upgrade our talent pool;
- Review rewards and incentives, including stock options;
- Continue to align commission systems with growth aspirations;
- Continue to make safety a condition of employment;
- Deploy a value-based culture throughout our entire organization.

Our mandate is clear. We must create a company that generates sustainable and superior shareholder returns.

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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 40 to 168, which comprise the consolidated and company statement of financial position as at 31st March 2014, 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 information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the consolidated financial statements are free from material misstatement.

致萬順昌集團有限公司股東

(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第40至168頁之萬順昌集團有限公司(「貴公司」)及其附屬公司(合稱「萬順昌集團」)之綜合財務報表，當中包括於二零一四年三月三十一日之綜合及公司財務狀況表與截至該日止年度之綜合損益表、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資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平之反映，及落實其認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

我們之責任是根據我們之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之香港審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the VSC Group as at 31st March 2014, 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, 30th June 2014

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該實體編製綜合財務報表以作出真實而公平反映相關之內部控制，以設計適當之審計程序，但目的並非對實體內部控制之有效性發表意見。審核亦包括評價董事所採用會計政策之合適性及所作會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核憑證充足和適當地為我們之審核意見提供基礎。

意見

我們認為，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 貴公司及萬順昌集團於二零一四年三月三十一日之事務狀況及萬順昌集團截至該日止年度之溢利及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一四年六月三十日

Consolidated Income Statement

綜合損益表

For the year ended 31st March 2014 截至二零一四年三月三十一日止年度

		Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Revenue	收入	5	3,849,306	3,760,620
Cost of sales	銷售成本	7	(3,479,263)	(3,405,558)
Gross profit	毛利		370,043	355,062
Selling and distribution expenses	銷售及分銷支出	7	(53,623)	(31,494)
General and administrative expenses	一般及行政支出	7	(288,337)	(206,729)
Other gains – net	其他收益 – 淨額	6	13,306	534
Fair value gain on investment properties	投資物業之公平價值收益	16	73,022	–
Operating profit	經營溢利		114,411	117,373
Finance income	財務收入	10	2,617	1,412
Finance costs	財務費用	10	(37,252)	(21,499)
Share of profit of investments accounted for using equity method – net	應佔以權益法入賬之投資溢利 – 淨額	21	69,580	3,529
Profit before income tax	除稅前溢利		149,356	100,815
Income tax expense	所得稅支出	11	(44,537)	(29,355)
Profit for the year	年度溢利		104,819	71,460
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人	14	103,708	71,600
Non-controlling interests	非控制性權益		1,111	(140)
			104,819	71,460
Earnings per ordinary share attributable to the equity holders of the Company	本公司股權持有人應佔每股普通股盈利			
Basic	基本	14	HK24.93 cents 港仙	HK17.30 cents 港仙
Diluted	攤薄	14	HK23.91 cents 港仙	HK17.14 cents 港仙
Dividends	股息	13	31,094	21,525

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

附註為該等綜合財務報表整體之一部分。

Consolidated Statement of Comprehensive Income

綜合全面損益表

For the year ended 31st March 2014 截至二零一四年三月三十一日止年度

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Profit for the year	年度溢利	104,819	71,460
Other comprehensive income: Items that may be subsequently reclassified to profit or loss:	其他全面收入： 其後可重新分類為損益之項目：		
Change in fair value of available-for-sale financial asset	可供出售之財務資產之 公平價值變動	(35)	(190)
Currency translation differences	貨幣匯兌差額	(3,747)	1,119
Other comprehensive (loss)/income for the year	年度其他全面(虧損)/收入	(3,782)	929
Total comprehensive income for the year	年度全面收入總額	101,037	72,389
Total comprehensive income/(loss) attributable to:	應佔全面收入/(虧損)總額：		
– Equity holders of the Company	– 本公司股權持有人	99,237	72,408
– Non-controlling interests	– 非控制性權益	1,800	(19)
		101,037	72,389

The notes are an integral part of these consolidated financial statements. 附註為該等綜合財務報表整體之一部分。

Statement of Financial Position

財務狀況表

As at 31st March 2014 於二零一四年三月三十一日

		Note 附註	Consolidated 綜合		Company 本公司		
			2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年	
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Non-current assets	非流動資產						
Property, plant and equipment	物業、廠房及設備	15	14,954	14,767	-	-	
Investment properties	投資物業	16	1,005,580	22,000	-	-	
Land use rights	土地使用權	17	10,123	10,324	-	-	
Intangible assets	無形資產	18	87,183	18,136	-	-	
Investments in subsidiaries	於附屬公司之投資	20	-	-	532,948	514,543	
Investments in associates	於聯營公司之投資	21	237,179	182,592	-	-	
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	27	26,335	-	-	-	
Deferred income tax assets	遞延所得稅資產	22	14,995	15,204	-	-	
Available-for-sale financial asset	可供出售之財務資產	23	283	255	-	-	
Amount due from an associate	應收一間聯營公司	21	-	6,197	-	-	
Total non-current assets	非流動資產總額		1,396,632	269,475	532,948	514,543	
Current assets	流動資產						
Inventories	存貨	25	332,993	365,717	-	-	
Trade and bill receivables	應收賬款及票據	26	405,355	423,490	-	-	
Loan receivable	應收貸款	26	-	19,000	-	-	
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	27	106,810	117,825	69	66	
Derivative financial instruments	衍生金融工具	24	-	1,059	-	-	
Amounts due from associates	應收聯營公司	21	1,197	24,773	-	-	
Pledged bank deposits	已抵押銀行存款	28	39,458	97,428	10,473	12,050	
Cash and cash equivalents	現金及現金等值	28	370,528	460,403	361	8,928	
Total current assets	流動資產總額		1,256,341	1,509,695	10,903	21,044	
Current liabilities	流動負債						
Trade and bill payables	應付賬款及票據	29	80,028	340,141	-	-	
Receipts in advance	預收款項		42,440	48,328	-	-	
Accrued liabilities and other payables	應計負債及其他應付賬款	30	55,406	47,856	103	70	
Current income tax liabilities	流動所得稅負債		8,629	10,860	-	-	
Derivative financial instruments	衍生金融工具	24	912	-	-	-	
Borrowings	借貸	31	1,010,011	581,030	-	-	
Total current liabilities	流動負債總額		1,197,426	1,028,215	103	70	
Net current assets	流動資產淨額		58,915	481,480	10,800	20,974	
Total assets less current liabilities	總資產減流動負債		1,455,547	750,955	543,748	535,517	

Statement of Financial Position

財務狀況表

As at 31st March 2014 於二零一四年三月三十一日

		Note 附註	Consolidated 綜合		Company 本公司	
			2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Non-current liabilities	非流動負債					
Accrued liabilities and other payables	應計負債及其他應付賬款	30	4,990	-	-	-
Deferred income tax liabilities	遞延所得稅負債	22	107,330	817	-	-
Borrowings	借貸	31	561,595	-	-	-
Total non-current liabilities	非流動負債總額		673,915	817	-	-
Net assets	資產淨額		781,632	750,138	543,748	535,517
Equity	權益					
Capital and reserves attributable to equity holders of the Company	本公司股權持有人應佔股本及儲備					
Share capital	股本	32	41,770	41,377	41,770	41,377
Reserves	儲備	34				
- Proposed final dividend	- 建議末期股息	13	17,335	12,000	17,335	12,000
- Others	- 其他		722,087	661,747	484,643	482,140
			781,192	715,124	543,748	535,517
Non-controlling interests	非控制性權益		440	35,014	-	-
Total equity	權益總額		781,632	750,138	543,748	535,517

Yao Cho Fai Andrew

姚祖輝

Chairman

主席

Frank Muñoz

Executive Director

執行董事

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

附註為該等綜合財務報表整體之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March 2014 截至二零一四年三月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔				Non-	Total
		Share	Other	Retained	Total	controlling	equity
		capital	reserves	earnings		interests	
		股本	其他儲備	保留盈利	總額	非控制性權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
		(Note 32)	(Note 34)	(Note 34)			
		(附註32)	(附註34)	(附註34)			
As at 1st April 2012	於二零一二年四月一日	41,413	530,478	87,016	658,907	32,816	691,723
Profit for the year	年度溢利	-	-	71,600	71,600	(140)	71,460
Other comprehensive income	其他全面收入						
- Change in fair value of available-for-sale financial asset	- 可供出售之財務資產之公平價值變動	-	(190)	-	(190)	-	(190)
- Currency translation differences	- 貨幣匯兌差額	-	998	-	998	121	1,119
Total comprehensive income	全面收入總額	-	808	71,600	72,408	(19)	72,389
Contributions by and distributions to owners of the VSC Group recognised directly in equity	萬順昌集團擁有人之注資及獲得之分派直接於權益確認						
Transfer from retained earnings	轉撥自保留盈利	-	425	(425)	-	-	-
Lapse of share options	失效之購股權	-	(1,735)	1,735	-	-	-
Share option scheme – value of services	購股權計劃 – 服務價值	-	2,748	-	2,748	-	2,748
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	12,014	12,014
Loss on control of subsidiaries	失去附屬公司之控制權	-	(1,469)	-	(1,469)	(9,159)	(10,628)
Share repurchased and cancelled	購回及註銷股份	(145)	145	(1,175)	(1,175)	-	(1,175)
Exercise of share options	行使購股權	109	575	-	684	-	684
Dividends paid to equity holders of the Company	已付本公司股權持有人之股息						
- 2012 final dividend	- 二零一二年末期股息	-	-	(7,454)	(7,454)	-	(7,454)
- 2013 interim dividend	- 二零一三年中期股息	-	-	(9,525)	(9,525)	-	(9,525)
Dividends paid to a non-controlling shareholder of a subsidiary	已付一間附屬公司之一位非控制性股東之股息	-	-	-	-	(638)	(638)
Total contributions by and distributions to owners of the VSC Group	萬順昌集團擁有人之注資及獲得之分派總額	(36)	689	(16,844)	(16,191)	2,217	(13,974)
As at 31st March 2013	於二零一三年三月三十一日	41,377	531,975	141,772	715,124	35,014	750,138

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March 2014 截至二零一四年三月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔				Non-	Total
		Share	Other	Retained	Total	controlling	equity
		capital	reserves	earnings		interests	
		股本	其他儲備	保留盈利	總額	非控制性權益	權益總額
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元
		(Note 32)	(Note 34)	(Note 34)			
		(附註32)	(附註34)	(附註34)			
As at 1st April 2013	於二零一三年四月一日	41,377	531,975	141,772	715,124	35,014	750,138
Profit for the year	年度溢利	-	-	103,708	103,708	1,111	104,819
Other comprehensive income	其他全面收入						
- Change in fair value of available-for-sale financial asset	- 可供出售之財務資產之公平價值變動	-	(35)	-	(35)	-	(35)
- Currency translation differences	- 貨幣匯兌差額	-	(4,436)	-	(4,436)	689	(3,747)
Total comprehensive income	全面收入總額	-	(4,471)	103,708	99,237	1,800	101,037
Contributions by and distributions to owners of the VSC Group recognised directly in equity	萬順昌集團擁有人之注資及獲得之分派直接於權益確認						
Realisation of currency translation differences on disposal of an associate	於出售一間聯營公司時變現貨幣匯兌差額	-	(18,360)	-	(18,360)	-	(18,360)
Transfer from retained earnings	轉撥自保留盈利	-	450	(450)	-	-	-
Lapse of share options	失效之購股權	-	(608)	608	-	-	-
Share option scheme – value of services	購股權計劃 – 服務價值	-	763	-	763	-	763
Change in ownership in a subsidiary without change of control	於一間附屬公司之擁有權變動而控制權不變	-	(3,449)	11,590	8,141	(36,374)	(28,233)
Share repurchased and cancelled	購回及註銷股份	(113)	113	(1,306)	(1,306)	-	(1,306)
Exercise of share options	行使購股權	506	2,964	-	3,470	-	3,470
Dividends paid to equity holders of the Company	已付本公司股權持有人之股息						
- 2013 final dividend	- 二零一三年末期股息	-	-	(12,092)	(12,092)	-	(12,092)
- 2014 interim dividend	- 二零一四年中期股息	-	-	(13,785)	(13,785)	-	(13,785)
Total contributions by and distributions to owners of the VSC Group	萬順昌集團擁有人之注資及獲得之分派總額	393	(18,127)	(15,435)	(33,169)	(36,374)	(69,543)
As at 31st March 2014	於二零一四年三月三十一日	41,770	509,377	230,045	781,192	440	781,632

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

附註為該等綜合財務報表整體之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31st March 2014 截至二零一四年三月三十一日止年度

		Note 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量			
Cash (used in)/generated from operations	經營(所用)/產生之現金	35(a)	(129,426)	299,753
Interest received	已收利息		2,617	1,412
Interest paid	已付利息		(37,252)	(21,499)
Hong Kong profits tax (paid)/refunded	(已付)/已退還香港利得稅		(20,077)	401
China corporate income tax paid	已付中國企業所得稅		(7,903)	(5,957)
Net cash (used in)/generated from operating activities	經營活動(所用)/產生之現金淨額		(192,041)	274,110
Cash flows from investing activities	投資活動之現金流量			
Purchase of property, plant and equipment	購置物業、廠房及設備	15	(4,834)	(24,116)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	35(b)	366	603
Acquisition of a business	收購一項業務	36	(852,873)	(8,041)
Proceeds from disposal of interest in a subsidiary	出售於一間附屬公司之權益之所得款項	35(c)	-	3,509
Purchase of an available-for-sale financial asset	購置一項可供出售之財務資產	23	(63)	-
Dividend received from an associate	已收一間聯營公司之股息		-	2,107
Loan to an associate	向一間聯營公司提供之貸款		-	(12,395)
Acquisition of a non-controlling interest	收購一項非控制性權益		(28,233)	-
Net cash outflow from investing activities	投資活動流出之現金淨額		(885,637)	(38,333)
Cash flows from financing activities	融資活動之現金流量			
New bank loans	新增銀行貸款		861,849	67,417
Repayment of bank loans	償還銀行貸款		(191,350)	(84,141)
Net increase/(decrease) in trust receipt bank loans	信託收據銀行貸款之淨增加/(減少)		281,181	(56,387)
Decrease in pledged bank deposits	已抵押銀行存款減少		57,970	36,397
Dividends paid to equity holders of the Company	已付本公司股權持有人之股息		(25,877)	(16,979)
Dividends paid to a non-controlling shareholder of a subsidiary	已付一間附屬公司之一位非控制性股東之股息		-	(638)
Capital injection by non-controlling shareholders of a subsidiary	一間附屬公司之非控制性股東之注資		-	11,911
Share repurchased	購回股份		(1,306)	(1,175)
Exercise of share options	行使購股權		3,470	684
Net cash inflow/(outflow) from financing activities	融資活動流入/(流出)之現金淨額		985,937	(42,911)
(Decrease)/increase in cash and cash equivalents	現金及現金等值之(減少)/增加		(91,741)	192,866
Cash and cash equivalents, beginning of the year	年初之現金及現金等值		460,403	267,448
Translation adjustments	匯兌調整		1,866	89
Cash and cash equivalents, end of the year	年終之現金及現金等值		370,528	460,403

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

附註為該等綜合財務報表整體之一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 General information

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

The Company and its subsidiaries (the “VSC Group”) are principally engaged in stockholding and distribution of construction materials such as steel products, sanitary wares, kitchen cabinets, home furniture and engineering plastics, installation work of kitchen cabinets and property investment.

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 30th June 2014.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset and derivative financial instruments at fair value 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在百慕達註冊成立為有限公司，並根據百慕達一九八一年公司法，成為一間豁免公司。自一九九四年二月十八日起，本公司股份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(「萬順昌集團」)主要從事存銷及分銷建築材料，例如鋼材產品、潔具、廚櫃、家具及工程塑膠，安裝廚櫃及房地產投資。

除另有說明外，該等綜合財務報表以港元(「港元」)列示。該等綜合財務報表已於二零一四年六月三十日經董事會核准刊發。

2 主要會計政策概要

編製該等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

該等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，並經重估按公平價值計量之可供出售財務資產及衍生金融工具及投資物業(按公平價值列賬)而予以修訂。

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 to the 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, 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)

2.1 編製基準(續)

萬順昌集團從事鋼材產品買賣並面對商品價格風險。於審批該等綜合財務報表當日，萬順昌集團已確定之銷售訂單超過手頭上之存貨及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之潛在影響。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。

編製該等符合香港財務報告準則之綜合財務報表需要使用若干關鍵性會計推算。此亦需要管理層在應用萬順昌集團會計政策之過程中行使其判斷。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。

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

- (a) The VSC Group has adopted the following new, revised and amended standards and interpretations to existing standards (“new HKFRS”) that have been issued and are effective for the VSC Group’s accounting year beginning on or after 1st April 2013:

HKAS 1 (Amendment)	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income
HKAS 19 (Amendment)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investment in Associates and Joint Ventures
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11, HKFRS 12 (Amendment)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 1 (Amendment)	First Time Adoption – Government Loans
HKFRS 7 (Amendment)	Financial Instruments – Disclosures on Asset and Liability Offsetting

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (a) 萬順昌集團已採納下列已頒佈且於萬順昌集團於二零一三年四月一日或之後開始之會計年度生效之新訂、經修訂及經修改準則及對現有準則之詮釋(「新香港財務報告準則」)：

香港會計準則 第1號(修訂)	財務報表之列報： 呈列其他全面 收入項目
香港會計準則 第19號(修訂)	僱員福利
香港會計準則 第27號 (二零一一年 經修訂)	獨立財務報表
香港會計準則 第28號 (二零一一年 經修訂)	於聯營公司及合營 公司之投資
香港財務報告準則 第10號	綜合財務報表
香港財務報告準則 第11號	合營安排
香港財務報告準則 第12號	披露於其他實體之 權益
香港財務報告準則 第13號	公平價值計量
香港財務報告準則 第10號、香港 財務報告準則 第11號、香港 財務報告準則 第12號(修訂)	綜合財務報表、 合營安排及 於其他實體 權益之披露： 過渡指引
香港財務報告準則 第1號(修訂)	首次採納 — 政府貸款
香港財務報告準則 第7號(修訂)	金融工具： — 有關資產與 負債抵銷之披露

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

- (a) The VSC Group has adopted the following new, revised and amended standards and interpretations to existing standards (“new HKFRS”) that have been issued and are effective for the VSC Group’s accounting year beginning on or after 1st April 2013: (Continued)

HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements 2009 – 2011 Cycle	Annual Improvements to HKFRSs issued in June 2012

The adoption of the above new HKFRSs did not result in substantial changes to the accounting policies of the VSC Group and had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

- (b) The following new, revised and amended standards and interpretations to existing standards that are effective and have not been early adopted by the VSC Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation on Asset and Liability Offsetting (effective for annual periods beginning on or after 1st January 2014)
HKAS 36 (Amendment)	Impairment of Assets: Recoverable Amount Disclosures (effective for annual periods beginning on or after 1st January 2014)

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (a) 萬順昌集團已採納下列已頒佈且於萬順昌集團於二零一三年四月一日或之後開始之會計年度生效之新訂、經修訂及經修改準則及對現有準則之詮釋(「新香港財務報告準則」): (續)

香港(國際財務報告 詮釋委員會) —詮釋第20號	露天礦生產階段 之剝採成本
二零零九年至 二零一一年週期 之年度改善	對於二零一二年 六月頒佈之香港 財務報告準則 進行之年度改善

採納上述新訂香港財務報告準則並不導致萬順昌集團的會計政策出現重大變動及並無對如何編製及呈列當前或過往會計期間之業績及財務狀況造成重大影響。

- (b) 以下新訂、經修訂及經修改準則及對現有準則之詮釋已生效，惟未獲萬順昌集團提前採納：

香港會計準則 第32號(修訂)	金融工具： 抵銷資產及 負債之列報 (於二零一四年 一月一日或 之後開始的年度 期間生效)
香港會計準則 第36號(修訂)	資產減值： 可收回金額披露 (於二零一四年 一月一日或 之後開始的年度 期間生效)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

- (b) The following new, revised and amended standards and interpretations to existing standards that are effective and have not been early adopted by the VSC Group: (Continued)

HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Novation of Derivatives (effective for annual periods beginning on or after 1st January 2014)
HKFRS 9	Financial Instruments (effective for annual periods: to be determined)
HKFRS 10, HKFRS 12 and HKAS 27 (Amendment)	Consolidation for Investment Entities (effective for annual periods beginning on or after 1st January 2014)
HKFRS 14	Regulatory deferral accounts (effective for annual periods beginning on or after 1st January 2016)
HK (IFRIC)-Int 21	Levies (effective for annual periods beginning on or after 1st January 2015)

The VSC Group has commenced an assessment of the impact of these new, amended and revised HKFRS, but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- (b) 以下新訂、經修訂及經修改準則及對現有準則之詮釋已生效，惟未獲萬順昌集團提前採納：(續)

香港會計準則 第39號(修訂)	金融工具： 確認及計量－ 衍生工具的變更 (於二零一四年 一月一日或之後 開始的年度 期間生效)
香港財務報告準則 第9號	金融工具 (生效的年度 期間：待定)
香港財務報告準則 第10號、香港 財務報告準則 第12號及香港 會計準則第27號 (修訂)	綜合投資實體 (於二零一四年 一月一日或之 後開始的年度 期間生效)
香港財務報告準則 第14號	監管遞延賬戶 (於二零一六年 一月一日或之後 開始的年度 期間生效)
香港(國際財務報告 詮釋委員會) －詮釋第21號	徵收(於二零一五 年一月一日或 之後開始之年度 期間生效)

萬順昌集團已開始評估該等新訂、經修訂及經修改香港財務報告準則的影響，但尚未確定其是否會對其經營業績及財務狀況造成重大影響。

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries

(a) Consolidation

A subsidiary is an entity (including a structured entity) over which the VSC Group has control. The VSC Group controls an entity when the VSC Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the VSC Group. They are deconsolidated from the date that control ceases.

(i) Business combinations

The VSC Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the VSC Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2.7).

