

Van Shung Chong Holdings Limited

萬 順 昌 集 團 有 限 公 司

Stock Code 股票代號 : 1001



STEEL
ALUE
CHAIN

INTERIM REPORT 2010/11 年中期報告

UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board”) of Van Shung Chong Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “VSC Group”) for the six months ended 30th September 2010, together with comparative figures, as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30th September 2010

未經審核中期業績

萬順昌集團有限公司(「本公司」)之董事會(「董事會」)謹此宣佈本公司及其附屬公司(「萬順昌集團」)截至二零一零年九月三十日止六個月之未經審核簡明綜合中期業績連同比較數字如下：

簡明綜合中期損益表

截至二零一零年九月三十日止六個月

| | | Note | For the six months ended 30th September 截至九月三十日止六個月 | |
|---|----------------------------------|------|---|---|
| | | 附註 | 2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核) | 2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核) |
| Revenue | 收入 | 4 | 2,049,544 | 1,583,676 |
| Cost of sales | 銷售成本 | 6 | (1,992,209) | (1,424,023) |
| Gross profit | 毛利 | | 57,335 | 159,653 |
| Other gains – net | 其他收益 – 淨額 | 5 | 62,021 | 12,851 |
| Selling and distribution expenses | 銷售及分銷支出 | 6 | (13,864) | (10,864) |
| General and administrative expenses | 一般及行政支出 | 6 | (67,776) | (65,341) |
| Operating profit | 經營溢利 | | 37,716 | 96,299 |
| Finance income | 財務收入 | 7 | 394 | 414 |
| Finance costs | 財務費用 | 7 | (13,316) | (9,831) |
| Share of profit/(loss) of associates – net | 應佔聯營公司溢利/ (虧損) – 淨額 | | 797 | (16,781) |
| Profit before income tax | 除稅前溢利 | | 25,591 | 70,101 |
| Income tax expense | 所得稅支出 | 8 | (1,358) | (15,970) |
| Profit for the period | 期內溢利 | | 24,233 | 54,131 |
| Attributable to: | 應佔： | | | |
| Equity holders of the Company | 本公司股權持有人 | | 21,796 | 50,203 |
| Minority interest | 少數股東權益 | | 2,437 | 3,928 |
| | | | 24,233 | 54,131 |
| Earnings per ordinary share for profit attributable to the equity holders of the Company during the period | 本公司本期內股權持有人應佔溢利計算之每股普通股盈利 | | | |
| – Basic | – 基本 | 10 | HK5.3 cents港仙 | HK12.9 cents港仙 |
| – Diluted | – 攤薄 | 10 | HK5.1 cents港仙 | HK12.9 cents港仙 |
| Dividends | 股息 | 9 | 5,384 | 12,391 |

The notes form an integral part of the condensed consolidated interim financial information.

附註為簡明綜合中期財務資料整體之一部份。

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF
COMPREHENSIVE INCOME**

For the six months ended 30th September 2010

簡明綜合中期全面損益表

截至二零一零年九月三十日止六個月

**For the six months ended
30th September**
截至九月三十日止六個月
2010 2009
二零一零年 二零零九年
HK\$'000 HK\$'000
千港元 千港元
(Unaudited) (Unaudited)
(未經審核) (未經審核)

| | | | |
|--|------------|---------------|--------|
| Profit for the period | 期內溢利 | 24,233 | 54,131 |
| Other comprehensive income | 其他全面收入 | | |
| Currency translation differences | 貨幣匯兌差額 | 2,255 | – |
| Total comprehensive income for the period | 期內全面收入總額 | 26,488 | 54,131 |
| Total comprehensive income attributable to: | 應佔全面收入總額： | | |
| – Equity holders of the Company | – 本公司股權持有人 | 22,989 | 50,203 |
| – Minority interest | – 少數股東權益 | 3,499 | 3,928 |
| | | 26,488 | 54,131 |

The notes form an integral part of the condensed consolidated interim financial information.