2 主要會計政策概要(續)

2.2 附屬公司

(a) 綜合賬目

附屬公司指萬順昌集團對其有控制權之實體(包括結構性實體)。當萬順昌集團因參與一家實體事務而對可變回報承擔風險或享有權利，及有能力透過對該實體擁有的權力影響該等回報時，則萬順昌集團對該實體擁有控制權。附屬公司由其控制權轉移到萬順昌集團之日起綜合入賬，並由該控制權終止之日起終止入賬。

(i) 業務合併

萬順昌集團進行業務合併時採用收購會計法入賬。收購附屬公司之轉讓代價為所轉讓資產、對被收購方之前擁有人所產生負債及萬順昌集團所發行股本權益之公平價值。所轉讓代價包括或然代價安排產生之任何資產或負債之公平價值。於業務合併時所收購之可識別資產及已承擔之負債及或然負債，初步按收購日之公平價值計量。

收購相關成本於產生時列為開支。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日的公平價值超出所收購可辨認資產淨額的公平價值的部分，以商譽列賬(附註2.7)。

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

(a) Consolidation (Continued)

- (i) Business combinations (Continued)
Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.
- (ii) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary 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 主要會計政策概要 (續)

2.2 附屬公司 (續)

(a) 綜合賬目 (續)

- (i) 業務合併 (續)
集團內交易、結餘及集團公司間交易的未變現收益予以對銷。未變現虧損亦予對銷。附屬公司申報的金額已在需要時作出調整，以確保與本集團的會計政策一致。
- (ii) 附屬公司擁有權權益變動而無控制權變動
並無導致失去控制權的與非控制性權益進行的交易入賬作為權益交易—即與作為擁有人的附屬公司持有人進行的交易。任何已付代價的公平價值與所收購附屬公司資產淨額賬面值的相關應佔部分的差額於權益入賬。

(b) 獨立財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括投資直接應佔之成本。附屬公司之業績由本公司按已收股息及應收賬款基準入賬。

如股息超過宣派股息期內附屬公司之全面收入總額，或如在獨立財務報表之投資賬面金額超過綜合財務報表中被投資公司資產淨額(包括商譽)之賬面金額，則於獲取股息時須對於附屬公司之投資作減值測試。

2 Summary of significant accounting policies (Continued)

2.3 Associates

An associate is an entity 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. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The VSC Group's investments in associates include goodwill identified on acquisition.

The VSC Group's share of post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income with a corresponding adjustment to 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 legal or constructive obligations or made payments on behalf of the associate.

The VSC Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the VSC Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit of investments accounted for using equity method-net" in the consolidated income statement.

2 主要會計政策概要(續)

2.3 聯營公司

聯營公司是指凡萬順昌集團對其有重大影響力但無控制權之實體，一般附帶20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益法，投資初始以成本確認，於收購日期後，其賬面金額會增加或減少，以確認投資者於被投資公司之應佔溢利或虧損。萬順昌集團於聯營公司之投資包括收購時已識別之商譽。

萬順昌集團應佔收購後之溢利或虧損於綜合損益表中確認，而其應佔收購後儲備變動則於其他全面收入中確認，並相應調整投資之賬面金額。當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應收賬款)時，萬順昌集團不會進一步確認虧損，除非其已產生法律或推定債務或已代聯營公司作出付款。

萬順昌集團在每個報告日釐定是否有客觀證據證明於聯營公司之投資已減值。如投資已減值，萬順昌集團計算減值金額應為聯營公司可收回金額與其賬面價值之差額，並於綜合損益表中之「應佔以權益法入賬之投資溢利－淨額」內確認該金額。

2 Summary of significant accounting policies (Continued)

2.3 Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the VSC Group and its associate are recognised in the VSC Group's consolidated financial statements only to the extent of unrelated investor's interests 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.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("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.

2.5 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 HK\$, 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. All foreign exchange gains and losses are presented in the consolidated income statement within "other gains – net".

2 主要會計政策概要 (續)

2.3 聯營公司 (續)

萬順昌集團與其聯營公司間之上游和下游交易之溢利及虧損，在萬順昌集團之綜合財務報表中確認，但僅以無關連投資者於聯營公司之權益為限。除非該交易提供證據顯示所轉讓資產有所減值，否則未實現虧損亦予以抵銷。聯營公司之會計政策已按需要作出改變，以確保與萬順昌集團採用之政策一致。

2.4 分部報告

營運分部以向主要營運決策者（「主要營運決策者」）提供內部呈報一致之方法呈報，其負責營運分部之資源分配及表現評估及被視為制定策略性決定之執行董事。

2.5 外幣換算

(a) 功能及呈列貨幣

萬順昌集團各實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣計量（「功能貨幣」）。綜合財務報表以港元呈報，港元為本公司之功能貨幣及萬順昌集團之呈列貨幣。

(b) 交易及結餘

外幣交易採用交易或估值（重新計量項目）當日之匯率，換算為功能貨幣。結算此等交易及將外幣計值之貨幣資產及負債以年終匯率換算，而產生之匯兌收益及虧損於綜合損益表中確認。所有匯兌收益及虧損於綜合損益表「其他收益－淨額」內呈列。

2 Summary of significant accounting policies (Continued)

2.5 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 currency translation differences are recognised as a separate component of other comprehensive income.

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. Currency translation difference is recognised in other comprehensive income.

2.6 Property, plant and equipment

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

2 主要會計政策概要(續)

2.5 外幣換算(續)

(c) 集團公司

功能貨幣不同於所有萬順昌集團實體(當中並無惡性通脹經濟貨幣)業績及財務狀況呈列貨幣均按以下方法換算為呈列貨幣：

- (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) 各損益表之收支均按平均匯率換算(除非該平均值並非於交易日匯率累計影響之合理近似值，在此情況下，收支乃按交易日之匯率換算)；及
- (iii) 所有由此產生之匯兌差額確認為其他全面收入之獨立組成部分。

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，並以收市匯率換算。貨幣匯兌差額於其他全面收入中確認。

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購項目直接應佔之開支。

2 Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment (Continued)

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 to 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% to 5%
– Leasehold improvements	20% to 33%
– 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 the end of each reporting period.

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 2.10).

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

2 主要會計政策概要 (續)

2.6 物業、廠房及設備 (續)

其後成本僅在於與該項目有關之未來經濟利益有可能流入萬順昌集團，而該項目之成本能可靠計量時，計入資產賬面金額或確認為獨立資產(視適用情況而定)。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於其產生之財政年度內於綜合損益表內支銷。

物業、廠房及設備之折舊根據估計可使用年期採用直線法將成本攤至剩餘價值計算如下：

– 樓宇	2%至5%
– 租賃物業裝修	20%至33%
– 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報告期末進行檢討，及在適當時調整。

倘若資產之賬面金額高於其可收回估計金額，其賬面金額即時撇減至可收回金額(附註2.10)。

出售之收益及虧損透過比較所得款項與其賬面金額釐定，並於綜合損益表「一般及行政支出」中確認。

2 Summary of significant accounting policies (Continued)

2.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the VSC Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Distribution rights

Distribution rights acquired in a business combination are recognised at fair value at the acquisition date. Distribution rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of distribution rights over their estimated useful life of 10 years.

2 主要會計政策概要(續)

2.7 無形資產

(a) 商譽

商譽於收購附屬公司時產生，指轉讓代價超過萬順昌集團在其可識別淨資產、負債及或然負債淨公平價值及在被收購方非控制性權益之公平價值之權益。

就減值測試而言，在業務合併中收購之商譽會分配至各現金產生單位(「現金產生單位」)或現金產生單位群組(即預期可從合併中獲取協同利益)。獲分配商譽之各單位或單位群組，指在實體內商譽被監察作內部管理用途之最底層次。商譽會在營運分部層面上被監察。

商譽之減值檢討會每年進行，或如有事件或情況改變顯示存在潛在減值，則需更頻密地檢討。商譽之賬面價值與可收回金額(使用價值與公平價值減出售成本之較高者)進行比較。任何減值須即時確認為支出且其後不得撥回。

(b) 分銷權

在業務合併中購入之分銷權按收購日之公平價值確認。分銷權有限定之可使用年期及按成本減累計攤銷列賬。攤銷使用直線法按估計可使用年期十年分攤分銷權之成本計算。

2 Summary of significant accounting policies (Continued)

2.7 Intangible assets (Continued)

(c) Use right of car park

Use right of car park acquired in a business combination is recognised at fair value at the acquisition date. Use right of car park has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of use right of car park over its estimated useful life of 20 years.

2.8 Land use rights

The up-front prepayments made for 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 land use rights, or when there is impairment, the impairment is recognised in the consolidated income statement.

2.9 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the companies in the VSC Group. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. In such case, the operating lease is accounted for as if it were a finance lease.

Investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. 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 as a valuation gain or loss.

2 主要會計政策概要 (續)

2.7 無形資產 (續)

(c) 停車場使用權

在業務合併中購入之停車場使用權按收購日之公平價值確認。停車場使用權有限定之可使用年期及按成本減累計攤銷列賬。攤銷利用直線法計算，按估計可使用年期二十年分配停車場使用權之成本。

2.8 土地使用權

土地使用權之前期預付款項以營業租約列賬。其按土地使用權期間以直線基準於綜合損益表確認，或當出現減值時，於綜合損益表中確認減值。

2.9 投資物業

投資物業(主要包括租賃土地及樓宇)乃持有作長期租金回報或資本升值或二者兼有，且並非由萬順昌集團之公司佔用。以營業租約持有之土地，如符合投資物業其餘定義，則按投資物業分類及記賬。在此情況下，營業租約猶如其為融資租賃而記賬。

投資物業最初按其成本計量，包括相關交易成本。在初步確認後，投資物業按公平價值列賬，即於各報告日由外部估值師釐定之公開市值。公平價值以活躍市場價格為基準，如有需要就特定資產之性質、地點或狀況之任何差異作出調整。如並無此項資料，外部估值師須使用其他估值方法，例如較不活躍市場之近期價格或貼現現金流量預測法。公平價值變動於綜合損益表中確認為估值損益。

2 Summary of significant accounting policies (Continued)

2.10 Impairment of 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 that are subject to amortisation 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 (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

(a) 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.

- (i) 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 also classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

2 主要會計政策概要(續)

2.10 非財務資產之減值

無特定使用期限之資產(例如商譽)毋須攤銷,惟須每年進行減值評估。當有事件或情況改變顯示賬面金額未能收回,須予攤銷之資產會進行減值檢討。資產賬面金額超過其可收回金額之數額確認為減值虧損。可收回金額為資產公平價值減出售成本與使用價值之間之較高者。就評估減值而言,資產分組至可分開識別現金流量(現金產生單位)之最低層次。商譽以外出現減值之非財務資產會於每個報告日就可能撥回之減值進行審閱。

2.11 財務資產

(a) 分類

萬順昌集團將其財務資產分為以下類別:按公平價值計入損益、貸款及應收賬款以及可供出售。其分類乃取決於收購財務資產之目的。管理層會於初步確認時釐定其財務資產分類。

- (i) 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目的為在短期內出售,則分類為此類別。衍生工具亦會被分類為持作買賣,惟被指定為對沖項目則除外。此類別資產若預期在十二個月內結算,則分類為流動;否則分類為非流動。

2 Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

(a) Classification (Continued)

- (ii) 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 the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The VSC Group's loans and receivables comprise "trade and bill receivables", "prepayments, deposits and other receivables", "loan receivable", "amounts due from associates", "pledged bank deposits" and "cash and cash equivalents" in the consolidated statement of financial position (Notes 2.15 and 2.16).
- (iii) Available-for-sale financial asset
Available-for-sale financial asset is 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 the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 主要會計政策概要 (續)

2.11 財務資產 (續)

(a) 分類 (續)

- (ii) 貸款及應收賬款
貸款及應收賬款具固定或可釐定付款，以及並無在活躍市場報價之非衍生財務資產。此等項目包括在流動資產內，而已償付或預期於報告期末起計超過十二個月後方償付之金額（分類為非流動資產）則除外。萬順昌集團之貸款及應收賬款包括於綜合財務狀況表之「應收賬款及票據」、「預付款項、按金及其他應收賬款」、「應收貸款」、「應收聯營公司」、「已抵押銀行存款」及「現金及現金等值」（附註2.15及2.16）。
- (iii) 可供出售之財務資產
可供出售之財務資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。除非該投資到期或管理層擬於報告期末後十二個月內處置該投資，否則此等資產包括在非流動資產內。

2 Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the VSC Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the 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 asset 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, within “other gains – net” in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.11 財務資產(續)

(b) 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或出售資產之日)確認。投資初步以公平價值加所有非按公平價值計入損益列賬之財務資產交易成本確認。按公平價值計入損益列賬之財務資產初步按公平價值確認，交易成本則於綜合損益表支銷。倘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轉移擁有權之絕大部分風險及回報，財務資產將被剔除入賬。可供出售之財務資產及按公平價值計入損益之財務資產其後以公平價值列賬。貸款及應收賬款採用實際利息方法，以攤銷成本列賬。

「按公平價值計入損益之財務資產」類別之公平價值變動所產生之收益或虧損在產生期間於綜合損益表「其他收益－淨額」中確認。

分類為可供出售之貨幣及非貨幣性證券公平價值變動，於其他全面收入確認。

2 Summary of significant accounting policies (Continued)

2.12 Impairment of financial assets

(a) 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

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.

2 主要會計政策概要 (續)

2.12 財務資產之減值

(a) 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。只有當存在客觀證據顯示於初步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)虧損事項對財務資產或財務資產組合之估計未來現金流量構成之影響能可靠地估計，則有關財務資產或財務資產組合出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人遭遇嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量減少，例如與違約有關連之拖欠情況或經濟狀況改變。

對於貸款及應收賬款類別，虧損金額按資產賬面金額與按財務資產原實際利率貼現之估計未來現金流量(不包括仍未產生之未來信用虧損)現值兩者間之差額計量。資產之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。

如在其後期間，減值虧損金額減少，而此減少可客觀與確認減值後發生之事件(例如債務人之信用評級有所改善)有關連，則之前已確認之減值虧損可在綜合損益表中確認撥回。

2 Summary of significant accounting policies (Continued)

2.12 Impairment of financial assets (Continued)

(b) 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 asset, 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 profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.13 Derivative financial instruments

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

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 主要會計政策概要 (續)

2.12 財務資產之減值 (續)

(b) 分類為可供出售之資產

萬順昌集團在每個報告期末評估是否有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。對於分類為可供出售之股本投資，倘證券之公平價值大幅或持續跌至低於其成本，亦視為資產減值之證據。倘可供出售之財務資產存在此等證據，累計虧損—按收購成本與當時公平價值之差額，減該財務資產之前在損益確認之任何減值虧損計量—自權益中剔除並在損益中確認。在綜合損益表之股本工具確認之減值虧損不會透過綜合損益表撥回。

2.13 衍生金融工具

衍生工具於訂立衍生工具合約之日按公平價值初步確認，其後按公平價值重新計量。確認由此產生之收益或虧損方法，視乎該衍生工具是否被指定為對沖工具，倘被指定為對沖工具，則視乎受對沖項目之性質而定。由於萬順昌集團訂立之衍生工具不合資格採用對沖會計法處理，該等衍生工具之公平價值變動會即時於綜合損益表「其他收益—淨額」中確認。

2.14 存貨

存貨按成本及與可變現淨值兩者中之較低者入賬。成本以先入先出法釐定。其不包括借貸成本。可變現淨值為正常業務過程中之估計銷售價格減適用可變銷售支出。

2 Summary of significant accounting policies (Continued)

2.15 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.

2.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

2.17 Share capital

Ordinary shares are classified as equity.

Where any group company purchases the VSC Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the VSC Group until the shares are cancelled or reissued.

2.18 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 主要會計政策概要 (續)

2.15 應收賬款及其他應收賬款

應收賬款為在日常業務中就已銷售商品或已提供服務而應收客戶之款項。如預期於一年或以內(或倘較長,則在業務正常經營週期中)收回應收賬款及其他應收賬款,則分類為流動資產。否則,該等賬款呈列為非流動資產。

應收賬款及其他應收賬款初步按公平價值確認,其後則採用實際利率法按已攤銷成本減減值撥備計量。

2.16 現金及現金等值

於綜合現金流量表中,現金及現金等值包括手頭現金及於三個月或以內到期存於銀行之通知存款。

2.17 股本

普通股分類為權益。

當任何集團公司購入萬順昌集團的權益股本(庫存股份),包括任何直接應佔新增成本(扣除所得稅)的已付代價,由萬順昌集團持有人應佔權益扣除,直至該等股份已註銷或再發行為止。

2.18 應付賬款

應付賬款為在正常業務過程中就從供應商購買之貨品或服務之付款責任。如付款於在一年或以內(或倘較長,則在業務正常經營週期中)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。

應付賬款初步按公平價值確認,其後則採用實際利率法按攤銷成本計量。

2 Summary of significant accounting policies (Continued)

2.19 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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 reporting date.

2.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisitions, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred income 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 directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 主要會計政策概要(續)

2.19 借貸

借貸初步按公平價值扣除已產生之交易成本確認，其後則按攤銷成本列賬；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。

在貸款將很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。

除非萬順昌集團有無條件權利於報告日後延遲償還負債最少十二個月，否則借貸分類為流動負債。

2.20 借貸成本

因收購、建造或生產合資格資產(指需要相當長時間準備作擬定用途或出售之資產)而直接產生之借貸成本乃計入該等資產成本，直至該等資產大致上已準備就緒作擬定用途或出售。

所有其他借貸成本均於產生期間於綜合損益表確認。

2.21 當期及遞延所得稅

期內稅項支出包括當期及遞延所得稅。稅項於綜合損益表中確認，惟與直接在其他全面收入或直接在權益確認之項目有關者除外。在該情況下，稅項亦分別在其他全面收入或直接在權益中確認。

2 Summary of significant accounting policies (Continued)

2.21 Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's 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.

(b) Deferred income tax

Inside basis differences

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, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. 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 nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting 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.

2 主要會計政策概要 (續)

2.21 當期及遞延所得稅 (續)

(a) 當期所得稅

當期所得稅支出根據本公司之附屬公司及聯營公司營運及產生應課稅收入之國家於報告日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法規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。

(b) 遞延所得稅

內在差異

遞延所得稅使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產生之短暫差異確認。然而，倘遞延稅項負債來自對商譽之初始確認，則不予確認。倘遞延所得稅來自在交易（不包括業務合併）中對資產或負債之初步確認，而在交易時不影響會計或應課稅溢利或虧損，則不作記賬。遞延所得稅採用在報告日已頒佈或實質頒佈，並在變現有關遞延所得稅資產或償付遞延所得稅負債時預期將會適用之稅率（及法例）釐定。

遞延所得稅資產在很有可能將未來應課稅溢利與可動用之短暫差異抵銷情況下確認。

2 Summary of significant accounting policies (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability 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. Generally the VSC Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the VSC Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

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 主要會計政策概要(續)

2.21 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在差異

遞延所得稅負債就於附屬公司及聯營公司之投資所產生之應課稅短暫差異作出撥備，惟倘萬順昌集團可以控制短暫差異之撥回時間，及很有可能在可預見未來不會撥回該短暫差異之遞延所得稅負債除外。一般而言，萬順昌集團無法控制聯營公司的暫時性差異的撥回。只有當有協議賦予萬順昌集團有能力控制短暫差異的撥回時才不予確認。

就附屬公司及聯營公司投資產生的可扣減短暫差異確認遞延所得稅資產，但只限於短暫差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的短暫差異。

(c) 抵銷

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及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 Summary of significant accounting policies (Continued)

2.22 Employee benefits

(a) Pension obligation

The VSC Group operates defined contribution plan. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

A defined contribution plan is a pension plan under which the VSC Group pays fixed contributions into a separate entity. The VSC Group 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 VSC Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The VSC Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the VSC Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The VSC Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 主要會計政策概要 (續)

2.22 僱員福利

(a) 退休金責任

萬順昌集團設有界定供款計劃。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，並按定期精算計算釐定其數額。

界定供款計劃為萬順昌集團向一間獨立實體支付固定供款之退休福利計劃。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。

萬順昌集團以強制、合約或自願基準向公開或私人管理之退休保險計劃作出供款。萬順昌集團作出供款後，即無進一步付款責任。供款於到期應付時確認為僱員福利支出。預付供款在出現現金退款或可扣減未來付款情況下確認為資產。

(b) 辭退福利

辭退福利於萬順昌集團在正常退休日期前終止僱用，或當僱員接受自願遣散以換取此等福利時支付。萬順昌集團在能證明以下終止承諾時確認辭退福利：該實體根據一項詳細之正式計劃終止現有僱員之僱用而並無撤回之可能。倘提出一項方案以鼓勵自願遣散，辭退福利將按預期接受方案之僱員數目計算。在報告期末後超過十二個月支付之福利應貼現至其現值。

2 Summary of significant accounting policies (Continued)

2.22 Employee benefits (Continued)

(c) Bonus plans

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

(d) Employee leave entitlements

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

2.23 Share-based payments

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:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 主要會計政策概要(續)

2.22 僱員福利(續)

(c) 花紅計劃

萬順昌集團就花紅確認負債及支出。當於合約規定或由過往慣例產生推定責任時，萬順昌集團會確認撥備。

(d) 僱員應享假期

僱員應享年假於應計予僱員時確認。僱員於截至報告日因提供服務應享之年假估計負債已計提撥備。僱員應享病假及分娩假期於支取時方才確認。

2.23 以股份為基礎之支付

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，實體獲取僱員服務，作為萬順昌集團股本工具(購股權)之代價。為換取購股權授出而獲取之僱員服務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公平價值釐定：

- 包括任何市場表現條件(例如實體之股價)；
- 不包括任何服務及非市場表現歸屬條件(例如盈利能力、銷售增長目標及實體於特定時期餘下之僱員)之影響；及
- 包括任何非歸屬條件(例如僱員儲蓄規定)之影響。

2 Summary of significant accounting policies (Continued)

2.23 Share-based payments (Continued)

Non-market performance and service 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.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the VSC Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.24 Provision

Provisions for environment restoration, restructuring costs and legal claims 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.

2 主要會計政策概要(續)

2.23 以股份為基礎之支付(續)

非市場表現及服務條件計入關於預期歸屬之購股權數目之假設。支出總額於歸屬期間(即所有特定歸屬條件獲滿足之期間)內確認。

此外，在某些情況下，僱員可在授出日期之前提供服務，因此授出日期之公平價值乃就確認服務開始期與授出日期之期內開支作出估計。

在每個報告期末，萬順昌集團會根據非市場表現及服務條件修訂其預期歸屬之購股權數目之估計。萬順昌集團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。

當購股權獲行使時，本公司將發行新股。所收取之所得款項(扣除任何直接應佔交易成本)計入股本(面值)及股份溢價中。

2.24 撥備

當萬順昌集團因過往事件而產生現有法律或推定責任；很有可能須流出資源以償付責任；且金額已可靠估計，則會就環境復原、重組成本及法律索償確認撥備。重組撥備包括租賃終止罰款及僱員離職付款。不會就未來經營虧損確認撥備。

如有多項類似責任，則考慮責任之整體類別釐定其須在償付中流出資源之可能性。即使在同一類別責任所包含之任何一個項目資源流出之可能性極低，仍須確認撥備。

2 Summary of significant accounting policies (Continued)

2.25 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The VSC Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when 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.

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) Service income

For sales of services, revenue is recognised in accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

(c) Rental income

Rental income from investment properties is recognised in consolidated income statement on a straight-line basis over the period of the relevant leases.

2 主要會計政策概要(續)

2.25 收入確認

收入按已收或應收代價之公平價值計算，並相當於供應貨品之應收金額，扣除折扣、退貨及增值稅後列賬。當收入數額能夠可靠計量、未來經濟利益有可能流入實體，而萬順昌集團各項活動均符合具體條件時(如下文所述)，萬順昌集團則會確認收入。萬順昌集團根據其往績並考慮客戶類別、交易種類及各項安排之特點作出估計。

收入確認如下：

(a) 貨品銷售

當集團實體已將產品交付予客戶，客戶對銷售產品之渠道及價格擁有完全決定權，且並無未履行之責任可影響客戶接受產品時，會確認貨品銷售。當產品已付運予至指定地點，陳舊及虧損之風險已轉讓予客戶，而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標準已獲達成後，貨品交付才算產生。

(b) 服務收入

對於服務銷售，收入經參考特定交易之完成階段後在提供服務之會計期內確認，並按已提供實際服務佔將予提供之總服務比例評估。

(c) 租金收入

投資物業之租金收入按直線法於相關租賃期間在綜合損益表予以確認。

2 Summary of significant accounting policies (Continued)

2.26 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the VSC Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.27 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.28 Operating leases

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), are charged to the consolidated income statement on a straight-line basis over the period of the leases.

2.29 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 shareholders or directors, where appropriate.

2 主要會計政策概要(續)

2.26 利息收入

利息收入按實際利率法確認。倘貸款及應收賬款出現減值，萬順昌集團將賬面金額減至可收回金額，即估計未來現金流量按該工具之原實際利率貼現，及繼續將貼現計算並確認為利息收入。已減值貸款及應收賬款之利息收入按原實際利率確認。

2.27 股息收入

股息收入於確定有權收取款項時確認。

2.28 營業租約

擁有權之重大部分風險和回報由出租人保留之租約分類為營業租約。在營業租約內支付之款項(扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法在綜合損益表中扣除。

2.29 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東或董事(倘適當)批准之期間內於萬順昌集團及本公司之財務報表確認為負債。

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.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. The VSC Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

(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 2014, the VSC Group had committed sales orders of steel products 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 4 (a)). To manage its commodity price risk arising from committed sales orders, the VSC Group is closely monitoring the market price of steel products and adjusting their procurement strategy accordingly.

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及尋求減低對萬順昌集團財務表現之潛在不利影響。

風險管理由中央司庫部（集團司庫）按照董事會批准之政策執行。萬順昌集團司庫透過與集團經營單位之緊密合作，負責確定、評估和對沖財務風險。董事會為整體風險管理訂定書面原則及書面政策，涵蓋外匯風險、利率風險及信貸風險等特定領域。

(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。於二零一四年三月三十一日，萬順昌集團確定其銷售價格固定不變之銷售訂單之鋼材產品已超過手頭存貨及已確定之購貨訂單。來年，萬順昌集團將須採購鋼材產品以履行無存貨之已確定銷售訂單及已確定之購貨訂單。由於鋼材產品之價格可大幅波動，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4(a)）。萬順昌集團密切監察鋼材產品之市價及相應調整其採購策略，以管理已確定銷售訂單產生之商品價格風險。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

- (i) Price risk (Continued)
The VSC Group is subject to price risk from its investment in listed shares. Management does not consider the risk is significant since the carrying value of the listed shares is immaterial.

- (ii) Foreign exchange risk
The VSC Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar ("US\$") and the Chinese Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The VSC Group companies are required to hedge their entire foreign exchange risk exposure with the VSC Group treasury. The VSC Group use forward contracts to manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The VSC Group has certain investments in foreign operations, which net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the VSC Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

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)
萬順昌集團承受其投資於上市股份之價格風險。但由於上市股份之賬面價值無足輕重，因此管理層認為有關風險並不重大。

- (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，主要涉及美元(「美元」)及人民幣(「人民幣」)。外匯風險源於未來商業交易、已確認資產及負債及外國業務淨投資。

管理層已訂立政策，要求集團公司管理對其功能貨幣有關之外匯風險。萬順昌集團公司需要透過萬順昌集團司庫對沖其全部外匯風險。萬順昌集團利用遠期合約管理來自未來商業交易及已確認資產及負債之外匯風險。外匯風險於未來商業交易，或已確認資產或負債以非屬該實體功能貨幣之外幣計值時產生。

萬順昌集團持有若干境外經營投資，其資產淨額承受外幣匯兌風險。來自萬順昌集團境外經營資產淨額所產生之貨幣風險，主要以相關外幣計值之借貸進行管理。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

At 31st March 2014, if HK\$ had weakened/strengthened by 1% against the RMB with all other variables held constant, profit before income tax would have been approximately HK\$2,117,000 (2013: HK\$1,445,000) higher/lower, mainly as a result of foreign exchange gains/(losses) on translation of RMB-denominated monetary assets and liabilities.

The fair values of certain forward foreign exchange contracts are determined using the quoted RMB/US\$ forward exchange rates. If RMB appreciated/depreciated against US\$ by 1% with all other variables held constant, profit before income tax for the year would have been lower/higher by approximately HK\$1,474,000 (2013: HK\$3,416,000).

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)

於二零一四年三月三十一日，假若港元兌人民幣下跌／上升1%，而所有其他可變因素維持不變，則除稅前溢利應增加／減少約2,117,000港元(二零一三年：1,445,000港元)，乃主要由於兌換以人民幣計值之貨幣資產及負債之匯兌收益／(虧損)所致。

若干遠期外匯合約之公平價值按掛牌人民幣兌美元遠期匯率釐定。假若人民幣兌美元升值／貶值1%，而所有其他可變因素維持不變，則本年度除稅前溢利應減少／增加約1,474,000港元(二零一三年：3,416,000港元)。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

The VSC Group's interest rate risk arises mainly from borrowings. Borrowings obtained at variable rates expose the VSC Group to cash flow interest rate risk.

The VSC Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the VSC Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At 31st March 2014, 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\$15,716,000 lower/higher (2013: HK\$5,810,000), 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。

萬順昌集團以動態基礎分析其利率風險。利用多個模擬方案，包括計入再融資、現有持倉之續訂、其他可採用之融資和對沖，模擬不同情況。根據此等模擬方案，萬順昌集團計算界定利率轉移對溢利及虧損之影響。就每個模擬方案而言，所有貨幣均採用同一利率轉移。此等模擬方案只運用於主要持息之負債。

於二零一四年三月三十一日，倘浮息借貸之利率增加／減少100個基點，而所有其他可變因素維持不變，本年度除稅前溢利將減少／增加約15,716,000港元(二零一三年：5,810,000港元)，乃主要由於浮息借貸之利息支出增加／減少所致。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a high credit rating are accepted.

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.

As at 31st March 2014, the VSC Group has a concentration of credit risk given that the top 10 customers account for approximately 29% (2013: 34%) 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 receivables has been made.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險是按照組合方式管理，有關應收賬款餘額之信貸風險除外。在授予每個新客戶之標準付款期、送貨條款及條件前，每一個地方實體應負責管理及分析其每一新客戶之信貸風險。信貸風險來自現金及現金等值、衍生金融工具及於銀行及財務機構之存款，以及面對客戶之信貸風險，包括未償還之應收賬款及已確定之交易。對於銀行及財務機構，只有具較高信貸評級之獨立評級機構才會被接納。

萬順昌集團具備政策以確保只銷售予具備適當財政實力及押付恰當比例訂金之客戶，亦訂有其他監測程序，以確保執行跟進工作，索回逾期債務。此外，萬順昌集團定期檢查每筆應收賬款之可收回金額，藉此保證為不可收回金額計提適當減值虧損。

於二零一四年三月三十一日，考慮到頭十名客戶佔萬順昌集團截至年終應收賬款及票據結餘總額當中之約29%（二零一三年：34%），萬順昌集團具集中信貸風險。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目前為低。萬順昌集團在收回應收賬款及票據方面所收回之金額之往績經驗，均在記錄撥備之範疇內，而董事認為，已就不可收回之應收賬款及票據作足夠之撥備。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the VSC Group and aggregated by group finance. The VSC Group finance monitors rolling forecasts of the VSC Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 31) at all times so that the VSC Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the VSC Group's debt financing plans, covenant compliance and compliance with internal ratio of the consolidated statement of financial position targets.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the VSC Group treasury. VSC Group treasury invests surplus cash in time deposits, marketable securities, and choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At the reporting date, the VSC Group held cash and cash equivalents of approximately HK\$370,528,000 (2013: HK\$460,403,000) (Note 28) and trade and bill receivables of approximately HK\$405,355,000 (2013: HK\$423,490,000) (Note 26) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the VSC Group's and the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

現金流量預測是在萬順昌集團之各經營實體執行，並由集團財務總計。萬順昌集團財務監察萬順昌集團流動資金需求之滾動預測，確保有足夠現金應付經營需要，亦同時始終維持充足之未提取承諾借貸融資(附註31)，以使萬順昌集團不違反任何借貸限額或任何借貸融資契諾。此等預測考慮到萬順昌集團債務融資計劃、契諾合規及符合內部綜合財務狀況表比率目標。

當經營實體持有之剩餘現金超過營運資本管理所需餘額時，會轉撥至萬順昌集團司庫。萬順昌集團司庫將剩餘現金投資於定期存款及有價證券，並透過選擇上述預測所決定具有適當到期日或足夠流動性之工具，提供充足空間。於報告日，萬順昌集團持有現金及現金等值約370,528,000港元(二零一三年：460,403,000港元)(附註28)及應收賬款及票據約405,355,000港元(二零一三年：423,490,000港元)(附註26)，預期可即時產生現金流入以管理流動資金風險。

下表載列萬順昌集團及實體之財務負債，按有關到期組別根據於報告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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

		Repayment on demand 即時還款 HK\$'000 千港元	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Consolidated	綜合					
At 31st March 2014	於二零一四年三月三十一日					
Trade and bill payables	應付賬款及票據	-	80,028	-	-	80,028
Derivative financial instruments	衍生金融工具	-	912	-	-	912
Accrued liabilities and other payables	應計負債及其他應付賬款	-	55,406	4,990	-	60,396
Borrowings	借貸	3,768	1,006,243	-	561,595	1,571,606
Interest payable	應付利息	45	43,799	25,369	60,405	129,618
		3,813	1,186,388	30,359	622,000	1,842,560
At 31st March 2013	於二零一三年三月三十一日					
Trade and bill payables	應付賬款及票據	-	340,141	-	-	340,141
Accrued liabilities and other payables	應計負債及其他應付賬款	-	43,856	-	-	43,856
Borrowings	借貸	6,118	574,912	-	-	581,030
Interest payable	應付利息	115	16,038	-	-	16,153
		6,233	974,947	-	-	981,180

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		Repayment on demand 即時還款 HK\$'000 千港元	Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Company	本公司					
At 31st March 2014	於二零一四年三月三十一日					
Accrued liabilities and other payables	應計負債及其他應付賬款	-	103	-	-	103
At 31st March 2013	於二零一三年三月三十一日					
Accrued liabilities and other payables	應計負債及其他應付賬款	-	70	-	-	70

The following table summarises the maturity analysis of loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account the VSC Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

下表概述按貸款協議所載經協定還款時間表附有即時償還條款之貸款到期分析。金額包括按合約利率計算之利息付款。董事經考慮萬順昌集團之財務狀況後，認為銀行不大可能行使其酌情權要求即時償還款項，並相信將根據貸款協議所載經協定還款時間表償還此等定期貸款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Consolidated	綜合				
At 31st March 2014	於二零一四年三月三十一日				
Term loans subject to repayment on demand clause	附有即時償還條款之 定期貸款	2,373	1,395	-	3,768
Interest payable	應付利息	37	8	-	45
		2,410	1,403	-	3,813
At 31st March 2013	於二零一三年三月三十一日				
Term loans subject to repayment on demand clause	附有即時償還條款之 定期貸款	2,350	2,380	1,388	6,118
Interest payable	應付利息	66	40	9	115
		2,416	2,420	1,397	6,233

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.

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)

3.2 資金風險管理

萬順昌集團管理資金之目標為保障萬順昌集團持續經營之能力，以為股東提供回報及為其他持份者提供利益，並保持一個最佳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之股息金額、退回資本予股東、發行新股份或出售資產以減債。

3 Financial risk management (Continued)

3.2 Capital risk management (Continued)

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 less pledged bank deposits and cash and cash equivalents. Total capital is calculated as equity (excluding non-controlling interests), as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios at 31st March 2014 and at 31st March 2013 were as follows:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Total borrowings (Note 31)	借貸總額(附註31)	1,571,606	581,030
Less: Cash and cash equivalents and pledged bank deposits (Note 28)	減：現金及現金等值以及已抵押銀行存款(附註28)	(409,986)	(557,831)
Net debt	淨負債	1,161,620	23,199
Total equity (excluding non-controlling interests)	權益總額(不包括非控制性權益)	781,192	715,124
Total capital	資本總額	1,942,812	738,323
Gearing ratio	資本負債比率	60%	3%

The increase in the gearing ratio during the year resulted primarily from borrowing obtained as part of the consideration of the acquisition of a subsidiary (Note 36).

3 財務風險管理(續)

3.2 資金風險管理(續)

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減已抵押銀行存款以及現金及現金等值計算。如綜合財務狀況表所示，資本總額以權益(不包括非控制性權益)加淨負債計算。

於二零一四年三月三十一日及二零一三年三月三十一日之資本負債比率如下：

年內資本負債比率增加主要由於獲取作為收購一間附屬公司部分代價之借貸(附註36)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 Financial risk management (Continued)

3.3 Fair value estimation

The table below analyses the VSC Group's financial instruments carried at fair value as at 31st March 2014, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the VSC Group's assets and liabilities that are measured at fair value at 31st March 2014. See Note 16 for disclosures of the investment properties that are measured at fair value.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets – Consolidated	資產 – 綜合				
Available-for-sale financial asset – shares listed on The Stock Exchange of Hong Kong Limited	可供出售之財務資產 – 於香港聯合交易所 有限公司上市之股份	283	–	–	283
Liabilities – Consolidated	負債 – 綜合				
Forward foreign exchange contracts	遠期外匯合約	–	912	–	912

3 財務風險管理 (續)

3.3 公平價值估算

下表利用計量公平價值之估值技術之輸入數據水平分析萬順昌集團於二零一四年三月三十一日按公平價值入賬之財務資產。有關輸入於公平價值等級分類為以下三層：

- 相同資產或負債在活躍市場之報價(未經調整)(第一層)。
- 除包括在第一層可觀察資產或負債之報價外輸入，可為直接(即例如價格)或間接(即源自價格)(第二層)。
- 資產或負債並非依據可觀察市場數據之輸入(即非可觀察輸入)(第三層)。

下表顯示萬順昌集團於二零一四年三月三十一日按公平價值計量之資產及負債。按公平價值計量之投資物業之披露見附註16。

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the VSC Group's assets and liabilities that are measured at fair value at 31st March 2013.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets – Consolidated	資產 – 綜合				
Available-for-sale financial asset – shares listed on The Stock Exchange of Hong Kong Limited	可供出售之財務資產 – 於香港聯合交易所 有限公司上市之股份	255	–	–	255
Forward foreign exchange contracts	遠期外匯合約	–	1,059	–	1,059
		255	1,059	–	1,314

There were no transfers among levels 1, 2 and 3 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investment classified as available-for-sale.

3 財務風險管理 (續)

3.3 公平價值估算 (續)

下表顯示萬順昌集團於二零一三年三月三十一日按公平價值計量之資產及負債。

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets – Consolidated	資產 – 綜合				
Available-for-sale financial asset – shares listed on The Stock Exchange of Hong Kong Limited	可供出售之財務資產 – 於香港聯合交易所 有限公司上市之股份	255	–	–	255
Forward foreign exchange contracts	遠期外匯合約	–	1,059	–	1,059
		255	1,059	–	1,314

於本年度，第一層、第二層及第三層之間並無轉撥。

(a) 於第一層的金融工具

於活躍市場買賣之金融工具之公平價值乃按於報告日之市場報價釐定。倘交易所、交易商、經紀、行業組織、報價公司或監管當局可隨時及定時報價，且有關價格反映按公平基準實際及經常進行之市場交易，則有關市場被視為活躍。本集團所持財務資產之市場報價為當前買入價。該等工具列入第一層。列入第一層之工具主要包括分類為可供出售之股本投資。

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All the resulting fair value estimates are included in level 2.

3 財務風險管理(續)

3.3 公平價值估算(續)

(b) 於第二層之金融工具

並無於活躍市場買賣之金融工具公平價值乃使用估值方法釐定。該等估值方法儘量利用於可得可觀察市場數據，並儘量減少依賴實體獨有估計。倘釐定工具公平價值之重大輸入數據均可觀察，則該工具歸入第二層。

倘一項或多項重大輸入數據並非基於可觀察市場數據，則該工具歸入第三層。

為金融工具估值所使用之特定估值方法包括：

- 類似工具之市場報價或交易商報價。
- 外匯遠期合約之公平價值使用於結算日之遠期匯率釐定，產生之價值貼現回現值。
- 其他技術(例如已折現現金流分析)乃用作釐定餘下金融工具之公平價值。

所有相應公平價值估計均計入第二層。

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 addressed below.

(a) Onerous contracts

As at 31st March 2014, the VSC Group had committed sales orders which exceeded the aggregate amount of on-hand inventories and committed purchase orders. If the cost of certain future purchases to fulfil these sales orders exceeds the contracted selling prices of the sales orders, a provision for onerous contracts would be 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 inventory, 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 2014, 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 2014, no provision for onerous contract was recognised by the VSC Group (2013: HK\$4,000,000).

4 重要會計推算及判斷

根據過往經驗及其他因素(包括在現況下相信為未來事件之合理預期)持續對推算及判斷作出評估。

萬順昌集團就未來作出推算及假設。顧名思義，由此而生之會計推算極少與相關實際結果相同。下文論述具有會導致須對下一個財政年度之資產及負債之賬面金額作出重大調整之重大風險推算及假設。

(a) 有償契約

於二零一四年三月三十一日，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總額。倘用以履行此等銷售訂單之若干未來採購成本比銷售訂單所訂約之售價為高，則會就有償契約作出撥備。在推算預期採購成本超出已確定銷售訂單之售價金額時，管理層會計及手頭存貨之成本、已確定購貨訂單之成本及按可靠推算之期貨採購之市場預測價格。就管理層預期於二零一四年九月三十日後履行之銷售訂單而言，由於管理層現時未能可靠推算履行有關訂單產生之虧損(如有)，故並無就此等訂單作出撥備。

於二零一四年三月三十一日，萬順昌集團並無確認有償契約撥備(二零一三年：4,000,000港元)。

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 selling products of similar nature. It could change significantly as a result of changes in customer demand and competitor actions in response to severe industry cycle. Management reassesses the estimations at each reporting date. In current year, the provision for inventory has been decreased by HK\$3,281,000 as a result of change in estimation of net realisable value for inventory aged over one year.

(c) Trade and other receivables

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

(d) Income taxes and deferred income tax

The VSC Group is mainly subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the worldwide provision for income taxes. There are many 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 income tax provisions in the period in which such determination is made.

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之推算售價減推算完成成本及可變銷售支出。該等推算乃基於現時市況以及銷售類似性質產品之過往經驗。其可因客戶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。管理層會於每個報告日重估該等推算。於本年度，存貨撥備因賬齡超過一年之存貨之可變現淨值估計變動而減少3,281,000港元。

(c) 應收賬款及其他應收賬款

萬順昌集團之管理層根據應收賬款之可收回程度評估釐定應收賬款及其他應收賬款之減值撥備。該評估乃基於其客戶及其他債務人之信貸歷史以及現時市況。管理層會於每個報告日重估撥備。

(d) 所得稅及遞延所得稅

萬順昌集團主要須繳納香港及中國內地之所得稅。在釐定全球所得稅撥備時，需要作出重大判斷。於日常業務過程中，有許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期間內之所得稅及遞延所得稅撥備。

4 Critical accounting estimates and judgements (Continued)

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

Deferred income 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 income 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 reporting period.

(f) Estimated impairment of goodwill

The VSC Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 18).

(g) Impairment of loan and other receivables and amounts due from associates

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, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates.

4 重要會計推算及判斷(續)

(d) 所得稅及遞延所得稅(續)

倘管理層認為可動用未來應課稅溢利以對銷短暫差異或稅項虧損，則會確認與若干短暫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，該差異將會對遞延所得稅資產確認及有關推算出現變動期間內之所得稅費用構成影響。

(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公平價值以估值技術釐定。萬順昌集團應用其判斷以選擇不同方法及主要基於各報告期間存在之市況作出假設。

(f) 商譽減值推算

萬順昌集團根據附註2.7所述會計政策，每年就商譽進行減值測試。現金產生單位之可收回金額透過計算使用價值決定。此等計算需要使用推算(附註18)。

(g) 貸款及其他應收賬款及應收聯營公司減值

萬順昌集團於每個報告期末，根據附註2.12所述之會計政策，評估是否存在客觀證據就某一財務資產或某一財務資產組合出現減值。現金產生單位之可收回金額透過計算使用價值決定。此等計算需要使用推算。

4 Critical accounting estimates and judgements (Continued)

(g) Impairment of loan and other receivables and amounts due from associates (Continued)

For the year ended 31st March 2014, the VSC Group recognised provisions for impairment for loan and other receivables and amounts due from associates of approximately HK\$62,939,000 (2013: HK\$8,000,000) (Note 7).

(h) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 16.

5 Revenue and segment information

The VSC Group's revenue consists of the following:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Sales of goods	貨品銷售	3,825,076	3,718,563
Service income	服務收入	10,917	41,601
Rental income	租金收入	13,313	456
Total revenue	收入總額	3,849,306	3,760,620

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 & design solutions;
- (iii) Engineering plastics; and
- (iv) Property investment.

4 重要會計推算及判斷(續)

(g) 貸款及其他應收賬款及應收聯營公司減值(續)

截至二零一四年三月三十一日止年度，萬順昌集團就貸款及其他應收賬款及應收聯營公司確認減值撥備約62,939,000港元(二零一三年8,000,000港元)(附註7)。

(h) 投資物業之公平價值

投資物業之公平價值乃使用估值技術予以釐定。判斷及假設的詳情披露於附註16。

5 收入及分部資料

萬順昌集團之收入包括如下：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Sales of goods	貨品銷售	3,825,076	3,718,563
Service income	服務收入	10,917	41,601
Rental income	租金收入	13,313	456
Total revenue	收入總額	3,849,306	3,760,620

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，乃根據由萬順昌集團之主要營運決策者所審閱用以制定策略性決定之報告釐定。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) 建築產品及設計方案；
- (iii) 工程塑膠；及
- (iv) 房地產投資。

5 Revenue and segment information (Continued)

The VSC Group's CODM assesses the performance of operating segments based on a measure of profit before income 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 the CODM is measured in a manner consistent with that in the consolidated financial statements.