附註為簡明綜合中期財務資料整體之一部份。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30th September 2010

簡明綜合中期財務狀況表

於二零一零年九月三十日

| | | | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|---|----------------|----|--|--|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | | 18,713 | 21,441 |
| Investment property | 投資物業 | | – | 15,000 |
| Leasehold land and land use rights | 租賃土地及土地使用權 | | 10,829 | 10,930 |
| Investments in associates | 於聯營公司之投資 | | 146,715 | 241,304 |
| Deferred income tax assets | 遞延所得稅資產 | | 29,326 | 25,267 |
| Total non-current assets | 非流動資產總額 | | 205,583 | 313,942 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 316,873 | 245,720 |
| Trade and bill receivables | 應收賬款及票據 | 11 | 516,554 | 409,826 |
| Loan receivables | 應收貸款 | | 21,923 | 24,500 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收賬款 | | 125,185 | 178,756 |
| Derivative financial instruments | 衍生金融工具 | | 38 | 990 |
| Amounts due from associates | 應收聯營公司 | | 21,668 | 52,344 |
| Pledged bank deposits | 已抵押銀行存款 | | 45,451 | 57,182 |
| Cash and cash equivalents | 現金及現金等值 | | 295,079 | 160,935 |
| Total current assets | 流動資產總額 | | 1,342,771 | 1,130,253 |
| Current liabilities | 流動負債 | | | |
| Trade and bill payables | 應付賬款及票據 | 12 | 116,018 | 247,473 |
| Receipts in advance | 預收款項 | | 72,356 | 24,888 |
| Accrued liabilities and other payables | 應計負債及其他應付賬款 | | 51,419 | 99,399 |
| Derivative financial instruments | 衍生金融工具 | | 1 | – |
| Current income tax liabilities | 流動所得稅負債 | | 8,272 | 7,105 |
| Borrowings | 借貸 | 13 | 632,491 | 410,281 |
| Total current liabilities | 流動負債總額 | | 880,557 | 789,146 |

| | | | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核) | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 (Audited) (經審核) |
|---|------------------------|----|--|--|
| Net current assets | 流動資產淨額 | | 462,214 | 341,107 |
| Total assets less current liabilities | 總資產減流動負債 | | 667,797 | 655,049 |
| Non-current liabilities | 非流動負債 | | | |
| Derivative financial instruments | 衍生金融工具 | | – | 133 |
| Deferred income tax liabilities | 遞延所得稅負債 | | 5 | 5 |
| Borrowings | 借貸 | 13 | – | 3,925 |
| Total non-current liabilities | 非流動負債總額 | | 5 | 4,063 |
| Net assets | 資產淨額 | | 667,792 | 650,986 |
| 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 | 14 | 41,413 | 41,413 |
| Reserves | 儲備 | | | |
| – Proposed dividend | – 建議股息 | | 5,384 | 9,939 |
| – Others | – 其他 | | 587,667 | 569,805 |
| | | | 634,464 | 621,157 |
| Minority interest | 少數股東權益 | | 33,328 | 29,829 |
| Total equity | 權益總額 | | 667,792 | 650,986 |

The notes form an integral part of the condensed consolidated interim financial information.