Analysis of the VSC Group's results by business segment for the year ended 31st March 2014 is as follows:

5 收入及分部資料 (續)

萬順昌集團之主要營運決策者按除稅前溢利之計量評估營運分部表現。此計量基準不包括營運分部中非經常性支出之影響，如法律費用及單獨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量方法與綜合財務報表一致。

萬順昌集團於截至二零一四年三月三十一日止年度按業務分部之業績分析如下：

		Steel distribution	Building & design solutions	Engineering plastics	Property investment	Unallocated	Total
		鋼材分銷	建築產品及 設計方案	工程塑膠	房地產投資	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
External revenue	對外收入	2,929,183	487,051	419,326	13,746	-	3,849,306
Operating profit/(loss)	經營溢利/(虧損)	176,686	8,974	2,693	63,216	(137,158)	114,411
Finance income	財務收入	1,550	725	113	202	27	2,617
Finance costs	財務費用	(18,009)	(6,027)	(997)	(12,182)	(37)	(37,252)
Share of profit of investments accounted for using equity method – net	應佔以權益法入賬之投資溢利—淨額	119	-	-	81,648	(12,187)	69,580
Profit/(loss) before income tax	除稅前溢利/(虧損)	160,346	3,672	1,809	132,884	(149,355)	149,356
Other gains – net	其他收益—淨額	8,684	1,821	2,291	276	234	13,306
Fair value gain on investment properties	投資物業之公平價值收益	-	-	-	73,022	-	73,022
Depreciation and amortisation	折舊及攤銷	(1,332)	(2,573)	(105)	(203)	(1,674)	(5,887)
Provision for impairment of amounts due from associates, loan and other receivables	應收聯營公司、貸款及其他應收賬款減值撥備	-	(1,180)	-	-	(61,759)	(62,939)
Income tax (expense)/credit	所得稅(支出)/計入	(28,565)	(6,910)	(524)	(19,513)	10,975	(44,537)

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 Revenue and segment information (Continued)

Analysis of the VSC Group's results by business segment for the year ended 31st March 2013 is as follows:

5 收入及分部資料(續)

萬順昌集團於截至二零一三年三月三十一日止年度按業務分部之業績分析如下：

		Steel distribution 鋼材分銷 HK\$'000 千港元	Building & design solutions 建築產品及 設計方案 HK\$'000 千港元	Engineering plastics 工程塑膠 HK\$'000 千港元	Property investment 房地產投資 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
External revenue	對外收入	2,765,346	490,524	472,170	32,580	-	3,760,620
Operating profit/(loss)	經營溢利/(虧損)	173,764	31,560	6,067	4,932	(98,950)	117,373
Finance income	財務收入	1,161	90	149	5	7	1,412
Finance costs	財務費用	(14,025)	(5,829)	(1,396)	(80)	(169)	(21,499)
Share of profit of investments accounted for using equity method – net	應佔以權益法入賬之投資溢利－淨額	(289)	-	-	4,424	(606)	3,529
Profit/(loss) before income tax	除稅前溢利/(虧損)	160,611	25,821	4,820	9,281	(99,718)	100,815
Other gains/(losses) – net	其他收益/(虧損)－淨額	4,293	681	672	(41)	(5,071)	534
Depreciation and amortisation	折舊及攤銷	(2,209)	(1,762)	(72)	(5)	(2,300)	(6,348)
Provision for impairment of amount due from an associate	應收一間聯營公司減值撥備	-	-	-	-	(8,000)	(8,000)
Income tax (expense)/credit	所得稅(支出)/計入	(36,385)	(5,406)	(802)	(4,804)	18,042	(29,355)

Notes to the Consolidated Financial Statements 綜合財務報表附註

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:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Revenue	收入		
Hong Kong	香港	2,442,020	2,235,459
Mainland China	中國內地	1,407,286	1,525,161
Total revenue	收入總額	3,849,306	3,760,620

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：

6 Other gains – net

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Write back of provision for/(provision for) onerous contracts (Note 30)	有償契約之撥備撤回／(撥備)(附註30)	4,000	(4,000)
Net fair value change on forward foreign exchange contracts held for trading	持作買賣用途之遠期外匯合約之公平價值淨變動	(1,971)	430
Loss on disposal of investment in a subsidiary (Note 35(c))	出售於一間附屬公司之投資之虧損(附註35(c))	-	(2,448)
Gain on deemed disposal of investment in a subsidiary	視作出售於一間附屬公司之投資之收益	-	1,354
Realised loss on steel future contracts	鋼材期貨合約之變現虧損	-	(843)
Net exchange gain	淨匯兌收益	7,936	3,206
Sundry income	雜項收入	3,341	2,835
		13,306	534

6 其他收益 – 淨額

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綜合財務報表附註

7 Expenses by nature

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

7 按性質劃分之支出

包括在「銷售成本」、「銷售及分銷支出」與「一般及行政支出」內支出之分析如下：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Cost of finished goods sold	製成品銷售成本	3,477,956	3,407,400
Provision/(write-back of provision) for impairment of inventories	存貨減值撥備/(撥備撤回)	1,307	(1,842)
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備之折舊(附註15)	4,658	5,553
Gain on disposals of property, plant and equipment (Note 35(b))	出售物業、廠房及設備之收益(附註35(b))	(252)	(566)
Amortisation of intangible assets and land use rights	無形資產及土地使用權之攤銷	1,229	795
Employee benefit expenses (Note 8)	僱員福利支出(附註8)	111,654	120,709
Operating lease rental expenses in respect of retail outlets, offices and warehouses	零售商舖、辦公室及貨倉營業租約租金支出	31,710	24,675
Provision for impairment of trade receivables, net (Note 26(a))	應收賬款減值撥備，淨額(附註26(a))	1,883	2,212
Provision for impairment of amounts due from associates	應收聯營公司減值撥備	30,759	8,000
Provision for impairment of loan receivable (Note 26(b))	應收貸款減值撥備(附註26(b))	19,000	-
Provision for impairment of other receivables (Note 27)	其他應收賬款減值撥備(附註27)	13,180	-
Auditor's remuneration	核數師酬金	2,100	1,960
Legal and professional fees	法律及專業費	34,232	7,100
Freight charges	運費	40,668	22,983
Others	其他	51,139	44,802
Total cost of sales, selling and distribution expenses and general and administrative expenses	銷售成本、銷售及分銷支出與一般及行政支出總額	3,821,223	3,643,781

8 Employee benefit expenses (including directors' emoluments)

8 僱員福利支出(包含董事酬金)

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	78,138	80,398
Bonus	花紅	17,037	24,203
Pension costs – defined contribution plans	退休金成本—界定供款計劃	7,888	7,322
Share option scheme – value of services	購股權計劃—服務價值	763	2,748
Welfare and benefits	福利及利益	7,828	6,038
		111,654	120,709

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\$1,250 per month. The contributions are fully and immediately vested for the employees.

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

根據公積金計劃，萬順昌集團及其僱員須各自按該僱員薪金之5%向該計劃作每月供款。終止僱用之僱員未歸屬之利益均由萬順昌集團用作減少未來供款。

根據強積金計劃，萬順昌集團及其僱員須各自按香港強制性公積金計劃條例所界定按該僱員有關收入之5%向該計劃作每月供款。萬順昌集團及其僱員之供款乃受限於每月1,250港元的上限。供款悉數及即刻歸屬於僱員。

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

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

During the year ended 31st March 2014, the aggregate amount of VSC Group's contributions to the aforementioned pension schemes was approximately HK\$7,888,000 (2013: HK\$7,322,000), net of forfeited contributions of approximately HK\$131,000 (2013: HK\$240,000). As at 31st March 2014, there is no unutilised forfeited contribution which could be utilised to reduce future contributions of the VSC Group (2013: Nil).

8 僱員福利支出(包含董事酬金)(續)

誠如中國內地規則及法規所規定，萬順昌集團須為其設立於中國內地之附屬公司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之基本薪金及服務年期按有關政府法規計算得出。除該等供款外，萬順昌集團毋須另行支付任何實際退休金或退休後福利。該等國家資助退休計劃須負責向退休僱員支付全部退休金。

截至二零一四年三月三十一日止年度，萬順昌集團對上述退休金計劃作出之供款總額約為7,888,000港元(二零一三年：7,322,000港元)，淨沒收供款約131,000港元(二零一三年：240,000港元)。於二零一四年三月三十一日，並無未動用已沒收供款可用作減少萬順昌集團未來之供款(二零一三年：無)。

9 Directors' and senior management's emoluments

(a) Directors' emoluments

The remuneration of every director for the year ended 31st March 2014 is set out below:

9 董事及高級管理人員酬金

(a) 董事酬金

截至二零一四年三月三十一日止年度，每位董事薪酬如下：

		Fees	Salaries and allowances	Discretionary bonus ^(a)	Employer's contribution to pension scheme 僱主對退休金計劃之供款	Share option scheme – value of services 購股權計劃 – 服務價值	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Chief executives and executive directors	行政總裁及執行董事						
Mr. Yao Cho Fai Andrew	姚祖輝先生	-	1,938	1,950	15	-	3,903
Mr. Frank Muñoz	Frank Muñoz先生	-	4,764	1,156	15	242	6,177
Non-executive directors	非執行董事						
Mr. Dong Sai Ming Fernando	唐世銘先生	429	-	71	15	-	515
Mr. Tam King Ching Kenny	譚競正先生	225	-	-	-	-	225
Mr. Xu Lin Bao	徐林寶先生	207	-	-	-	-	207
Mr. Tse Lung Wa Teddy	謝龍華先生	830	-	-	-	342	1,172
Mr. Yeung Wing Sun Mike (appointed on 25th March 2014)	楊榮榮先生(於二零一四年三月二十五日委任)	-	-	-	-	-	-
		1,691	6,702	3,177	45	584	12,199

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

(a) Directors' emoluments (Continued)

The remuneration of every director for the year ended 31st March 2013 is set out below:

9 董事及高級管理人員酬金(續)

(a) 董事酬金(續)

截至二零一三年三月三十一日止年度，每位董事薪酬如下：

		Salaries and allowances	Discretionary bonus ^①	Employer's contribution to pension scheme	Share option scheme – value of services	Total	
	Fees						
	袍金	薪金及津貼	酌情花紅 ^①	僱主對退休金 計劃之供款	購股權計劃 — 服務價值	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Chief executives and executive directors	行政總裁及執行董事						
Mr. Yao Cho Fai Andrew (resigned from chief executive officer on 1st November 2012 and remained as an executive director)	姚祖輝先生 (於二零一二年十一月一日辭任行政總裁並留任為執行董事)	-	1,963	100	15	-	2,078
Mr. Frank Muñoz (appointed as chief executive officer and re-designated from a non-executive director to an executive director on 1st November 2012)	Frank Muñoz 先生 (於二零一二年十一月一日委任為行政總裁及由非執行董事調任為執行董事)	-	1,941	780	6	793	3,520
Executive director	執行董事						
Mr. Kern Lim (resigned on 31st December 2012)	林耿先生(於二零一二年十二月三十一日辭任)	-	2,645	1,600	47	1,376	5,668
Non-executive directors	非執行董事						
Mr. Dong Sai Ming Fernando (re-designated from an executive director to a non-executive director on 17th August 2012)	唐世銘先生(於二零一二年八月十七日由執行董事調任為非執行董事)	-	429	36	15	-	480
Mr. Frank Muñoz (re-designated from a non-executive director to an executive director on 1st November 2012)	Frank Muñoz 先生 (於二零一二年十一月一日由非執行董事調任為執行董事)	275	-	-	-	-	275

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

(a) Directors' emoluments (Continued)

The remuneration of every director for the year ended 31st March 2013 is set out below: (Continued)

		Fees	Salaries and allowances	Discretionary bonus ⁽ⁱ⁾	Employer's contribution to pension scheme	Share option scheme – value of services	Total
		袍金	薪金及津貼	酌情花紅 ⁽ⁱ⁾	僱主對退休金計劃之供款	購股權計劃 – 服務價值	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Tam King Ching Kenny	譚競正先生	225	-	-	-	-	225
Mr. Xu Lin Bao	徐林寶先生	207	-	-	-	-	207
Mr. Harold Richard Kahler (retired on 17th August 2012)	Harold Richard Kahler 先生 (於二零一二年八月十七日卸任)	263	-	-	-	-	263
Mr. Tse Lung Wa Teddy (appointed on 17th August 2012)	謝龍華先生(於二零一二年八月十七日委任)	112	-	-	-	-	112
		1,082	6,978	2,516	83	2,169	12,828

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.

9 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

截至二零一三年三月三十一日止年度，每位董事薪酬如下：(續)

		袍金	薪金及津貼	酌情花紅 ⁽ⁱ⁾	僱主對退休金計劃之供款	購股權計劃 – 服務價值	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Tam King Ching Kenny	譚競正先生	225	-	-	-	-	225
Mr. Xu Lin Bao	徐林寶先生	207	-	-	-	-	207
Mr. Harold Richard Kahler (retired on 17th August 2012)	Harold Richard Kahler 先生 (於二零一二年八月十七日卸任)	263	-	-	-	-	263
Mr. Tse Lung Wa Teddy (appointed on 17th August 2012)	謝龍華先生(於二零一二年八月十七日委任)	112	-	-	-	-	112
		1,082	6,978	2,516	83	2,169	12,828

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 – 服務價值為購股權計劃下於各授出日期計量並於綜合損益表列作開支之購股權公平價值，而不論購股權是否獲行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

(a) Directors' emoluments (Continued)

No director waived any emolument during the year. No incentive payment (2013: Nil) as an inducement for joining the VSC Group or compensation for loss of office was paid to any director during the year.

(b) Five highest paid individuals

The five individuals with highest emoluments in the VSC Group include two directors (2013: three) whose emoluments are reflected in the analysis presented in Note 9(a) above. The emoluments paid/payable to the remaining three (2013: two) individuals during the year are as follows:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	4,474	3,425
Bonus	花紅	953	1,615
		5,427	5,040

The emolument fell within the following bands:

		Number of individuals 人數	
		2014 二零一四年	2013 二零一三年
- HK\$1,500,001 to HK\$2,000,000	- 1,500,001 港元至 2,000,000 港元	3	1
- HK\$2,500,001 to HK\$3,500,000	- 2,500,001 港元至 3,500,000 港元	-	1
		3	2

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)

(a) 董事酬金(續)

本年度，概無董事放棄任何酬金，亦無(二零一三年：無)已付酬金予任何董事以作鼓勵加入萬順昌集團或離職補償。

(b) 五名最高薪人士

萬順昌集團五名最高酬金人士包括兩位董事(二零一三年：三位)，彼等之酬金於上文附註9(a)所列分析中反映。本年度已付／應付其餘三位(二零一三年：兩位)人士之酬金如下：

酬金介乎以下範圍：

本年度，並無支付／應付任何酬金予五名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

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Finance income	財務收入		
Interest income:	利息收入：		
– short-term bank deposits	– 短期銀行存款	2,617	1,412
Finance costs			
Interest expenses:	利息支出：		
– bank borrowings	– 銀行借貸	(31,595)	(18,073)
Bank charges	銀行費用	(5,657)	(3,426)
		(37,252)	(21,499)
Net finance costs	淨財務費用	(34,635)	(20,087)

11 Income tax expense

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong.

11 所得稅支出

本公司獲豁免繳納百慕達稅項至二零一六年。

香港利得稅乃根據產生自或來自香港之估計應課稅溢利按稅率16.5% (二零一三年：16.5%) 作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 Income tax expense (Continued)

During the year, subsidiaries established in Mainland China are subject to China corporate income tax at 25% (2013: 25%).

The amount of income tax expense recorded in the consolidated income statement represents:

11 所得稅支出(續)

本年度，於中國內地成立之附屬公司按稅率25%(二零一三年：25%)繳付中國企業所得稅。

於綜合損益表中列賬之所得稅支出包括：

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Current income tax	當期所得稅		
– Hong Kong profits tax	– 香港利得稅	15,380	4,125
– China corporate income tax	– 中國企業所得稅	9,653	9,995
Deferred income tax (Note 22)	遞延所得稅(附註22)	18,969	15,050
Under provision in prior years	過往年度之撥備不足	535	185
		44,537	29,355

11 Income tax expense (Continued)

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

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Profit before income tax	除稅前溢利	149,356	100,815
Tax calculated at domestic tax rates applicable to profit in the respective countries	按個別國家之溢利所適用之當地稅率計算之稅項	36,942	30,017
Income not subject to tax	毋須課稅之收入	(543)	(1,155)
Expenses not deductible for tax purposes	不可扣稅之支出	5,595	700
Tax losses not recognised as deferred income tax assets	並無確認遞延所得稅資產之稅項虧損	1,675	19
Withholding tax on Mainland China unremitted earnings	於中國內地未分派溢利之預扣稅	333	(411)
Under provision in prior years	過往年度之撥備不足	535	185
Income tax expense	所得稅支出	44,537	29,355

For the year ended 31st March 2014, the weighted average applicable tax rate was 24.7% (2013: 29.8%). The decrease is due to the impact of the decrease in profit of Mainland China's subsidiaries.

截至二零一四年三月三十一日止年度，加權平均適用稅率為24.7%（二零一三年：29.8%）。其減少是由於中國內地附屬公司之溢利減少所致。

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\$31,181,000 (2013: HK\$13,692,000).

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包括本公司財務報表中約31,181,000港元之溢利（二零一三年：13,692,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 Dividends

13 股息

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Interim dividend of HK3.3 cents (2013: 2.3 cents) per ordinary share	中期股息每股 普通股3.3港仙 (二零一三年：2.3港仙)	13,759	9,525
Proposed final dividend of HK4.15 cents (2013: HK2.9 cents) per ordinary share	建議末期股息每股 普通股4.15港仙 (二零一三年：2.9港仙)	17,335	12,000
		31,094	21,525

A final dividend for the year ended 31st March 2014 of HK4.15 cents (2013: HK2.9 cents) per ordinary share, totalling approximately HK\$17,335,000 (2013: HK\$12,000,000) has been recommended by the Board for approval at the forthcoming Annual General Meeting of the Company. The proposed final dividend has not been dealt with as dividend payable as at 31st March 2014.

The actual final dividend for the year ended 31st March 2013 was approximately HK\$12,092,000 due to 3,915,000 additional shares issued upon exercise of share options and cancellation of 726,000 shares repurchased during the period from 21st June 2013 to 23rd August 2013, the last closure date of the register of the members for ascertaining the entitlement to the final dividend, and was paid out on 6th September 2013.

董事會於即將舉行之本公司股東週年大會上建議截至二零一四年三月三十一日止年度末期股息每股普通股4.15港仙(二零一三年：2.9港仙)，合共約17,335,000港元(二零一三年：12,000,000港元)。建議末期股息並無於二零一四年三月三十一日之賬目中列為應付股息。

由於在二零一三年六月二十一日至二零一三年八月二十三日(就釐定獲發末期股息之資格暫停辦理股份過戶登記手續的最後日期)期間內因行使購股權而額外發行3,915,000股股份及註銷726,000股已購回股份，故截至二零一三年三月三十一日止年度之實際末期股息約為12,092,000港元，並已於二零一三年九月六日派付。

13 Dividends (Continued)

The actual interim dividend for the six months ended 30th September 2013 was approximately HK\$13,785,000 due to 800,000 additional shares issued upon exercise of share options during the period from 20th November 2013 to 13th December 2013, the last closure date of the register of the members for ascertaining the entitlement to the interim dividend, and was paid out on 15th January 2014.

14 Earnings per ordinary share

(a) Basic

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

13 股息(續)

由於在二零一三年十一月二十日至二零一三年十二月十三日(就釐定獲發中期股息之資格暫停辦理股份過戶登記手續的最後日期)期間內因行使購股權而額外發行800,000股股份,故截至二零一三年九月三十日止六個月之實際中期股息約為13,785,000港元,並已於二零一四年一月十五日派付。

14 每股普通股盈利

(a) 基本

每股普通股基本盈利乃按本公司股權持有人應佔溢利除以本年度已發行普通股之加權平均數計算。

		2014 二零一四年	2013 二零一三年
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利(千港元)	103,708	71,600
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	416,075	413,984
Basic earnings per ordinary share (HK cents)	每股普通股基本盈利(港仙)	24.93	17.30

14 Earnings per ordinary share (Continued)

(b) Diluted

Diluted earnings 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(續)

(b) 攤薄

每股普通股攤薄盈利乃按假設具潛在攤薄性質之普通股獲全數轉換而相應調整發行在外普通股之加權平均數計算。本公司具潛在攤薄性質之普通股因購股權而產生，其計算根據尚未行使購股權所附認購權之貨幣價值作出，用以釐定原應以公平價值(釐定為本公司股份之全年平均市場股價)收購之股份數目。上文計算得出之股份數目與假設購股權獲行使而已發行之股份數目作比較。

		2014 二零一四年	2013 二零一三年
Profit attributable to equity holders of the Company and used to determine diluted earnings per ordinary share (HK\$'000)	本公司股權持有人應佔溢利及用以釐定每股普通股攤薄盈利(千港元)	103,708	71,600
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	416,075	413,984
Adjustment for share options ('000)	調整購股權(千份)	17,578	3,742
Weighted average number of ordinary shares for diluted earnings per ordinary share ('000)	每股普通股攤薄盈利之普通股加權平均數(千股)	433,653	417,726
Diluted earnings per ordinary share (HK cents)	每股普通股攤薄盈利(港仙)	23.91	17.14

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 Property, plant and equipment

15 物業、廠房及設備

		Consolidated 綜合				
		Buildings	Leasehold improvements, furniture and equipment 租賃物業裝修、傢俬及設備	Machinery 機器	Motor vehicles 汽車	Total 總額
		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
At 1st April 2012	於二零一二年四月一日					
Cost	成本	4,433	40,407	5,574	10,575	60,989
Accumulated depreciation	累計折舊	(913)	(33,914)	(5,437)	(5,370)	(45,634)
Net book amount	賬面淨額	3,520	6,493	137	5,205	15,355
Year ended 31st March 2013	截至二零一三年三月三十一日止年度					
Opening net book amount	期初賬面淨額	3,520	6,493	137	5,205	15,355
Additions	添置	3,698	3,774	13,532	3,112	24,116
Attributable to disposal of a subsidiary	出售一間附屬公司而產生	(3,680)	(1,328)	(12,539)	(1,584)	(19,131)
Disposals	出售	-	(18)	-	(19)	(37)
Depreciation	折舊	(135)	(2,739)	(716)	(1,963)	(5,553)
Exchange differences	匯兌差額	-	6	-	11	17
Closing net book amount	期終賬面淨額	3,403	6,188	414	4,762	14,767
At 31st March 2013 and 1st April 2013	於二零一三年三月三十一日及二零一三年四月一日					
Cost	成本	4,434	42,046	5,919	11,614	64,013
Accumulated depreciation	累計折舊	(1,031)	(35,858)	(5,505)	(6,852)	(49,246)
Net book amount	賬面淨額	3,403	6,188	414	4,762	14,767
Year ended 31st March 2014	截至二零一四年三月三十一日止年度					
Opening net book amount	期初賬面淨額	3,403	6,188	414	4,762	14,767
Additions	添置	-	4,554	280	-	4,834
Disposals	出售	-	(50)	-	(64)	(114)
Depreciation	折舊	(118)	(2,518)	(104)	(1,918)	(4,658)
Exchange differences	匯兌差額	4	52	-	69	125
Closing net book amount	期終賬面淨額	3,289	8,226	590	2,849	14,954
At 31st March 2014	於二零一四年三月三十一日					
Cost	成本	4,442	46,324	6,187	10,515	67,468
Accumulated depreciation	累計折舊	(1,153)	(38,098)	(5,597)	(7,666)	(52,514)
Net book amount	賬面淨額	3,289	8,226	590	2,849	14,954

Depreciation expense is charged to “general and administrative expenses” in the consolidated income statement during the year.

本年度，折舊支出於綜合損益表之「一般及行政支出」中扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 Investment properties

16 投資物業

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At fair value	按公平價值		
At 1st April	於四月一日	22,000	22,000
Acquisition (Note 36(a))	收購(附註36(a))	920,449	–
Fair value change	公平價值變動	73,022	–
Exchange differences	匯兌差額	(9,891)	–
At 31st March	於三月三十一日	1,005,580	22,000

Amount recognised in consolidated income statement for investment properties as follows:

於綜合損益表確認之投資物業金額如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Rental income	租金收入	13,313	456
Direct operating expenses from properties that generated rental income	來自產生租金收入之物業之直接經營開支	(2,011)	(72)
		11,302	384

16 Investment properties (Continued)

Details of the geographical locations and tenure are as follows:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
In Hong Kong	於香港		
– long-term leases of between 10 and 50 years	– 10年至50年之 長期租約	22,000	22,000
In Mainland China	於中國內地		
– long-term leases of between 10 and 50 years	– 10年至50年之 長期租約	983,580	–
		1,005,580	22,000

As at 31st March 2014, investment properties of approximately HK\$1,005,580,000 (2013: HK\$22,000,000) were stated at open market value as determined by the directors based on valuations assessed by an independent, professional qualified valuers.

As at 31st March 2014, investment properties of approximately HK\$1,005,580,000 (2013: HK\$22,000,000) were pledged as collaterals for certain of the VSC Group's bank borrowings (Note 31).

Independent valuations of the VSC Group's investment properties were performed by the valuers, Knight Frank Petty Limited and Jointgoal Surveyors Limited, to determine the fair value of the investment properties as at 31st March 2014 (2013: Jointgoal Surveyors Limited). The fair value gains or losses are recognised in the consolidated income statement. The following table analyses the investment properties carried at fair value, by valuation method.

16 投資物業(續)

地理位置及業權租賃期詳情如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
In Hong Kong	於香港		
– long-term leases of between 10 and 50 years	– 10年至50年之 長期租約	22,000	22,000
In Mainland China	於中國內地		
– long-term leases of between 10 and 50 years	– 10年至50年之 長期租約	983,580	–
		1,005,580	22,000

於二零一四年三月三十一日，約1,005,580,000港元(二零一三年：22,000,000港元)之投資物業由董事按獨立及專業合資格估值師所評估之估值釐定之公開市值列賬。

於二零一四年三月三十一日，約1,005,580,000港元(二零一三年：22,000,000港元)之投資物業已作抵押，作為萬順昌集團若干銀行借貸之抵押品(附註31)。

估值師萊坊測計師行有限公司及晉高測量師行(二零一三年：晉高測量師行有限公司)對萬順昌集團投資物業進行獨立估值，以釐定投資物業於二零一四年三月三十一日的公平價值。公平價值收益或虧損於綜合損益表確認。下表以估值法分析按公平價值入賬之投資物業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 Investment properties (Continued)

Fair value hierarchy

Description 描述	Fair value measurements at 31st March 2014 using 於二零一四年三月三十一日使用下列項目進行之公平價值計量		
	Quoted prices in active markets for identical assets 於活躍市場可 識別資產之報價 (Level 1) (第一層) HK\$'000 千港元	Significant other observable inputs 重大其他 可觀察輸入 (Level 2) (第二層) HK\$'000 千港元	Significant unobservable inputs 重大不可 觀察輸入 (Level 3) (第三層) HK\$'000 千港元
Recurring fair value measurements 經常性公平價值計量			
- Residential unit - Hong Kong -住宅單元-香港	-	-	22,000
- Commercial units - Mainland China -商業單元-中國內地	-	-	983,580
	-	-	1,005,580

16 投資物業(續)

公平價值等級

Description 描述	Fair value measurements at 31st March 2013 using 於二零一三年三月三十一日使用下列項目進行之公平價值計量		
	Quoted prices in active markets for identical assets 於活躍市場可 識別資產之報價 (Level 1) (第一層) HK\$'000 千港元	Significant other observable inputs 重大其他 可觀察輸入 (Level 2) (第二層) HK\$'000 千港元	Significant unobservable inputs 重大不可 觀察輸入 (Level 3) (第三層) HK\$'000 千港元
Recurring fair value measurements 經常性公平價值計量			
- Residential unit - Hong Kong -住宅單元-香港	-	-	22,000

16 Investment properties (Continued)

Fair value hierarchy (Continued)

Fair value measurement using significant unobservable inputs (Level 3)

16 投資物業(續)

公平價值等級(續)

使用重大不可觀察輸入之公平價值計量
(第三層)

		Investment properties 投資物業		
		Hong Kong 香港	Mainland China 中國內地	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st April 2013	於二零一三年四月一日	22,000	-	22,000
Additions	添置	-	920,449	920,449
Gains recognised in consolidated income statement	於綜合損益表確認之收益	-	73,022	73,022
Exchange difference	匯兌差額	-	(9,891)	(9,891)
At 31st March 2014	於二零一四年三月三十一日	22,000	983,580	1,005,580
Total unrealised gains for the year included in consolidated income statement for asset held at 31st March 2014	於二零一四年三月三十一日所持資產於本年度計入綜合損益表之未變現收益總額	-	73,022	73,022

		Investment property 投資物業		
		Hong Kong 香港	Mainland China 中國內地	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st April 2012 and 31st March 2013	於二零一二年四月一日及二零一三年三月三十一日	22,000	-	22,000
Total unrealised gains for the year included in consolidated income statement for asset held at 31st March 2013	於二零一三年三月三十一日所持資產於本年度計入綜合損益表之未變現收益總額	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 Investment properties (Continued)

Fair value hierarchy (Continued)

Information about fair value measurements using significant unobservable input (Level 3) as follows:

Description	Fair value	Valuation technique	Unobservable inputs	Range of unobservable inputs (weighted average) (不可觀察輸入範圍 (加權平均))	Relationship of unobservable inputs to fair value (不可觀察輸入與公平價值之關係)
描述	公平價值 (HK\$'000) (千港元)	估值技術	不可觀察輸入		
As at 31st March 2014 於二零一四年三月三十一日					
Investment property – Hong Kong	22,000	Direct comparison approach	Comparable sales evidence	HK\$20,000,000 to HK\$25,000,000 (HK\$22,000,000)	The higher the comparable market price, the higher the fair value
投資物業 – 香港	22,000	直接比較法	可比較銷售證據	20,000,000港元至25,000,000港元 (22,000,000港元)	可比較市場價格越高，公平價值越高
Investment property – Mainland China	983,580	Income capitalisation approach	Adjusted market yield (office, retail)	Office 4.50% to 6.50% (5.75%) Retail 6.00% to 9.00% (7.75%)	The higher the weighted average adjusted market yield, the higher the fair value
投資物業 – 中國內地	983,580	收益資本化法	經調整市場收益率 (辦公室、零售)	辦公室4.50%至6.50% (5.75%) 零售6.00%至9.00% (7.75%)	加權平均經調整市場收益率越高，公平價值越高
As at 31st March 2013 於二零一三年三月三十一日					
Investment property – Hong Kong	22,000	Direct comparison approach	Comparable sales evidence	HK\$20,000,000 to HK\$25,000,000 (HK\$22,000,000)	The higher the comparable market price, the higher the fair value
投資物業 – 香港	22,000	直接比較法	可比較銷售證據	20,000,000港元至25,000,000港元 (22,000,000港元)	可比較市場價格越高，公平價值越高

16 投資物業 (續)

公平價值等級 (續)

有關使用重大不可觀察輸入 (第三層) 之公平價值計量之資料如下：

16 Investment properties (Continued)

Valuation processes of the investment properties

The VSC Group engages external, independent and qualified valuers to determine the fair value of the investment properties at the end of every financial year. As at 31st March 2014, the fair values of the investment properties were determined by Knight Frank Petty Limited and Jointgoal Surveyors Limited (2013: Jointgoal Surveyors Limited).

The main Level 3 input used by the VSC Group is derived and evaluated as follows:

Comparable sales evidence

The comparable sales evidence are selected by referring to recent sales transactions within the locations and are considered comparable to the property in term of factors such as location, size, view and other factors.

Adjusted market yield

The adjusted market yield has been determined by making reference to recent sales and rental transactions with adjustments to reflect the differences between the comparables and the investment property, in terms of location, building quality and other factors.

16 投資物業(續)

投資物業之估值程序

萬順昌集團委聘外部獨立及合資格估值師釐定於各財政年度末投資物業之公平價值。於二零一四年三月三十一日，投資物業之公平價值已由萊坊測計師行有限公司及晉高測量師行有限公司釐定(二零一三年：晉高測量師行有限公司)。

萬順昌集團使用的主要第三層輸入來自及評估如下：

可比較銷售證據

可比較銷售證據乃經參考有關地點的近期銷售交易而加以選擇並在位置、規模、視野及其他因素方面被認為與物業相若。

經調整市場收益率

經調整市場收益率乃經參考近期銷售及租金交易(經調整以反映可比較物業與投資物業在位置、樓宇質量及其他因素方面之差異)予以釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 Land use rights

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

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1st April	於四月一日	10,324	10,526
Amortisation	攤銷	(201)	(202)
At 31st March	於三月三十一日	10,123	10,324

Details of the geographical locations and tenure are as follows:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
In Hong Kong	於香港		
– long-term leases of over 50 years	– 超逾50年之長期租約	96	96
In Mainland China	於中國內地		
– long-term leases of over 50 years	– 超逾50年之長期租約	10,027	10,228
		10,123	10,324

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

17 土地使用權

萬順昌集團於土地使用權之權益包括預付營業租約款項及其賬面淨額分析如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1st April	於四月一日	10,324	10,526
Amortisation	攤銷	(201)	(202)
At 31st March	於三月三十一日	10,123	10,324

地理位置及業權租賃期詳情如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
In Hong Kong	於香港		
– long-term leases of over 50 years	– 超逾50年之長期租約	96	96
In Mainland China	於中國內地		
– long-term leases of over 50 years	– 超逾50年之長期租約	10,027	10,228
		10,123	10,324

土地使用權之攤銷支出已計入綜合損益表之「一般及行政支出」。

18 Intangible assets

18 無形資產

		Consolidated 綜合			
		Goodwill	Distribution rights	Use right of car park	Total
		商譽	分銷權	停車場使用權	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st April 2012	於二零一二年四月一日				
Cost	成本	6,708	4,389	–	11,097
Accumulated amortisation	累計攤銷	–	(438)	–	(438)
Net book amount	賬面淨額	6,708	3,951	–	10,659
Year ended 31st March 2013	截至二零一三年三月三十一日止年度				
Opening net book amount	期初賬面淨額	6,708	3,951	–	10,659
Additions (Note 36(a))	添置(附註36(a))	4,263	3,778	–	8,041
Amortisation	攤銷	–	(593)	–	(593)
Exchange differences	匯兌差額	22	7	–	29
Closing net book amount	期終賬面淨額	10,993	7,143	–	18,136
At 31st March 2013 and 1st April 2013	於二零一三年三月三十一日 及二零一三年四月一日				
Cost	成本	10,993	8,181	–	19,174
Accumulated amortisation	累計攤銷	–	(1,038)	–	(1,038)
Net book amount	賬面淨額	10,993	7,143	–	18,136
Year ended 31st March 2014	截至二零一四年三月三十一日止年度				
Opening net book amount	期初賬面淨額	10,993	7,143	–	18,136
Additions (Note 36(a))	添置(附註36(a))	57,743	–	12,748	70,491
Amortisation	攤銷	–	(833)	(195)	(1,028)
Exchange differences	匯兌差額	(415)	138	(139)	(416)
Closing net book amount	期終賬面淨額	68,321	6,448	12,414	87,183
At 31st March 2014	於二零一四年三月三十一日				
Cost	成本	68,321	8,339	12,610	89,270
Accumulated amortisation	累計攤銷	–	(1,891)	(196)	(2,087)
Net book amount	賬面淨額	68,321	6,448	12,414	87,183

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 Intangible assets (Continued)

Amortisation expense of distribution rights and use right of car park has been included in the “general and administrative expenses” in the consolidated income statement.

Impairment tests for goodwill

Goodwill is allocated to the VSC Group's CGU as follows:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Building & design solutions (“BDS”)	建築產品及設計方案 (「建築產品及設計方案」)		
– Wuhan (“Wuhan BDS”)	– 武漢 (「武漢建築產品及 設計方案」)	6,861	6,730
– Changsha (“Changsha BDS”)	– 長沙 (「長沙建築產品及 設計方案」)	4,345	4,263
Investment property business in Shanghai	於上海之投資物業業務	57,115	–
		68,321	10,993

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering the budget period.

18 無形資產(續)

分銷權及停車場使用權攤銷支出已計入綜合損益表之「一般及行政支出」。

商譽減值測試

商譽被分配至萬順昌集團之如下現金產生單位：

現金產生單位之可收回金額透過計算使用價值釐定。此計算利用現金流量預測法根據由管理層批准涵蓋財務預算期計算得出。

18 Intangible assets (Continued)

Impairment tests for goodwill (Continued)

Key assumptions used for value-in-use calculations:

		Wuhan BDS 武漢建築 產品及設計方案	Changsha BDS 長沙建築 產品及設計方案
Growth rate of revenue	收入增長率	5%-20%	10%-15%
Post-tax discount rate	稅後貼現率	18%	18%
Gross profit margin	毛利率	23%	13%
Operating profit margin	經營利潤率	6%	1%

		Investment property business 投資物業業務
Growth rate of revenue	收入增長率	5%-10%
Post-tax discount rate	稅後貼現率	15%

Management determined the average annual growth rate of revenue based on past performance and its expectations of market development. The discount rates used reflect specific risks relating to the relevant segments.

In Wuhan BDS, the recoverable amount calculated based on value in use exceeded the carrying value. Growth rate of revenue in Wuhan BDS falls to 5%-11% would remove the remaining headroom.

In Changsha BDS, the recoverable amount calculated based on value in use exceeded the carrying value. Growth rate of revenue in Changsha BDS falls to 8%-10% would remove the remaining headroom.

For property investment business, the recoverable amount calculated based on value in use exceeded the carrying value. No reasonable possible range in key assumptions on which management has based its determination of recoverable amount would cause the carrying amount to excess its recoverable amount.

18 無形資產 (續)

商譽減值測試 (續)

計算使用價值所用之重要假設：

	Wuhan BDS 武漢建築 產品及設計方案	Changsha BDS 長沙建築 產品及設計方案
收入增長率	5%-20%	10%-15%
稅後貼現率	18%	18%
毛利率	23%	13%
經營利潤率	6%	1%

	Investment property business 投資物業業務
收入增長率	5%-10%
稅後貼現率	15%

管理層根據過往表現及其對市場發展之預期釐定收入之年均增長率。所用貼現率反映與相關分部有關之特定風險。

於武漢建築產品及設計方案，按使用價值計算之可收回金額超過賬面價值。武漢建築產品及設計方案之收入增長率下跌至5%至11%將抵銷現有差額。

於長沙建築產品及設計方案，按使用價值計算之可收回金額超過賬面價值。長沙建築產品及設計方案之收入增長率下跌至8%至10%將抵銷現有差額。

房地產投資業務方面，按使用價值計算之可收回金額超過賬面價值。管理層釐定可收回金額所依據之主要假設中概無合理可能範圍會引致賬面金額超過其可收回金額。

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綜合財務報表附註

19 Financial instruments by category

19 金融工具分類

		Consolidated 綜合		Total 總計
		Loan and receivables 貸款及應收賬款	Available- for-sale 可供出售	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31st March 2014	於二零一四年三月三十一日			
Assets as per statement of financial position	財務狀況表內之資產			
Available-for-sale financial asset	可供出售之財務資產	-	283	283
Amounts due from associates	應收聯營公司	1,197	-	1,197
Trade and other receivables (excluding prepayments)	應收賬款及其他應收賬款 (不包括預付款項)	436,228	-	436,228
Cash and cash equivalents and pledged bank deposits	現金及現金等值及 已抵押銀行存款	409,986	-	409,986
Total	總計	847,411	283	847,694

		Consolidated 綜合		Total 總計
		Liabilities at fair value through the profit & loss 按公平價值計入 損益之負債	Other financial liabilities at amortised cost 按攤銷成本入賬 之其他財務負債	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31st March 2014	於二零一四年三月三十一日			
Liabilities as per statement of financial position	財務狀況表內之負債			
Borrowings	借貸	-	1,571,606	1,571,606
Derivative financial instruments	衍生金融工具	912	-	912
Trade and bill payables	應付賬款及票據	-	80,028	80,028
Other payables (excluding non-financial liabilities)	其他應付賬款 (不包括非財務負債)	-	6,874	6,874
Total	總計	912	1,658,508	1,659,420

**19 Financial instruments by category
(Continued)**

19 金融工具分類 (續)

		Consolidated 綜合			
		Assets at fair value			
		Loan and receivables	through the profit & loss	Available- for-sale	Total
		按公平價值計入			
		貸款及應收賬款	損益之資產	可供出售	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31st March 2013	於二零一三年三月三十一日				
Assets as per statement of financial position	財務狀況表內之資產				
Available-for-sale financial asset	可供出售之財務資產	-	-	255	255
Derivative financial instruments	衍生金融工具	-	1,059	-	1,059
Amounts due from associates	應收聯營公司	30,970	-	-	30,970
Loan receivable	應收貸款	19,000	-	-	19,000
Trade and other receivables (excluding prepayments)	應收賬款及其他應收賬款 (不包括預付款項)	443,908	-	-	443,908
Cash and cash equivalents and pledged bank deposits	現金及現金等值及 已抵押銀行存款	557,831	-	-	557,831
Total	總計	1,051,709	1,059	255	1,053,023

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綜合財務報表附註

19 Financial instruments by category (Continued)

19 金融工具分類(續)

		Consolidated 綜合 Other financial liabilities at amortised cost 按攤銷成本入賬 之其他財務負債 HK\$'000 千港元
At 31st March 2013	於二零一三年三月三十一日	
Liabilities as per statement of financial position	財務狀況表內之負債	
Borrowings	借貸	581,030
Trade and bill payables	應付賬款及票據	340,141
Total	總計	921,171

		Company 本公司 Loan and receivables 貸款及應收賬款	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Assets as per statement of financial position	財務狀況表內之資產		
Cash and cash equivalents and pledged bank deposits	現金及現金等值及 已抵押銀行存款	10,834	20,978
Amounts due from subsidiaries	應收附屬公司	460,536	442,305
		471,370	463,283

20 Investments in subsidiaries

20 於附屬公司之投資

		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	72,412	72,238
Amounts due from subsidiaries	應收附屬公司	460,536	442,305
		532,948	514,543

The amounts due from subsidiaries are unsecured, non-interest bearing, denominated in HK\$ without predetermined repayment terms. The carrying amounts approximated to their fair values and were not impaired as at 31st March 2013 and 2014.