附註為簡明綜合中期財務資料整體之一部份。

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF
CHANGES IN EQUITY**

For the six months ended 30th September 2010

簡明綜合中期權益變動表

截至二零一零年九月三十日止六個月

| | | Attributable to equity holders of the Company 本公司股權持有人應佔 | | | | Minority interest 少數股東 權益 | Total equity 權益總額 |
|---|--------------------|--|--|---|--------------------------------|------------------------------------|-------------------------|
| | | Share capital 股本 HK\$'000 千港元 | Other reserves 其他儲備 HK\$'000 千港元 | Retained earnings 保留盈利 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 1st April 2009 | 於二零零九年四月一日 | 38,143 | 494,405 | 5,779 | 538,327 | 23,209 | 561,536 |
| Profit for the period | 期內溢利 | - | - | 50,203 | 50,203 | 3,928 | 54,131 |
| Total comprehensive income | 全面收入總額 | - | - | 50,203 | 50,203 | 3,928 | 54,131 |
| Issuance of shares – share placement | 股份發行 – 配股 | 3,160 | 12,640 | - | 15,800 | - | 15,800 |
| Share option scheme – value of services | 購股權計劃 – 服務價值 | - | 8 | - | 8 | - | 8 |
| Lapse of share options | 失效之購股權 | - | (11) | 11 | - | - | - |
| As at 30th September 2009 | 於二零零九年九月三十日 | 41,303 | 507,042 | 55,993 | 604,338 | 27,137 | 631,475 |
| As at 1st April 2010 | 於二零一零年四月一日 | 41,413 | 511,562 | 68,182 | 621,157 | 29,829 | 650,986 |
| Profit for the period | 期內溢利 | - | - | 21,796 | 21,796 | 2,437 | 24,233 |
| Other comprehensive income – Currency translation differences | 其他全面收入 – 貨幣匯兌差額 | - | 1,193 | - | 1,193 | 1,062 | 2,255 |
| Total comprehensive income | 全面收入總額 | - | 1,193 | 21,796 | 22,989 | 3,499 | 26,488 |
| Share option scheme – value of services | 購股權計劃 – 服務價值 | - | 374 | - | 374 | - | 374 |
| Disposal of investment in an associate | 出售於一間聯營公司之投資 | - | (117) | - | (117) | - | (117) |
| Dividends payable to equity holders of the Company | 應付本公司股權 持有人之股息 | - | - | (9,939) | (9,939) | - | (9,939) |
| As at 30th September 2010 | 於二零一零年九月三十日 | 41,413 | 513,012 | 80,039 | 634,464 | 33,328 | 667,792 |

The notes form an integral part of the condensed consolidated interim financial information.

附註為簡明綜合中期財務資料整體之一部份。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30th September 2010

簡明綜合中期現金流量表

截至二零一零年九月三十日止六個月

**For the six months ended
30th September**

截至九月三十日止六個月

| 2010 | 2009 |
|--------------------|-------------|
| 二零一零年 | 二零零九年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| (Unaudited) | (Unaudited) |
| (未經審核) | (未經審核) |

| | | | |
|---|------------------|------------------|---------|
| Net cash (used in)/generated from operating activities | 經營活動(所用)/產生之現金淨額 | (247,833) | 81,047 |
| Net cash generated from investing activities | 投資活動產生之現金淨額 | 150,610 | 21,379 |
| Net cash generated from/(used in) financing activities | 融資活動產生/(所用)之現金淨額 | 230,016 | (5,002) |
| Net increase in cash and cash equivalents | 現金及現金等值之淨增加 | 132,793 | 97,424 |
| Cash and cash equivalents as at 1st April | 於四月一日之現金及現金等值 | 160,935 | 100,679 |
| Translation adjustments | 匯兌調整 | 1,351 | – |
| Cash and cash equivalents as at 30th September | 於九月三十日之現金及現金等值 | 295,079 | 198,103 |

The notes form an integral part of the condensed consolidated interim financial information.

附註為簡明綜合中期財務資料整體之一部份。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

1 GENERAL INFORMATION

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

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

The unaudited condensed consolidated interim financial information are presented in Hong Kong dollar (“HK\$”), unless otherwise stated. It has been approved for issue by the Board of Directors on 10th November 2010.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2010 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31st March 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

1 一般資料

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

本公司及其附屬公司(統稱「萬順昌集團」)主要從事存銷及買賣建築材料，例如鋼材產品、潔具、廚櫃、家具及塑膠樹脂與、安裝廚櫃及房地產投資。

除另有指明外，本未經審核簡明綜合中期財務資料以港元(「港元」)列示。本簡明綜合中期財務資料已於二零一零年十一月十日經董事會核准刊發。

2 編製基準

本份截至二零一零年九月三十日止六個月之未經審核簡明綜合中期財務資料依照香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。本未經審核簡明綜合中期財務資料應連同依照香港財務報告準則(「香港財務報告準則」)編製截至二零一零年三月三十一日止年度之年度綜合財務報表一併閱讀。

2 BASIS OF PREPARATION (CONTINUED)

The directors of the VSC Group consider that the VSC Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due and accordingly, are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The VSC Group is engaged in the trading of steel products and is exposed to the commodity price risk. At the date of approving these unaudited condensed consolidated interim financial information, 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.