應收附屬公司之金額為無抵押、不計息、以港元計值及並無預定還款期。於二零一三年及二零一四年三月三十一日，其賬面金額與其公平價值相若，且並無減值。

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綜合財務報表附註

20 Investments in subsidiaries (Continued)

Details of the principal subsidiaries as at 31st March 2013 and 2014 are as follows:

20 於附屬公司之投資(續)

於二零一三年及二零一四年三月三十一日，主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 股本權益百分比 (i)		Principal activities and place of operations 主要業務及經營地點
			2014 二零一四年	2013 二零一三年	
Eastlink International Investment Inc. 東聯國際投資有限公司	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	US\$1 1 美元	100%	–	Property investment in Mainland China 於中國內地 投資物業
Fit Team Holdings Limited	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	US\$10,050,002 10,050,002 美元	100%	100%	Investment holding in Hong Kong 於香港投資控股
Leisure Plus Building Products (Shenzhen) Co., Ltd. (iii) 利尚派建材(深圳)有限公司(iii)	Mainland China, limited liability company 中國內地， 有限責任公司	HK\$10,000,000 10,000,000 港元	100%	100%	Trading of sanitary wares in Mainland China 於中國內地買賣潔具
Leisure Plus International Trading (Shanghai) Co., Ltd. (iv) 利尚派國際貿易(上海)有限公司(iv)	Mainland China, limited liability company 中國內地， 有限責任公司	US\$6,500,000 6,500,000 美元	100%	100%	Trading of sanitary wares in Mainland China 於中國內地買賣潔具
Leisure Plus Trading (Shenzhen) Co., Ltd. (iii) 利尚派貿易(深圳)有限公司(iii)	Mainland China, limited liability company 中國內地， 有限責任公司	HK\$5,000,000 5,000,000 港元	100%	100%	Trading of sanitary wares in Mainland China 於中國內地買賣潔具
SC Metal Recycling Investments Limited 順昌金屬再生資源投資有限公司	Hong Kong, limited liability company 香港，有限責任公司	HK\$1 1 港元	100%	100%	Investment holding in Hong Kong 於香港投資控股

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綜合財務報表附註

20 Investments in subsidiaries (Continued)

20 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 股本權益百分比 (i)		Principal activities and place of operations 主要業務及經營地點
			2014 二零一四年	2013 二零一三年	
Shanghai Bao Shun Chang International Trading Co., Ltd. (v)	Mainland China, limited liability company	US\$2,067,500	100%	66.7%	Stockholding and trading of steel in Mainland China 於中國內地存銷及買賣鋼材
上海寶順昌國際貿易有限公司(v)	中國內地， 有限責任公司	2,067,500 美元			
Tomahawk Capital Limited	Hong Kong, limited liability company	HK\$10,000	100%	100%	Finance business in Hong Kong 於香港財務業務
東誠企業(香港)有限公司	香港，有限責任公司	10,000 港元			
Van Shung Chong (B.V.I.) Limited (i)	British Virgin Islands, limited liability company	US\$6	100%	100%	Investment holding in Hong Kong 於香港投資控股
	英屬處女群島， 有限責任公司	6 美元			
Van Shung Chong Hong Limited	Hong Kong, limited liability company	HK\$2,000 ordinary HK\$10,000,000 non-voting deferred (ii)	100%	100%	Provision of management services in Hong Kong 於香港提供管理服務
萬順昌行有限公司	香港，有限責任公司	2,000 港元普通股 10,000,000 港元 無投票權遞延股份 (ii)			
Vantage Godown Company Limited	Hong Kong, limited liability company	HK\$200,000	100%	100%	Provision of warehousing services in Hong Kong 於香港提供倉庫服務
順發貨倉有限公司	香港，有限責任公司	200,000 港元			
VSC (China) Investments Limited	Hong Kong, limited liability company	HK\$2	100%	100%	Investment holding in Hong Kong 於香港投資控股
萬順昌(中國)投資有限公司	香港，有限責任公司	2 港元			

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綜合財務報表附註

20 Investments in subsidiaries (Continued)

20 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 股本權益百分比 (i)		Principal activities and place of operations 主要業務及經營地點
			2014 二零一四年	2013 二零一三年	
VSC Building Products Company Limited 萬順昌建築材料有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$2 2港元	100%	100%	Trading of sanitary wares, kitchen cabinets and home furniture and kitchen cabinet installation in Hong Kong 於香港買賣潔具、廚櫃及 家具及安裝廚櫃
VSC Plastics Company Limited 萬順昌塑膠有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$2 2港元	100%	100%	Trading of engineering plastics in Hong Kong 於香港買賣工程塑膠
VSC Steel Company Limited 萬順昌鋼鐵有限公司	Hong Kong, limited liability company 香港·有限責任公司	HK\$38,000 ordinary HK\$20,000,000 non-voting deferred (ii) 38,000 港元普通股 20,000,000 港元 無投票權遞延股份 (ii)	100%	100%	Stockholding and trading of steel in Hong Kong 於香港存銷及買賣鋼材
VSC Steel (Shanghai) Co., Ltd. (iv) 亞萬鋼國際貿易(上海)有限公司(iv)	Mainland China, limited liability company 中國內地· 有限責任公司	US\$7,280,000 7,280,000 美元	100%	100%	Stockholding and trading of steel in Mainland China 中國內地存銷及買賣鋼材
VSC Trading (Shenzhen) Co., Ltd. (vii) 金運貿易(深圳)有限公司(vii)	Mainland China, limited liability company 中國內地· 有限責任公司	HK\$20,000,000 20,000,000 港元	100%	100%	Trading of engineering plastics in Mainland China 於中國內地買賣工程塑膠

20 Investments in subsidiaries (Continued)

20 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Percentage of equity interest attributable to the VSC Group (i) 萬順昌集團應佔 股本權益百分比 (i)		Principal activities and place of operations 主要業務及經營地點
			2014 二零一四年	2013 二零一三年	
武漢三金建材有限公司(viii)	Mainland China, limited liability company 中國內地， 有限責任公司	RMB10,000,000 人民幣 10,000,000 元	97%	97%	Trading of sanitary wares in Mainland China 於中國內地買賣潔具
上海新施房地產經紀有限公司(ix)	Mainland China, limited liability company 中國內地， 有限責任公司	US\$500,000 500,000 美元	100%	100%	Property agent in Mainland China 於中國內地代理物業
長沙錦派建材有限公司(vi)	Mainland China, limited liability company 中國內地， 有限責任公司	RMB 3,000,000 人民幣 3,000,000 元	100%	100%	Trading of sanitary wares in Mainland China 於中國內地買賣潔具

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.

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，惟萬順昌行有限公司普通股持有人已獲分派每股 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 港元之款額則除外。

20 Investments in subsidiaries (Continued)

Notes: (Continued)

- (iii) Wholly foreign owned enterprises established in Mainland China with an operating period of 20 years to 2028.
- (iv) Wholly foreign owned enterprises established in Mainland China with an operating period of 20 years to 2023.
- (v) Wholly owned enterprises established in Mainland China with an operating period of 10 years to 2023.
- (vi) Wholly foreign owned enterprise established in Mainland China with an operating period of 50 years to 2062.
- (vii) Wholly foreign owned enterprise established in Mainland China with an operating period of 20 years to 2024.
- (viii) Equity joint venture established in Mainland China with an operating period of 10 years to 2021.
- (ix) Wholly foreign owned enterprise established in Mainland China with an operating period of 10 years to 2020.

20 於附屬公司之投資(續)

附註：(續)

- (iii) 於中國內地成立之外商獨資企業，經營期為20年，至二零二八年止。
- (iv) 於中國內地成立之外商獨資企業，經營期為20年，至二零二三年止。
- (v) 於中國內地成立之獨資企業，經營期為10年，至二零二三年止。
- (vi) 於中國內地成立之外商獨資企業，經營期為50年，至二零六二年止。
- (vii) 於中國內地成立之外商獨資企業，經營期為20年，至二零二四年止。
- (viii) 於中國內地成立之合資合營企業，經營期為10年，至二零二一年止。
- (ix) 於中國內地成立之外商獨資企業，經營期為10年，至二零二零年止。

Notes to the Consolidated Financial Statements 綜合財務報表附註

21 Investments in associates/Amounts due from associates

21 於聯營公司之投資／應收聯營公司

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Investments in associates	於聯營公司之投資	237,179	182,592
Amounts due from associates	應收聯營公司		
– Current	– 當期	39,956	32,773
– Non-current	– 非當期	–	6,197
		39,956	38,970
Less: Provision for impairment	減：減值撥備	(38,759)	(8,000)
		1,197	30,970
Less: Non-current	減：非當期	–	(6,197)
Current	當期	1,197	24,773

The amounts due from associates are unsecured, non-interest bearing and without pre-determined repayment terms. The carrying amounts approximated to their fair values.

應收聯營公司之金額為無抵押、不計息及並無預定還款期。賬面金額與其公平價值相若。

Movements on the provision for impairment of amounts due from associates are as follows:

應收聯營公司之減值撥備之變動如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1st April	於四月一日	8,000	–
Provision for impairment recognised in the consolidated income statement	已於綜合損益表中確認之減值撥備	30,759	8,000
At 31st March	於三月三十一日	38,759	8,000

Notes to the Consolidated Financial Statements 綜合財務報表附註

21 Investments in associates/Amounts due from associates (Continued)

Provision for impairment of HK\$38,759,000 (2013: HK\$8,000,000) has been made due to the recoverable amounts of amounts due from associates are below their carrying values.

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

21 於聯營公司之投資／應收聯營公司(續)

因應收聯營公司的可收回金額低於其賬面價值，故作出減值撥備38,759,000港元(二零一三年：8,000,000港元)。

應收聯營公司之賬面金額以下列貨幣列值：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
HK\$	港元	26,605	22,892
RMB	人民幣	13,351	16,078
		39,956	38,970

Notes to the Consolidated Financial Statements 綜合財務報表附註

21 Investments in associates/Amounts due from associates (Continued)

The movements of investments in associates are as follows:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1st April	於四月一日	182,592	169,552
Acquisition of interest in an associate	收購一間聯營公司之權益	-	11,399
Share of profit of investments accounted for using equity method – net (Note)	應佔以權益法入賬之投資溢利－淨額(附註)	69,580	3,529
Dividend paid	已付股息	-	(2,107)
Realisation of currency translation differences of an associate	變現一間聯營公司之貨幣匯兌差額	(18,360)	-
Exchange differences	匯兌差額	3,367	219
At 31st March	於三月三十一日	237,179	182,592

Note: On 24th January 2014, Shanghai Property (No. 1) Holdings SRL, an associate of the VSC Group, entered into a sale and purchase agreement with an independent third party, whereby Shanghai Property (No. 1) Holdings SRL agreed to sell 100% of the equity interest of its subsidiary, Changyu (Shanghai) Real Estate Management Company Limited at an aggregate consideration of approximately RMB652,788,000 (equivalent to approximately HK\$840,800,000) net of net debt as at date of disposal, payable in cash. The disposal was completed on 21st March 2014, resulting in a gain on disposal of a subsidiary of approximately HK\$153,816,000 in the financial statement of Shanghai Property (No. 1) Holdings SRL. The gain on disposal of approximately HK\$51,272,000 and cumulative exchange gain of approximately HK\$18,360,000 are included in “share of profit of investments accounted for using equity method – net” in the consolidated income statement.

Set out below are the associates of the VSC Group as at 31st March 2013 and 2014. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the VSC Group.

21 於聯營公司之投資／應收聯營公司(續)

於聯營公司之投資變動如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1st April	於四月一日	182,592	169,552
Acquisition of interest in an associate	收購一間聯營公司之權益	-	11,399
Share of profit of investments accounted for using equity method – net (Note)	應佔以權益法入賬之投資溢利－淨額(附註)	69,580	3,529
Dividend paid	已付股息	-	(2,107)
Realisation of currency translation differences of an associate	變現一間聯營公司之貨幣匯兌差額	(18,360)	-
Exchange differences	匯兌差額	3,367	219
At 31st March	於三月三十一日	237,179	182,592

附註：於二零一四年一月二十四日，萬順昌集團之一間聯營公司Shanghai Property (No. 1) Holdings SRL與一名獨立第三方訂立買賣協議，據此，Shanghai Property (No. 1) Holdings SRL同意出售其附屬公司昌裕(上海)房地產經營有限公司100%之股本權益，經扣除出售日期之債務淨額後，總代價為約人民幣652,788,000元(約等於840,800,000港元)，將以現金支付。出售事項於二零一四年三月二十一日完成，導致於Shanghai Property (No. 1) Holdings SRL的財務報表中產生出售一間附屬公司收益約153,816,000港元。出售收益約51,272,000港元及累計匯兌收益約18,360,000港元已計入綜合損益表之「應佔以權益法入賬之投資溢利－淨額」。

以下載列萬順昌集團於二零一三年及二零一四年三月三十一日之聯營公司。以下所列聯營公司具有僅包括普通股之股本，由萬順昌集團直接持有。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 Investments in associates/Amounts due from associates (Continued)

Details of the principal investments in associates as at 31st March 2013 and 2014 are as follows:

Name of entity 實體名稱	Place of business/ country of incorporation 營業地/註冊成立所在國家	% of ownership interest 擁有權權益百分比		Nature of the relationship 關係性質	Measurement method 計量方法
		2014 二零一四年	2013 二零一三年		
China Able Limited	British Virgin Islands 英屬處女群島	33.3%	33.3%	Note i 附註i	Equity 權益
Changshu Baoshunchang Steel Processing Co., Ltd. 常熟寶順昌鋼材 加工有限公司	Mainland China 中國內地	49.9%	34.9%	Note ii 附註ii	Equity 權益

Note i: China Able Limited ("China Able") is engaged in property investment business. China Able is a contractual joint venture which is held in equal shares between Fit Team Holdings Limited, 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.

Note ii: Changshu Baoshunchang Steel Processing Co., Ltd. ("常熟寶順昌") is engaged in processing of steel in Mainland China. 常熟寶順昌 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.

There are no contingent liabilities relating to the VSC Group's interest in the associates.

21 於聯營公司之投資/應收聯營公司(續)

於二零一三年及二零一四年三月三十一日之主要於聯營公司之投資詳情如下：

附註 i：China Able Limited (「China Able」) 從事物業投資業務。China Able 乃一間由 Fit Team Holdings Limited (其自二零零八年三月二十六日起成為萬順昌集團之一間全資附屬公司)、獨立第三方 Nanyang Industrial (China) Limited 及另一獨立第三方 Marvel Champ Investments Limited 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。

附註 ii：常熟寶順昌鋼材加工有限公司 (「常熟寶順昌」) 在中國內地從事鋼鐵加工。常熟寶順昌自二零零五年十一月起成為萬順昌集團之一間聯營公司，為一間於中國內地成立之合營企業，經營期 30 年，至二零三五年止。

並無或然負債涉及萬順昌集團於聯營公司之權益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

21 Investments in associates/Amounts due from associates (Continued)

Summarised financial information for associates

Set out below are the summarised financial information for associates which are accounted for using equity method.

21 於聯營公司之投資／應收聯營公司(續)

聯營公司財務資料概要

下表載列以權益法入賬之聯營公司之財務資料概要。

		China Able (i)		常熟實順昌 (ii)		Associates not individually significant and not individually material of the associates		Total	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Summarised statement of financial position	財務狀況表概要								
Current	流動								
Cash and cash equivalents	現金及現金等值	344	939	8,946	421	909	8,887	10,199	10,247
Other current assets	其他流動資產	763,055	1,565	31,474	26,724	49,157	102,990	843,686	131,279
Total current assets	流動資產總額	763,399	2,504	40,420	27,145	50,066	111,877	853,885	141,526
Financial liabilities	財務負債	(75,617)	(28,196)	(17,466)	(7,650)	(24,885)	(65,157)	(117,968)	(101,003)
Other current liabilities	其他流動負債	(2,207)	(4,041)	(11,190)	(9,234)	(2,905)	(4,907)	(16,302)	(18,182)
Total current liabilities	流動負債總額	(77,824)	(32,237)	(28,656)	(16,884)	(27,790)	(70,064)	(134,270)	(119,185)
Non-current assets	非流動資產	-	791,677	5,579	6,520	37,418	43,830	42,997	842,027
Non-current financial liabilities	非流動財務負債	-	(200,889)	-	-	(71,826)	(69,650)	(71,826)	(270,539)
Other non-current liabilities	其他非流動負債	-	(74,950)	-	-	-	-	-	(74,950)
Total non-current liabilities	非流動負債總額	-	(275,839)	-	-	(71,826)	(69,650)	(71,826)	(345,489)
Net assets/(liabilities)	資產/(負債)淨額	685,575	486,105	17,343	16,781	(12,132)	15,993	690,786	518,879

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 Investments in associates/Amounts due from associates (Continued)

Summarised financial information for associates (Continued)

21 於聯營公司之投資／應收聯營公司(續)

聯營公司財務資料概要(續)

		China Able (i)		常熟寶順昌 (ii)		Associates not individually significant and not individually material of the associates		Total	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Summarised statement of comprehensive income	全面損益表概要								
Revenue	收入	58,972	49,543	95,787	124,052	116,693	80,821	271,452	254,416
Operating profit/(loss)	經營溢利/(虧損)	255,996	21,035	436	(422)	(29,124)	(10,082)	227,308	10,531
Income tax expense	所得稅開支	(11,028)	(7,762)	(199)	(207)	(2)	(19)	(11,229)	(7,988)
Profit/(loss) for the year and total comprehensive income/(loss)	年度溢利/(虧損)及全面收入/(虧損)總額	244,968	13,273	237	(629)	(29,126)	(10,101)	216,079	2,543
Dividend received from an associate	已收一間聯營公司股息	-	-	-	(4,045)	-	-	-	(4,045)

The information above reflects the amounts presented in the financial statements of the associates (and not the VSC Group's share of those amounts) adjusted for differences in accounting policies between the VSC Group and the associates.

上述資料反映於聯營公司財務報表呈列且就萬順昌集團與聯營公司會計政策差異作出調整之金額(並非萬順昌集團應佔之金額)。

21 Investments in associates/Amounts due from associates (Continued)

Summarised financial information for associates (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates

21 於聯營公司之投資／應收聯營公司(續)

聯營公司財務資料概要(續)

財務資料概要對賬

所呈報財務資料概要與聯營公司權益之賬面金額之對賬

		China Able (i)		常熟實順昌(ii)		Associates not individually significant 並非個別重大之聯營公司		Total 總計	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Summarised financial information	財務資料概要								
Opening net assets/(liabilities) at 1st April	於四月一日期初 資產/(負債)淨額	486,105	472,826	16,781	17,361	15,993	(17,781)	518,879	472,406
Addition of investment in an associate	添置於聯營公司之投資	-	-	-	-	-	43,151	-	43,151
Profit/(loss) for the year	本年度溢利/(虧損)	244,968	13,273	237	(629)	(29,126)	(10,101)	216,079	2,543
Currency translation differences	貨幣匯兌差額	(45,498)	6	325	49	1,001	724	(44,172)	779
Closing net assets/(liabilities)	期末資產/(負債)淨額	685,575	486,105	17,343	16,781	(12,132)	15,993	690,786	518,879
Investments in associates Carrying value	於聯營公司之投資 賬面價值	228,525	162,035	8,654	8,373	-	12,184	237,179	182,592

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 Deferred income tax (liabilities)/assets

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 in 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:

22 遞延所得稅(負債)/資產

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，以及當同一稅務機關向該應課稅實體或不同應課稅實體就遞延所得稅資產及遞延所得稅負債徵收所得稅，其中有關結餘擬按淨額基準清償時，遞延所得稅資產與負債方可互相抵銷。抵銷金額如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Deferred income tax assets:	遞延所得稅資產：		
– Deferred income tax assets to be recovered after 12 months	– 將於十二個月後收回之遞延所得稅資產	12,129	12,733
– Deferred income tax assets to be recovered within 12 months	– 將於十二個月內收回之遞延所得稅資產	2,866	2,471
		14,995	15,204
Deferred income tax liabilities:	遞延所得稅負債：		
– Deferred income tax liabilities to be settled after 12 months	– 將於十二個月後清償之遞延所得稅負債	(107,330)	(817)
Net deferred income tax (liabilities)/assets	遞延所得稅(負債)/資產淨額	(92,335)	14,387

**22 Deferred income tax (liabilities)/assets
(Continued)**

The movements in net deferred income tax (liabilities)/assets are as follows:

22 遞延所得稅(負債)/資產(續)

遞延所得稅(負債)/資產淨額變動如下：

		Consolidated	
		綜合	
		2014	2013
		二零一四年	二零一三年
		HK\$'000	HK\$'000
		千港元	千港元
At 1st April	於四月一日	14,387	31,366
Charged to the consolidated income statement (Note 11)	已於綜合損益表中扣除(附註11)	(18,969)	(15,050)
Acquisition of a subsidiary (Note 36(a))	收購一間附屬公司(附註36(a))	(88,839)	-
Disposal of investment in a subsidiary	出售於一間附屬公司之投資	-	(1,955)
Exchange differences	匯兌差額	1,086	26
At 31st March	於三月三十一日	(92,335)	14,387

Notes to the Consolidated Financial Statements 綜合財務報表附註

22 Deferred income tax (liabilities)/assets (Continued)

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

Deferred income tax assets:

		Cumulative tax losses 累計稅項虧損 HK\$'000 千港元	Consolidated 綜合 Decelerated depreciation 減慢折舊 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2012	於二零一二年四月一日	32,130	427	32,557
Charged to the consolidated income statement	已於綜合損益表中扣除	(15,294)	(122)	(15,416)
Disposal of investment in a subsidiary	出售於一間附屬公司之投資	(1,955)	-	(1,955)
Exchange differences	匯兌差額	26	-	26
At 31st March 2013	於二零一三年三月三十一日	14,907	305	15,212
Charged to the consolidated income statement	已於綜合損益表中扣除	(174)	(177)	(351)
Exchange differences	匯兌差額	149	-	149
At 31st March 2014	於二零一四年三月三十一日	14,882	128	15,010

22 遞延所得稅(負債)/資產(續)

本年度遞延所得稅資產及負債(並無計及同一稅務司法權區內之結餘抵銷)之變動如下:

遞延所得稅資產:

22 Deferred income tax (liabilities)/assets (Continued)

Deferred income tax liabilities:

		Consolidated 綜合			
		Investment property 投資物業 HK\$'000 千港元	Withholding tax 預扣稅 HK\$'000 千港元	Accelerated depreciation 加速折舊 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2012	於二零一二年四月一日	-	(1,120)	(71)	(1,191)
Credited/(charged) to the consolidated income statement	已於綜合損益表中 計入/(扣除)	-	410	(44)	366
At 31st March 2013	於二零一三年三月三十一日	-	(710)	(115)	(825)
Charged to the consolidated income statement	已於綜合損益表中扣除	(18,256)	(333)	(29)	(18,618)
Acquisition of a subsidiary (Note 36(a))	收購一間附屬公司(附註36(a))	(88,839)	-	-	(88,839)
Exchange differences	匯兌差額	937	-	-	937
At 31st March 2014	於二零一四年三月三十一日	(106,158)	(1,043)	(144)	(107,345)

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 2014, the deferred income tax assets recognised from tax loss of approximately HK\$6,098,000 (2013: HK\$7,333,000) can be carried forward indefinitely. The remaining tax losses of approximately HK\$8,784,000 (2013: HK\$7,574,000) will expire in five years from the year they were incurred.

The VSC Group did not recognise deferred income tax assets of approximately HK\$417,000 (2013: HK\$421,000) in respect of tax losses amounting to approximately HK\$2,528,000 (2013: HK\$2,550,000) that can be carried forward indefinitely to offset against future taxable income.

Deferred income tax liabilities of approximately HK\$236,000 (2013: HK\$1,383,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries, as management currently has no intention to remit those earnings.

22 遞延所得稅(負債)/資產(續)

遞延所得稅負債：

		Consolidated 綜合			
		Investment property 投資物業 HK\$'000 千港元	Withholding tax 預扣稅 HK\$'000 千港元	Accelerated depreciation 加速折舊 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2012	於二零一二年四月一日	-	(1,120)	(71)	(1,191)
Credited/(charged) to the consolidated income statement	已於綜合損益表中 計入/(扣除)	-	410	(44)	366
At 31st March 2013	於二零一三年三月三十一日	-	(710)	(115)	(825)
Charged to the consolidated income statement	已於綜合損益表中扣除	(18,256)	(333)	(29)	(18,618)
Acquisition of a subsidiary (Note 36(a))	收購一間附屬公司(附註36(a))	(88,839)	-	-	(88,839)
Exchange differences	匯兌差額	937	-	-	937
At 31st March 2014	於二零一四年三月三十一日	(106,158)	(1,043)	(144)	(107,345)

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。於二零一四年三月三十一日，已就稅項虧損確認之遞延所得稅資產約6,098,000港元(二零一三年：7,333,000港元)可以無限期結轉。餘下之稅項虧損約8,784,000港元(二零一三年：7,574,000港元)將於產生年度後五年內失效。

萬順昌集團並無就約2,528,000港元(二零一三年：2,550,000港元)之稅項虧損確認約417,000港元(二零一三年：421,000港元)之遞延所得稅資產，該金額可以無限期結轉以抵銷未來應課稅收入。

並無就若干附屬公司之未分派盈利之應付預扣稅確認約236,000港元(二零一三年：1,383,000港元)之遞延所得稅負債，因為管理層現時無意分派該等盈利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 Available-for-sale financial asset

23. 可供出售之財務資產

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
At 1st April	於四月一日	255	445
Addition	添置	63	–
Change in fair value (Note 34)	公平價值變動(附註34)	(35)	(190)
At 31st March	於三月三十一日	283	255

Available-for-sale financial asset, which is stated at fair value and denominated in HK\$, represents shares listed on The Stock Exchange of Hong Kong Limited.