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 and/or committing to supply contracts with suppliers, are primarily aimed at reducing the potential exposure to steel price fluctuation. The VSC Group has also entered into commodity futures to partially hedge against this risk.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st March 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new/revised standards and amendments to existing standards are mandatory for the first time for the financial year beginning 1st April 2010 and are relevant for the VSC Group.

2 編製基準 (續)

萬順昌集團之董事認為萬順昌集團將擁有充足營運資金支持本身之業務運作，以及於財務責任到期時，履行有關財務責任，因此，按持續基準編製財務報表，誠屬合宜。

萬順昌集團從事鋼材產品買賣並受商品價格風險之影響。於批准本未經審核簡明綜合中期財務資料當日，萬順昌集團手頭上已確定之銷售訂單超過手頭上之存貨和已確定之購貨訂單總額，而鋼材價格波動可能對萬順昌集團之財務表現有重大影響。

雖然無法完全防避有關風險，然而萬順昌集團計劃盡量減少蒙受的潛在影響。此等計劃，包括調整手頭上之存貨水平及／或與供應商訂定供貨合約，主要旨在減少鋼材價格波動造成之潛在風險。萬順昌集團亦訂立商品期貨合約用以對沖此部分風險。

3 會計政策

除下文所述外，已採納之會計政策與截至二零一零年三月三十一日止年度之年度財務報表所刊載一致。

中期業績中之所得稅乃根據預期全年盈利總額按適用之稅率計提。

以下對現有準則之新訂／經修訂之準則及修訂為始於二零一零年四月一日起之財政年度之首年必須採納並與萬順昌集團有關。

3 ACCOUNTING POLICIES (CONTINUED)

- HKFRS 2 (Amendment), 'Group Cash-settled Share-based Payment Transactions'. In addition to incorporating HK(IFRIC) – Interpretation 8, 'Scope of HKFRS 2' and HK(IFRIC) – Interpretation 11, 'HKFRS 2 – Group and Treasury Share Transactions', the amendment expands on the guidance in HK(IFRIC) – Interpretation 11 to address the classification of group arrangements that were not covered by the interpretation.
- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures'. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

As the VSC Group has adopted HKFRS 3 (revised), it is required to adopt HKAS 27 (revised), 'Consolidated and separate financial statements', at the same time. HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

3 會計政策 (續)

- 香港財務報告準則第2號(修訂)「集團現金結算股份付款交易」。除收錄香港(國際財務報告詮釋委員會)– 詮釋第8號「香港財務報告準則第2號之範圍」及香港(國際財務報告詮釋委員會)– 詮釋第11號「香港財務報告準則第2號 – 集團及庫存股份交易」外，該項修訂本擴大香港(國際財務報告詮釋委員會)– 詮釋第11號之指引，針對該詮釋以往並未涵蓋之集團安排分類。
- 香港財務報告準則第3號(經修訂)「業務合併」，及對於香港會計準則第27號「合併和單獨財務報表」、香港會計準則第28號「聯營投資」及香港會計準則第31號「合營中的權益」之相應修改。此項已經修訂之準則繼續對業務合併應用購買法，但與香港財務報告準則第3號比較，有若干重大更改。例如，收購業務的所有付款必須按收購日期之公平價值記錄，而分類為或然付款之債務其後須在損益表重新計量。個別收購基準有不同選擇方案，可按公平價值或按非控制性權益應佔被收購方淨資產之比例，計量被收購方之非控制性權益。所有收購相關成本必須支銷。