按公平價值列賬並以港元計值的可供出售之財務資產，指於香港聯合交易所有限公司上市之股份。

24 Derivative financial instruments

24. 衍生金融工具

		Consolidated 綜合			
		2014 二零一四年		2013 二零一三年	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Forward foreign exchange contracts	遠期外匯合約				
– held for trading	– 持有作買賣用途	–	(912)	1,059	–

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

衍生資產之信貸質素乃參考有關訂約方以往違約比率之資料進行評估。現有訂約方過往並無違約。

24 Derivative financial instruments (Continued)

The total notional principal amount of the outstanding forward foreign exchange contracts at 31st March 2014 was approximately US\$19,000,000 (2013: US\$44,000,000). Net fair value change on forward foreign exchange contracts during the year was recognised in “other gains – net” in the consolidated income statement. The settlement date of the last instalment is 22nd October 2015 (2013: 27th May 2014).

25 Inventories

The costs of inventories recognised as expenses and included in “cost of sales” in the consolidated income statement amounted to approximately HK\$3,477,956,000 (2013: HK\$3,407,400,000).

24. 衍生金融工具 (續)

於二零一四年三月三十一日，尚有遠期外匯合約之總設定本金額為約19,000,000美元(二零一三年：44,000,000美元)。本年度，遠期外匯合約之公平價值淨變動已於綜合損益表「其他收益－淨額」中確認。最終結算日為二零一五年十月二十二日(二零一三年：二零一四年五月二十七日)。

25 存貨

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Finished goods	製成品	332,993	365,717

約3,477,956,000港元(二零一三年：3,407,400,000港元)之存貨成本已確認為支出，並已計入綜合損益表之「銷售成本」中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 Trade and bill receivables and loan receivable

(a) Trade and bill receivables

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Trade and bill receivables	應收賬款及票據		
– from third parties	– 來自第三方	414,185	419,951
– from an associate	– 來自一間聯營公司	–	10,780
Less: Provision for impairment of trade receivables	減：應收賬款減值撥備	(8,830)	(7,241)
Trade and bill receivables, net	應收賬款及票據，淨額	405,355	423,490

Sales are either covered by letters of credit or open account with credit terms of 15-90 days.

銷售均以信用證或具信貸期之記賬方式進行，信貸期一般介乎15至90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：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
0 to 60 days	0–60日	343,788	359,418
61 to 120 days	61–120日	33,386	37,394
121 to 180 days	121–180日	10,135	19,451
181 to 365 days	181–365日	15,659	7,279
Over 365 days	超過365日	11,217	7,189
Less: Provision for impairment of trade receivables	減：應收賬款減值撥備	(8,830)	(7,241)
		405,355	423,490

26 Trade and bill receivables and loan receivable (Continued)

(a) Trade and bill receivables (Continued)

As at 31st March 2014, trade and bill receivables of approximately HK\$311,629,000 (2013: HK\$333,706,000) were fully performing and were from customers with no history of default.

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

26 應收賬款及票據及應收貸款 (續)

(a) 應收賬款及票據 (續)

於二零一四年三月三十一日，應收賬款及票據約311,629,000 港元(二零一三年：333,706,000 港元)已悉數履約且來自無拖欠記錄之客戶。

應收賬款之減值撥備變動如下：

		Consolidated	
		綜合	
		2014	2013
		二零一四年	二零一三年
		HK\$'000	HK\$'000
		千港元	千港元
At 1st April	於四月一日	7,241	6,179
Provision for impairment recognised in the consolidated income statement, net (Note 7)	已於綜合損益表中確認之減值撥備，淨額(附註7)	1,883	2,212
Write-off of provision for impairment	撇銷減值撥備	(385)	(1,173)
Exchange differences	匯兌差額	91	23
At 31st March	於三月三十一日	8,830	7,241

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 Trade and bill receivables and loan receivable (Continued)

(a) Trade and bill receivables (Continued)

As at 31st March 2014, trade receivables of approximately HK\$8,830,000 (2013: HK\$7,241,000) were impaired and fully provided for. The amount of provision recovered in the consolidated income statement during the year was approximately HK\$1,798,000 (2013: HK\$434,000). The ageing analysis of these receivables is as follows:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
0 to 60 days	0–60 日	300	26
61 to 120 days	61–120 日	–	–
121 to 180 days	121–180 日	1,012	34
181 to 365 days	181–365 日	427	372
Over 365 days	超過 365 日	7,091	6,809
		8,830	7,241

The ageing analysis of trade receivables past due but not impaired (based on due date) is as follows:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
0 to 60 days	0–60 日	68,044	58,991
61 to 120 days	61–120 日	9,076	16,708
121 to 180 days	121–180 日	10,701	13,309
181 to 365 days	181–365 日	5,737	772
Over 365 days	超過 365 日	168	4
		93,726	89,784

26 應收賬款及票據及應收貸款 (續)

(a) 應收賬款及票據 (續)

於二零一四年三月三十一日，應收賬款約8,830,000港元(二零一三年：7,241,000港元)已作減值及全數撥備。本年度，已於綜合損益表中收回之撥備金額約1,798,000港元(二零一三年：434,000港元)。該等應收賬款賬齡分析如下：

已過期但未減值(根據到期日)之應收賬款賬齡分析如下：

26 Trade and bill receivables and loan receivable (Continued)

(a) Trade and bill receivables (Continued)

The carrying amounts of net trade and bill receivables approximated to their fair values as at 31st March 2013 and 2014.

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

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RMB	人民幣	160,953	183,370
HK\$	港元	241,898	233,866
US\$	美元	11,334	13,495
		414,185	430,731

(b) Loan receivable

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Loan receivable	應收貸款	19,000	19,000
Less: Provision for impairment	減：減值撥備	(19,000)	-
		-	19,000

The loan receivable was interest-free and secured by certain equity interest and loan receivable owned by the borrower. Provision for impairment of HK\$19,000,000 (2013: Nil) has been made due to the recoverable amount of loan receivable is below its carrying values.

26 應收賬款及票據及應收貸款 (續)

(a) 應收賬款及票據 (續)

淨應收賬款及票據之賬面金額與其於二零一三年及二零一四年三月三十一日之公平價值相若。

應收賬款及票據之賬面金額以下列貨幣計值：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RMB	人民幣	160,953	183,370
HK\$	港元	241,898	233,866
US\$	美元	11,334	13,495
		414,185	430,731

(b) 應收貸款

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Loan receivable	應收貸款	19,000	19,000
Less: Provision for impairment	減：減值撥備	(19,000)	-
		-	19,000

應收貸款乃不計息及以借款人所擁有的若干股本權益及應收貸款作抵押。因應收貸款的可收回金額低於其賬面價值，故作出減值撥備19,000,000港元(二零一三年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 Prepayments, deposits and other receivables

27 預付款項、按金及其他應收賬款

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Prepayment for leasehold improvement	租賃物業裝修預付款項	16,028	–
Prepayments for purchases and services	預付採購及服務款項	98,244	97,407
Rental and other deposits	租金及其他按金	11,227	6,933
Value-added tax recoverable	可收回增值稅	8,278	4,412
Others	其他	12,548	9,073
		146,325	117,825
Less: Provision for impairment	減：減值撥備	(13,180)	–
		133,145	117,825
Less: Non-current	減：非當期	(26,335)	–
Current	當期	106,810	117,825

Provision for impairment of HK\$13,180,000 (2013: Nil) has been made mainly due to default that the recoverable amounts of other receivables are below their carrying values.

The carrying amounts of prepayments, deposits and other receivables approximated to their fair values as at 31st March 2013 and 2014. They were denominated in the following currencies:

因其他應收賬款的可收回金額低於其賬面價值，故作出減值撥備 13,180,000 港元（二零一三年：無）。

預付款項、按金及其他應收賬款之賬面金額與其於二零一三年及二零一四年三月三十一日之公平價值相若。預付款項、按金及其他應收賬款以下列貨幣計值：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RMB	人民幣	114,482	95,013
HK\$	港元	16,584	20,861
US\$	美元	2,079	1,351
EUR	歐羅	–	600
		133,145	117,825

Notes to the Consolidated Financial Statements
綜合財務報表附註

28 Pledged bank deposits/Cash and cash equivalents

28 已抵押銀行存款／現金及現金等值

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Cash on hand	手頭現金	200	230	-	-
Cash at bank	銀行存款	370,328	460,173	361	8,928
Short-term bank deposits	短期銀行存款	39,458	97,428	10,473	12,050
		409,986	557,831	10,834	20,978
Less: Pledged bank deposits	減：已抵押銀行存款	(39,458)	(97,428)	(10,473)	(12,050)
Cash and cash equivalents	現金及現金等值	370,528	460,403	361	8,928

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以下列貨幣計值：

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
HK\$	港元	218,720	356,722	359	8,722
RMB	人民幣	164,379	152,618	-	-
US\$	美元	26,831	48,397	10,475	12,256
Others	其他	56	94	-	-
		409,986	557,831	10,834	20,978

The carrying amounts of pledged bank deposits and cash and cash equivalents approximated to their fair values as at 31st March 2013 and 2014.

已抵押銀行存款及現金及現金等值之賬面金額與其於二零一三年及二零一四年三月三十一日之公平價值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 Pledged bank deposits/Cash and cash equivalents (Continued)

The effective interest rate on the bank deposit is 1.15% (2013: 0.67%) per annum. These deposits have an average maturity of 30 days (2013: 28 days).

As at 31st March 2013 and 2014, the VSC Group's bank deposits were pledged as collateral for the VSC Group's bank borrowings and banking facilities (Note 31).

As at 31st March 2014, pledged bank deposits and cash and bank deposits totalling approximately HK\$164,379,000 (2013: HK\$152,618,000) were denominated in RMB, which is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China.

29 Trade and bill payables

Payment terms with suppliers are either on letters of credit or open account with credit period.

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

0 to 60 days	0—60 日
61 to 120 days	61—120 日
121 to 180 days	121—180 日
181 to 365 days	181—365 日
Over 365 days	超過365 日

28 已抵押銀行存款／現金及現金等值(續)

銀行存款之實際利率為每年1.15% (二零一三年：0.67%)。該等存款的平均到期日為三十日(二零一三年：二十八日)。

於二零一三年及二零一四年三月三十一日，萬順昌集團之銀行存款已作抵押，作為萬順昌集團銀行借貸及銀行融資之抵押品(附註31)。

於二零一四年三月三十一日，已抵押銀行存款以及現金及銀行存款合共約164,379,000港元(二零一三年：152,618,000港元)以人民幣計值，該貨幣並不能在國際市場自由兌換，而其匯率由中國人民銀行釐定。

29 應付賬款及票據

與供應商之付款條款均以信用證或具信貸期之記賬方式進行。

應付賬款及票據根據發票日期之賬齡分析如下：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
0 to 60 days	0—60 日	76,070	338,983
61 to 120 days	61—120 日	3,526	175
121 to 180 days	121—180 日	63	314
181 to 365 days	181—365 日	3	363
Over 365 days	超過365 日	366	306
		80,028	340,141

29 Trade and bill payables (Continued)

The carrying amounts of trade and bill payables approximated to their fair values as at 31st March 2013 and 2014. They were denominated in the following currencies:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RMB	人民幣	48,097	94,822
US\$	美元	26,966	238,745
HK\$	港元	4,965	6,574
		80,028	340,141

29 應付賬款及票據(續)

應付賬款及票據之賬面金額與其於二零一三年及二零一四年三月三十一日之公平價值相若。應付賬款及票據以下列貨幣計值：

30 Accrued liabilities and other payables

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Accrual for employee benefit expenses	應計僱員福利支出	20,383	18,953	103	70
Accrual for operating expenses	應計經營支出	31,838	22,978	-	-
Rental deposits received	已收租賃按金	6,874	-	-	-
Value-added tax payables	應付增值稅	1,301	1,925	-	-
Provision for onerous contracts (Note 6)	有償契約之撥備(附註6)	-	4,000	-	-
		60,396	47,856	103	70
Less: Non-current	減：非當期	(4,990)	-	-	-
Current	當期	55,406	47,856	103	70

30 應計負債及其他應付賬款

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 Accrued liabilities and other payables (Continued)

The carrying amounts of accrued liabilities and other payables approximated to their fair values as at 31st March 2013 and 2014.

They were denominated in the following currencies:

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RMB	人民幣	30,334	20,571	-	-
HK\$	港元	30,062	27,285	103	70
		60,396	47,856	103	70

30 應計負債及其他應付賬款(續)

應計負債及其他應付賬款之賬面金額與其於二零一三年及二零一四年三月三十一日之公平價值相若。

應計負債及其他應付賬款以下列貨幣計值：

31 Borrowings

31 借貸

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Current	當期		
- Trust receipts bank loans, secured (Note i)	- 信託收據銀行貸款，有抵押(附註i)	763,936	482,755
- Short-term bank loans	- 短期銀行貸款	242,307	92,157
- Portion of mortgage loan from bank due for repayment within one year which contains a repayment of demand clause (Note ii)	- 一年內到期償還附有即時償還條款之部分銀行按揭貸款(附註ii)	2,373	2,350
- Portion of mortgage loan from bank due after one year which contains a repayment on demand clause (Note ii)	- 一年後到期附有即時償還條款之部分銀行按揭貸款(附註ii)	1,395	3,768
		1,010,011	581,030
Non-current	非當期		
- Long term bank loan, secured (Note iii)	- 長期銀行貸款，有抵押(附註iii)	561,595	-
Total borrowings	借貸總額	1,571,606	581,030

31 Borrowings (Continued)

Note i: The trust receipts bank loans are secured by the pledge of the VSC Group's bank deposits of HK\$26,408,000 (2013: HK\$97,428,000) (Note 28).

Note ii: The mortgage loan from bank is secured by the pledge of the VSC Group's investment property of HK\$22,000,000 (2013: HK\$22,000,000) (Note 16).

Note iii: The long term bank loan is secured by the pledge of the VSC Group's investment property of HK\$983,580,000 (2013: Nil) (Note 16) and bank deposits of HK\$13,050,000 (2013: Nil) (Note 28).

The maturity of VSC Group's borrowings in accordance with the repayment schedule, without taking into account of the repayment on demand clause:

31 借貸(續)

附註i：信託收據銀行貸款由萬順昌集團已作抵押之銀行存款26,408,000港元(二零一三年：97,428,000港元)作抵押(附註28)。

附註ii：銀行按揭貸款由萬順昌集團已作抵押之投資物業22,000,000港元(二零一三年：22,000,000港元)作抵押(附註16)。

附註iii：長期銀行貸款由萬順昌集團已作抵押之投資物業983,580,000港元(二零一三年：無)(附註16)及銀行存款13,050,000港元(二零一三年：無)(附註28)作抵押。

萬順昌集團借貸之到期日乃基於還款時間表，並無考慮附有即時償還條款：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Within one year	1年內	1,008,616	577,262
Between one and two years	1至2年	1,395	2,380
Between two and five years	2至5年	561,595	1,388
		1,571,606	581,030

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 Borrowings (Continued)

Borrowings were denominated in the following currencies:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
HK\$	港元	1,136,796	485,063
RMB	人民幣	112,607	92,157
US\$	美元	322,203	3,810
		1,571,606	581,030

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

		2014 二零一四年	2013 二零一三年
RMB	人民幣	7.1%	8.4%
HK\$	港元	3.0%	2.0%
US\$	美元	0.5%	0.5%

All the VSC Group's borrowings as at 31st March 2013 and 2014 are on floating rate basis and the carrying amounts of the borrowings approximated to their fair values.

The VSC Group has the following floating rate undrawn borrowing facilities:

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
- expiring within one year	- 一年內到期	149,831	7,820
- expiring beyond one year	- 一年後到期	1,037,549	921,440
		1,187,380	929,260

31 借貸(續)

借貸以下列貨幣計值：

		Consolidated 綜合	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
HK\$	港元	1,136,796	485,063
RMB	人民幣	112,607	92,157
US\$	美元	322,203	3,810
		1,571,606	581,030

於報告日，借貸之實際利率(每年)如下：

		2014 二零一四年	2013 二零一三年
RMB	人民幣	7.1%	8.4%
HK\$	港元	3.0%	2.0%
US\$	美元	0.5%	0.5%

於二零一三年及二零一四年三月三十一日，萬順昌集團之所有借貸均按浮動利率計息及借貸之賬面金額與其公平價值相若。

萬順昌集團有以下未提取之浮息借貸融資：

32 Share capital

32 股本

		Authorised (Ordinary shares of HK\$0.10 each) 法定 (每股0.10港元之普通股)		Issued and fully paid (Ordinary shares of HK\$0.10 each) 已發行及繳足 (每股0.10港元之普通股)	
		Number of shares 股份數目	Nominal value 面值	Number of shares 股份數目	Nominal Value 面值
		'000 千股	HK\$'000 千港元	'000 千股	HK\$'000 千港元
At 31st March 2012	於二零一二年三月三十一日	1,000,000	100,000	414,128	41,413
Share repurchased and cancelled (Note)	購回及註銷股份 (附註)	–	–	(1,450)	(145)
Exercise of share options	行使購股權	–	–	1,090	109
At 31st March 2013	於二零一三年三月三十一日	1,000,000	100,000	413,768	41,377
Share repurchased and cancelled (Note)	購回及註銷股份 (附註)	–	–	(1,126)	(113)
Exercise of share options	行使購股權	–	–	5,059	506
At 31st March 2014	於二零一四年三月三十一日	1,000,000	100,000	417,701	41,770

Note:

During the year, the Company repurchased an aggregate of 1,126,000 (2013: 1,450,000) ordinary shares of HK\$0.10 each (2013: HK\$0.10 each) at average repurchase price of HK\$1.16 (2013: HK\$0.81) per ordinary share. The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of HK\$1,193,000 (2013: HK\$1,030,000) was charged to share premium. An amount equivalent to the repurchase price of the shares cancelled of HK\$1,306,000 (2013: HK\$1,175,000) was transferred from retained earnings to the capital redemption reserve.

附註：

本年度，本公司按平均購回價每股普通股1.16港元（二零一三年：0.81港元）購回合共1,126,000股（二零一三年：1,450,000股）每股面值0.10港元（二零一三年：每股0.10港元）之普通股。購回股份已被註銷，且本公司已發行股本因此減少該等股份之面值。就購回股份已付之溢價1,193,000港元（二零一三年：1,030,000港元）於股份溢價中扣除。相當於已註銷股份購回價之一筆款項1,306,000港元（二零一三年：1,175,000港元）已自保留盈利轉撥至股本贖回儲備。

33 Share options

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

33 購股權

萬順昌集團設有一個購股權計劃，據此，其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）購股權以認購本公司之股份，但最多為本公司不時已發行股本之30%，其中不包括因行使購股權而發行之股份。行使價將由本公司董事會釐定及最少須以下列最高者為準：(i)本公司股份於授出購股權日期在香港聯合交易所有限公司所報之收市價；(ii)本公司股份於緊接授出購股權日期前五個交易日在香港聯合交易所有限公司所報之平均收市價；及(iii)本公司股份面值每股0.10港元。

33 Share options (Continued)

Movements of share options were as follows:

Date of grant	Exercise period	Exercise price per share	As at 1st April 2013 於二零一三年四月一日	Granted	Lapsed	Exercised	As at 31st March 2014 於二零一四年三月三十一日
授予日期	行使期	每股行使價 HK\$ 港元	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
17th December 2013 二零一三年十二月十七日	17th December 2013 to 16th December 2023 二零一三年十二月十七日至 二零二三年十二月十六日	1.3	-	300	-	-	300
27th November 2013 二零一三年十一月二十七日	27th November 2013 to 26th November 2023 二零一三年十一月二十七日至 二零二三年十一月二十六日	1.3	-	8,400	(500)	-	7,900
16th November 2012 二零一二年十一月十六日	16th November 2012 to 15th November 2022 二零一二年十一月十六日至 二零二二年十一月十五日	0.67	7,240	-	(300)	(460)	6,480
7th September 2012 二零一二年九月七日	1st August 2014 to 31st July 2016 二零一四年八月一日至 二零一六年七月三十一日	0.49	3,815	-	-	-	3,815
1st August 2011 二零一一年八月一日	1st August 2013 to 31st July 2015 二零一三年八月一日至 二零一五年七月三十一日	0.692	3,815	-	-	(3,815)	-
13th October 2009 二零零九年十月十三日	13th October 2009 to 12th October 2019 二零零九年十月十三日至 二零一九年十月十二日	0.504	16,500	-	-	-	16,500
18th September 2009 二零零九年九月十八日	18th September 2011 to 17th September 2019 二零一一年九月十八日至 二零一九年九月十七日	0.586	334	-	-	(167)	167

33 購股權 (續)

購股權變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 Share options (Continued)

33 購股權 (續)

Date of grant	Exercise period	Exercise price per share	As at 1st April 2013	Granted	Lapsed	Exercised	As at 31st March 2014
授予日期	行使期	每股行使價	於二零一三年四月一日	授予	失效	已行使	於二零一四年三月三十一日
		HK\$	'000	'000	'000	'000	'000
		港元	千股	千股	千股	千股	千股
18th September 2009 二零零九年九月十八日	18th September 2012 to 17th September 2019 二零一二年九月十八日至 二零一九年九月十七日	0.586	335	-	-	(167)	168
18th September 2009 二零零九年九月十八日	18th September 2013 to 17th September 2019 二零一三年九月十八日至 二零一九年九月十七日	0.586	667	-	-	(250)	417
19th June 2008 二零零八年六月十九日	19th June 2008 to 18th June 2018 二零零八年六月十九日至 二零一八年六月十八日	0.780	3,000	-	-	-	3,000
13th September 2006 二零零六年九月十三日	13th September 2007 to 12th September 2016 二零零七年九月十三日至 二零一六年九月十二日	0.900	2,000	-	-	(200)	1,800
19th September 2003 二零零三年九月十九日	19th September 2005 to 18th September 2013 二零零五年九月十九日至 二零一三年九月十八日	1.418	1,300	-	(1,300)	-	-
7th May 2003 二零零三年五月七日	7th May 2005 to 6th May 2013 二零零五年五月七日至 二零一三年五月六日	0.970	500	-	(500)	-	-
2nd May 2003 二零零三年五月二日	2nd May 2003 to 1st May 2013 二零零三年五月二日至 二零一三年五月一日	0.980	1,000	-	(1,000)	-	-
			40,506	8,700	(3,600)	(5,059)	40,547

33 Share options (Continued)

Options exercised in current year resulted in 5,060,000 shares (2013: 1,090,000 shares) being issued at a weighted average exercise price of HK\$0.69 each (2013: HK\$0.63 each). The related weighted average share price at the time of exercise was HK\$ 1.17 (2013: HK\$ 0.92) per share.

The fair value of options granted was determined by the directors based on the valuations assessed by independent, professionally qualified valuers, using the Trinomial 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 approximately 500 – 520 weeks.

34 Reserves

33 購股權 (續)

本年度行使購股權導致按加權平均價每股 0.69 港元(二零一三年：每股 0.63 港元)發行 5,060,000 股股份(二零一三年：1,090,000 股股份)。行使購股權時之有關加權平均股價為每股 1.17 港元(二零一三年：0.92 港元)。

已授出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評估之估值釐定。輸入該模型之重要數據包括授出日期股價、行使價、預計僱員及代表離職率、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。波幅根據約 500 至 520 個星期期間內每日股價統計分析計量。

34 儲備

		Consolidated 綜合								
		Share premium	Share option reserve	Capital redemption reserve ^(a)	Statutory reserves ^(b)	Capital reserve	Investment revaluation reserve	Cumulative foreign currency translation adjustments	Retained earnings	Total
		股份溢價	購股權 儲備	資本贖回 儲備 ^(a)	法定儲備 ^(b)	資本儲備	投資重估 儲備	匯兌調整 累計外幣	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2012	於二零一二年四月一日	338,005	5,886	77,203	13,431	58,355	147	37,451	87,016	617,494
Profit for the year	年度溢利	-	-	-	-	-	-	-	71,600	71,600
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	998	-	998
Change in fair value of available-for-sale financial asset	可供出售之財務資產 之公平價值變動	-	-	-	-	-	(190)	-	-	(190)
Transfer from retained earnings	轉撥自保留盈利	-	-	-	425	-	-	-	(425)	-
Loss on control of subsidiaries	失去附屬公司之控制權	-	-	-	-	-	-	(1,469)	-	(1,469)
Share repurchased and cancelled	購回及註銷股份	(1,030)	-	1,175	-	-	-	-	(1,175)	(1,030)
Exercise of share options	行使購股權	827	(252)	-	-	-	-	-	-	575
Lapse of share options	失效之購股權	-	(1,735)	-	-	-	-	-	1,735	-
Share option scheme – value of services	購股權計劃 – 服務價值	-	2,748	-	-	-	-	-	-	2,748
Dividends paid to equity holders of the Company	已付本公司股權 持有人之股息	-	-	-	-	-	-	-	(16,979)	(16,979)
At 31st March 2013	於二零一三年三月三十一日	337,802	6,647	78,378	13,856	58,355	(43)	36,980	141,772	673,747

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 Reserves (Continued)

34 儲備 (續)

		Consolidated 綜合								
		Share premium	Share option reserve	Capital redemption reserve ^(a)	Statutory reserves ^(b)	Capital reserve	Investment revaluation reserve	Cumulative foreign currency translation adjustments	Retained earnings	Total
		股份溢價	購股權 儲備	資本贖回 儲備 ^(a)	法定儲備 ^(b)	資本儲備	投資重估 儲備	匯兌調整	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2013	於二零一三年四月一日	337,802	6,647	78,378	13,856	58,355	(43)	36,980	141,772	673,747
Profit for the year	年度溢利	-	-	-	-	-	-	-	103,708	103,708
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	(4,436)	-	(4,436)
Realisation of currency translation differences on disposal of an associate	於出售一間聯營公司時變現貨幣匯兌差額	-	-	-	-	-	-	(18,360)	-	(18,360)
Fair value change of available-for-sale financial asset	可供出售之財務資產之公平價值變動	-	-	-	-	-	(35)	-	-	(35)
Transfer from retained earnings	轉撥自保留盈利	-	-	-	450	-	-	-	(450)	-
Share repurchased and cancelled	購回及註銷股份	(1,193)	-	1,306	-	-	-	-	(1,306)	(1,193)
Exercise of share options	行使購股權	3,997	(1,033)	-	-	-	-	-	-	2,964
Lapse of share options	失效之購股權	-	(608)	-	-	-	-	-	608	-
Share option scheme – value of services	購股權計劃 – 服務價值	-	763	-	-	-	-	-	-	763
Change in ownership interest in a subsidiary without change of control	附屬公司擁有權益變動而無控制權變動	-	-	-	(3,449)	-	-	-	11,590	8,141
Dividends paid to equity holders of the Company	已付本公司股權持有人之股息	-	-	-	-	-	-	-	(25,877)	(25,877)
At 31st March 2014	於二零一四年三月三十一日	340,606	5,769	79,684	10,857	58,355	(78)	14,184	230,045	739,422

Notes to the Consolidated Financial Statements
綜合財務報表附註

34 Reserves (Continued)

34 儲備 (續)

		Company 本公司					
		Share premium	Share option reserve	Capital redemption reserve ^(a)	Contributed surplus ^(a)	Retained earnings	Total
		股份溢價	購股權 儲備	資本贖回 儲備 ^(a)	繳入盈餘 ^(a)	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2012	於二零一二年 四月一日	338,005	5,886	77,203	53,986	20,054	495,134
Profit for the year	年度溢利	-	-	-	-	13,692	13,692
Share repurchased and cancelled	購回及註銷股份	(1,030)	-	1,175	-	(1,175)	(1,030)
Exercise of share options	行使購股權	827	(252)	-	-	-	575
Lapse of share options	失效之購股權	-	(1,735)	-	-	1,735	-
Share option scheme	購股權計劃						
- value of services	- 服務價值	-	2,748	-	-	-	2,748
Dividends paid	已付股息	-	-	-	-	(16,979)	(16,979)
At 31st March 2013	於二零一三年 三月三十一日	337,802	6,647	78,378	53,986	17,327	494,140
Profit for the year	年度溢利	-	-	-	-	31,181	31,181
Share repurchased and cancelled	購回及註銷股份	(1,193)	-	1,306	-	(1,306)	(1,193)
Exercise of share options	行使購股權	3,997	(1,033)	-	-	-	2,964
Lapse of share options	失效之購股權	-	(608)	-	-	608	-
Share option scheme	購股權計劃						
- value of services	- 服務價值	-	763	-	-	-	763
Dividends paid	已付股息	-	-	-	-	(25,877)	(25,877)
At 31st March 2014	於二零一四年 三月三十一日	340,606	5,769	79,684	53,986	21,933	501,978

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 Reserves (Continued)

Notes:

- (i) Statutory reserves represent enterprise expansion reserve fund and general reserve fund set up by certain subsidiaries in Mainland China. As stipulated by regulations in Mainland China, the subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the enterprise expansion reserve fund and general reserve fund, at rates determined by their respective boards of directors. The general reserve fund may be used for making up losses and increasing capital, while the enterprise expansion reserve fund may be used for increasing capital.
- (ii) In addition to the retained earnings, under the Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the Company's 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 has been established upon repurchase of shares.

34 儲備(續)

附註：

- (i) 法定儲備即由中國內地若干附屬公司設立之企業發展儲備基金及一般儲備基金。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)撥出部分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) 除保留盈利外，根據百慕達一九八一年公司法(經修訂)，繳入盈餘亦可分派予股東。然而，倘(i)本公司不能或於繳款後將不能支付到期之負債；或(ii)本公司之可變現資產值低於其負債及已發行股本及股份溢價賬之總額，則本公司不得自繳入盈餘中宣派或派發股息或作出分派。
- (iii) 資本贖回儲備已於購回股份時設立。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 Consolidated statement of cash flows

35 綜合現金流量表

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

(a) 除稅前溢利與經營(所用)/產生之現金淨額對賬如下:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Profit before income tax	除稅前溢利	149,356	100,815
Share of profit of investments accounted for using equity method – net	應佔以權益法入賬之投資溢利 – 淨額	(69,580)	(3,529)
Interest income	利息收入	(2,617)	(1,412)
Interest expenses	利息支出	37,252	21,499
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	4,658	5,553
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	(252)	(566)
Amortisation of intangible assets and land use rights	無形資產及土地使用權之攤銷	1,229	795
Fair value gain on an investment property	一項投資物業之公平價值收益	(73,022)	–
Loss on disposal of investment in a subsidiary	出售於一間附屬公司之投資之虧損	–	2,448
Gain on deemed disposal of investment in a subsidiary	視作出售於一間附屬公司之投資之收益	–	(1,354)
Provision for impairment on amount due from an associate	應收一間聯營公司減值撥備	30,759	8,000
Provision for impairment of loan and other receivables	貸款及其他應收賬款減值撥備	32,180	–
Change in fair values of derivative financial instruments	衍生金融工具之公平價值變動	1,971	(430)
Share option scheme – value of services	購股權計劃 – 服務價值	763	2,748
Operating profit before working capital changes	營運資金變動前之經營溢利	112,697	134,567
Decrease in inventories	存貨減少	32,724	31,141
Decrease in trade and bill receivables	應收賬款及票據減少	22,423	140,486
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款增加	(28,500)	(1,216)
Increase in amounts due from associates	應收聯營公司增加	(986)	(2,495)
(Decrease)/increase in trade and bill payables	應付賬款及票據 (減少)/增加	(258,044)	156
Decrease in receipts in advance	預收款項減少	(5,888)	(14,314)
(Decrease)/increase in accrued liabilities and other payables	應計負債及其他應付賬款 (減少)/增加	(3,852)	11,428
Net cash (used in)/generated from operations	經營(所用)/產生之現金淨額	(129,426)	299,753

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 Consolidated statement of cash flows (Continued)

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

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net book amount	賬面淨額	114	37
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	252	566
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	366	603

- (c) In the consolidated statement of cash flows, proceeds from disposal of investment in a subsidiary comprise:

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Net assets disposed	出售之資產淨額	-	5,957
Loss on disposal of investment in a subsidiary	出售於一間附屬公司之投資之虧損	-	(2,448)
Cash consideration received	已收之現金代價	-	3,509

On 12th July 2012, the VSC Group disposed of its 100% equity interest in VSC Steel (Shenzhen) Co., Ltd., a subsidiary which was engaged in stockholding and trading of steel in Mainland China, at a cash consideration of RMB2,900,000 (equivalent to approximately HK\$3,509,000) to a former management of the subsidiary.

於二零一二年七月十二日，萬順昌集團出售其於一間於中國內地從事存銷及買賣鋼材業務的附屬公司萬順昌鋼鐵(深圳)有限公司之全部股本權益予該附屬公司之前管理層，現金代價為人民幣2,900,000元(約等於3,509,000港元)。

35 綜合現金流量表(續)

- (b) 於綜合現金流量表中，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，出售於一間附屬公司之投資之所得款項包括：

36 Significant business combination

For the year ended 31st March 2014

On 12th October 2013, the VSC Group and China Travel Service (Holdings) Hong Kong Ltd. (“CTS”), an independent third party, entered into the Sale and Purchase Agreement, pursuant to which the VSC Group acquired 100% of the issued share capital of Eastlink Investment International Inc. (“Eastlink”), at a consideration of approximately RMB708,000,000 (equivalent to approximately HK\$903,032,000). The goodwill of approximately HK\$57,743,000 is primarily attributable to economies of scale expected from combining the operations of the VSC Group. The acquisition was completed on 10th December 2013.

The following table summarises the consideration paid and the fair value of the assets acquired and liabilities assumed recognised at the acquisition date.

36 重大業務合併

截至二零一四年三月三十一日止年度

於二零一三年十月十二日，萬順昌集團與香港中旅(集團)有限公司(「中旅」)(獨立第三方)訂立買賣協議，據此，萬順昌集團收購東聯國際投資有限公司(「東聯」)100%之已發行股本，代價為約人民幣708,000,000元(約等於903,032,000港元)。商譽約57,743,000港元主要歸屬於預期來自合併萬順昌集團業務的規模經濟。收購事項於二零一三年十二月十日完成。

下表概述已付代價及於收購日期確認之已收購資產之公平價值及已承擔負債。

		HK\$'000 千港元
Cash consideration paid	已付之現金代價	903,032
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及已承擔負債之 確認金額	
Investment property	投資物業	920,449
Trade receivables	應收賬款	4,288
Cash and cash equivalents	現金及現金等值	50,159
Intangible assets	無形資產	12,748
Deferred income tax liabilities	遞延所得稅負債	(88,839)
Accrued liabilities and other payables	應計負債及其他應付賬款	(16,392)
Borrowings	借貸	(37,124)
Total identifiable net assets	可識別資產淨值總額	845,289
Goodwill (Note 18)	商譽(附註18)	57,743
Net cash outflow on acquisition of business:	於收購業務時現金流出淨額：	
Cash consideration paid	已付之現金代價	903,032
Cash and cash equivalent acquired	已收購現金及現金等值	(50,159)
		852,873

36 Significant business combination (Continued)

Acquisition-related costs of approximately HK\$22,432,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31st March 2014.

The revenue and profit included in the consolidated income statement since 10th December 2013 contributed by Eastlink were approximately HK\$13,085,000 and approximately HK\$56,360,000 respectively. Had Eastlink been consolidated from 1st April 2013, the consolidated income statement would show pro-forma revenue of approximately HK\$3,875,310,000 and profit of approximately HK\$113,769,000 respectively.

For the year ended 31st March 2013

On 8th November 2012, the VSC Group acquired the distribution business of selling building products at a cash consideration of approximately HK\$8,041,000 from an independent third party (“the Acquisition”).

As a result of the Acquisition, the VSC Group is expected to increase its presence in Mainland China market. It also expects to reduce costs through economies of scale. The goodwill of approximately HK\$4,263,000 arising from the Acquisition is primarily attributable to the significant synergies expected to arise in connection with the VSC Group’s strategic objectives and the development of customer-focused products to capitalize on the business growth in Mainland China.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

		HK\$'000 千港元
Consideration at 8th November 2012:	於二零一二年十一月八日之代價：	
– Cash	– 現金	8,041
Identified net asset	已識別資產淨額	
– Distribution rights	– 分銷權	(3,778)
Goodwill	商譽	4,263

36 重大業務合併 (續)

收購相關成本約22,432,000港元已於截至二零一四年三月三十一日止年度的綜合損益表的行政開支中扣除。

自二零一三年十二月十日已計入綜合損益表由東聯貢獻之收入及溢利分別為約13,085,000港元及約56,360,000港元。倘東聯自二零一三年四月一日起綜合入賬，綜合損益表將分別列示備考收入約3,875,310,000港元及溢利約113,769,000港元。

截至二零一三年三月三十一日止年度

於二零一二年十一月八日，萬順昌集團以約8,041,000港元之現金代價從獨立第三方收購銷售建築產品之分銷業務（「收購」）。

透過進行收購，萬順昌集團將預期於中國內地市場增設據點，同時預期透過規模經濟效益降低成本。收購產生之商譽為約4,263,000港元，主要歸因於預期將產生之重大協同效應所致，該協同效應與萬順昌集團之策略性目標及發展以客為本產品藉此從中國內地業務增長中受惠有關。

下表概述已付代價及於收購日期確認之已收購資產金額及已承擔負債。

36 Significant business combination (Continued)

The revenue and profit included in the consolidated income statement since 8th November 2012 contributed by Acquisition were approximately HK\$16,281,000 and approximately HK\$339,000 respectively. Had the Acquisition been consolidated from 1st April 2012, the consolidated income statement would show pro-forma revenue of approximately HK\$3,785,562,000 and profit of approximately HK\$70,870,000 respectively.

37 Transactions with non-controlling interests

Acquisition of additional interest in a subsidiary

On 25th June 2013, the VSC Group acquired an additional 33.3% shareholding of Shanghai Bao Shun Chang International Trading Co., Ltd. ("BSC") for a consideration of RMB22,390,000 (equivalent to approximately HK\$28,234,000). The carrying amount of the non-controlling interests in BSC on the date of acquisition was HK\$36,374,000. The VSC Group recognised a reduction in non-controlling interests of HK\$36,374,000 and an increase in equity attributable to owners of the VSC Group of HK\$8,141,000. The effect of changes in the ownership interest of BSC on the equity attributable to owners of the VSC Group during the year is summarised as follows:

		HK\$'000 千港元
Carrying amount of non-controlling interests acquired	已收購非控制性權益之賬面金額	36,374
Consideration paid to non-controlling interests	已付非控制性權益之代價	(28,233)
Excess of consideration paid recognised within equity	於權益確認之已付代價超出差額	8,141

36 重大業務合併(續)

自二零一二年十一月八日已計入綜合損益表由收購事項貢獻之收入及溢利分別約為16,281,000港元及339,000港元。倘收購事項自二零一二年四月一日起綜合入賬，綜合損益表將分別列示備考收入約3,785,562,000港元及溢利約70,870,000港元。

37 與非控制性權益進行的交易

額外收購一間附屬公司之權益

於二零一三年六月二十五日，萬順昌集團額外收購上海寶順昌國際貿易有限公司(「寶順昌」)33.3%股權，代價為人民幣22,390,000元(約等於28,234,000港元)。於寶順昌之非控制性權益於收購日期之賬面金額為36,374,000港元。本年度，萬順昌集團確認非控制性權益減少36,374,000港元及萬順昌集團持有人應佔權益增加8,141,000港元。寶順昌擁有權權益變動於年內對萬順昌集團持有人應佔權益之影響概述如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 Guarantees

38 擔保

		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Guarantees provided by the Company in respect of banking facilities of its subsidiaries	本公司就其附屬公司所獲銀行融資而提供之擔保	3,489,286	2,219,799
Banking facilities utilised by subsidiaries in respect of guarantees provided by the Company	本公司就其附屬公司所用之銀行融資而提供之擔保	1,571,606	581,030

39 Commitments

39 承擔

(a) Commitments under operating leases

(a) 營業租約承擔

(i) Lessor

The VSC Group leases an investment property under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years, and the lease agreements are renewable at the end of the lease period at market rate.

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

(i) 出租人

萬順昌集團根據不可撤銷之營業租約出租一項投資物業。租期為一至十年，而租約可在租期屆滿後以市場租值續簽。

就出租物業而訂立之多份不可撤銷營業租約之應收承擔總額分析如下：

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Not later than one year	未逾1年	40,160	223	-	-
Later than one year and not later than five years	逾1年及未逾5年	105,517	-	-	-
Later than five years	逾5年	15,235	-	-	-
		160,912	223	-	-

39 Commitments (Continued)

(a) Commitments under operating leases (Continued)

(ii) Lessee

The VSC Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

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

39 承擔 (續)

(a) 營業租約承擔 (續)

(ii) 承租人

萬順昌集團根據不可撤銷之營業租約承租多個零售商舖、辦公室及貨倉。租期介乎1至5年，而大部份租約可在租期屆滿後以市場租值續簽。

就承租物業而訂立之各份不可撤銷營業租約之應付承擔總額分析如下：

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Not later than one year	未逾1年	20,238	25,253	-	-
Later than one year and not later than five years	逾1年及未逾5年	7,417	8,316	-	-
		27,655	33,569	-	-

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綜合財務報表附註

39 Commitments (Continued)

(b) Capital commitment

Capital commitment at the end of the reporting period is as follows:

		Consolidated 綜合		Company 本公司	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Contracted but not provided for:	已訂約但尚未撥備：				
Renovation work for an investment property	一項投資物業之翻修工程	2,634	-	-	-
Authorised but not contracted for:	已授權但並未訂約：				
Renovation work for an investment property	一項投資物業之翻修工程	56,745	-	-	-

(c) Commitments under derivative contracts

As at 31st March 2014, the VSC Group had outstanding forward foreign currency contracts to purchase approximately US\$19,000,000 (2013: US\$44,000,000) for approximately RMB117,450,000 (2013: RMB283,960,000) by 19 monthly settlements. The settlement date of the last instalment is 22nd October 2015 (2013: 27th May 2014).

As at 31st March 2014, the Company has no commitment under derivative contracts (2013: Nil).

39 承擔 (續)

(b) 資本承擔

於報告期末之資本承擔如下：

(c) 衍生合約承擔

於二零一四年三月三十一日，萬順昌集團有未平倉遠期外匯合約，以約人民幣117,450,000元(二零一三年：人民幣283,960,000元)買入約19,000,000美元(二零一三年：44,000,000美元)，在19個月內每月結算。最終結算日為二零一五年十月二十二日(二零一三年：二零一四年五月二十七日)。

於二零一四年三月三十一日，本公司並無任何衍生合約承擔(二零一三年：無)。

40 Related party transactions

(a) Transactions

The following is a summary of significant related party transactions, which were carried out in the normal course of the VSC Group's business:

	Notes 附註	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Management fee income from services provided to an associate	向一間聯營公司提供服務之管理費收入 (i)	2,102	562
Sales of goods to an associate	向一間聯營公司銷售之貨品 (ii)	90,857	109,207
Rental expenses paid to an associate	已付一間聯營公司之租金支出 (iii)	5,207	3,450

Notes:

- (i) Management services were provided by VSC Steel (Shanghai) Co., Ltd. to an associate at prices mutually agreed by both parties.
- (ii) Goods were sold by Shanghai Bao Shun Chang International Trading Co., Ltd. to an associate at prices mutually agreed by both parties.
- (iii) Rental expenses were charged to VSC Steel (Shanghai) Co., Ltd. and Leisure Plus International Trading (Shanghai) Co., Ltd. by an associate at prices mutually agreed by both parties.

附註：

- (i) 由亞萬鋼國際貿易(上海)有限公司提供予一間聯營公司之管理服務按雙方協定之價格收取。
- (ii) 由上海寶順昌國際貿易有限公司銷售予一間聯營公司之貨品按雙方協定之價格收取。
- (iii) 由一間聯營公司向亞萬鋼國際貿易(上海)有限公司及利尚派國際貿易(上海)有限公司所收取之租金支出皆按雙方協定之價格收取。

40 與關連人士之交易

(a) 交易

於萬順昌集團日常業務過程中進行之重大關連人士交易概要如下：

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綜合財務報表附註

40 Related party transactions (Continued)

(b) Key management compensation

		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	13,388	11,848
Bonus	花紅	4,158	3,317
Pension costs – defined contribution schemes	退休金成本 — 界定供款計劃	188	183
Share option scheme – value of services	購股權計劃 — 服務價值	328	2,443
		18,062	17,791

40 與關連人士之交易 (續)

(b) 主要管理層報酬

41 Events occurring after the balance sheet date

On 16th May 2014 the VSC Group entered into a Joint Venture Agreement with an independent third party, pursuant to which the VSC Group will need to inject approximately HK\$19,500,000 to the joint venture company. The VSC Group owns 50% equity interest in the joint venture company, which will engage in the processing of steel products.

41 結算日後事項

於二零一四年五月十六日，萬順昌集團與一名獨立第三方訂立合資協議，據此，萬順昌集團將須向合資公司注資約19,500,000港元。萬順昌集團擁有合資公司(將主要從事加工鋼材產品)50%股本權益。



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