由於萬順昌集團已採納香港財務報告準則第3號(經修訂)，故其需要同時採納香港會計準則第27號(經修訂)「合併和單獨財務報表」。香港會計準則第27號(經修訂)規定，如控制權沒有改變，則與非控制性權益進行之所有交易的影響必須在權益中呈列，而此等交易將不再導致商譽或收益和虧損。此項準則亦列明失去控制權時之會計處理方法。任何在主體內的剩餘權益按公平價值重新計量，並在損益表中確認損益。

3 ACCOUNTING POLICIES (CONTINUED)

- HK(IFRIC)-Int 17, 'Distributions of non-cash assets to owners' is effective for annual periods beginning on or after 1st July 2009. The interpretation is part of the Hong Kong Institute of Certified Public Accountants' (the "HKICPA") annual improvements project published in May 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

The following standards, amendments and interpretations to existing standards are effective in 2010 but not relevant to the VSC Group:

- Amendment to HKFRS 1, 'Additional exemptions for first-time adopters'. This is not relevant to the VSC Group, as it is an existing HKFRS preparer.
- Amendment to HKAS 32, 'Classification of rights issues'. This is not relevant to the VSC Group, as it has no rights issues.
- HKAS 39 (Amendment), 'Eligible hedged items'. That is not currently applicable to the VSC Group, as it has no hedging.
- First improvements to HKFRS (2008) were issued in October 2008 by the HKICPA. The improvement related to HKFRS 5 'Non-current assets held for sale and discontinued operations'.
- Second improvements to HKFRS (2009) were issued in May 2009 by the HKICPA. All improvements are effective in the financial year of 2010.

3 會計政策 (續)

- 香港 (國際財務報告詮釋委員會) – 詮釋第17號「向擁有人分派非現金資產」於二零零九年七月一日起或以後年度期間生效。此項詮釋為香港會計師公會 (「香港會計師公會」) 於二零零九年五月頒佈年度改進項目之一部分。此項詮釋就主體向股東分配非現金資產作為儲備分派或股息之安排之會計處理提供指引。香港財務報告準則第5號亦已被修改，規定資產只能夠在其現有狀況下及可能分配時才可分類為持作分派。

以下對現有準則並於二零一零年生效但與萬順昌集團無關之準則、修訂及詮釋。

- 香港財務報告準則第1號之修訂「首次採納者之額外豁免」。此修訂與萬順昌集團無關，因為萬順昌集團為香港財務報告準則之現行編製者。
- 香港會計準則第32號之修訂「供股分類」。此修訂與萬順昌集團無關，因為萬順昌集團並無供股。
- 香港會計準則第39號 (修訂)「合資格對沖項目」。此修訂暫不適用於萬順昌集團，因為萬順昌集團並無對沖。
- 香港會計師公會在二零零八年十月公佈了第一個對香港財務報告準則(2008)之年度改進計劃。涉及香港財務報告準則第5號「持有待售的非流動資產及終止經營」。
- 香港會計師公會在二零零九年八月公佈了第二個對香港財務報告準則(2009)之年度改進計劃。所有改進由二零一零年財政年度起生效。

4 REVENUE AND SEGMENT INFORMATION

The VSC Group's revenue consists of the following:

| | | For the six months ended 30th September 截至九月三十日止六個月 | |
|----------------|------|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Sales of goods | 貨品銷售 | 2,048,580 | 1,582,821 |
| Rental income | 租務收入 | 964 | 855 |
| Total revenue | 收入總額 | 2,049,544 | 1,583,676 |

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 Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM considers the VSC Group operates predominantly in four operating segments:

- (i) Steel distribution;
- (ii) Building products;
- (iii) Plastics; and
- (iv) Property investment.

Other operations mainly comprise other investments which do not constitute separately reportable segments.

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

4 收入及分部資料

萬順昌集團之收入包括如下：

| | | For the six months ended 30th September 截至九月三十日止六個月 | |
|--|--|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |

萬順昌集團按其營運性質及所提供之產品及服務管理其業務。

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

- (i) 鋼材分銷；
- (ii) 建築產品；
- (iii) 塑膠；及
- (iv) 房地產投資

其他業務主要包括其他投資且沒有構成獨立之分部匯報。

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

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

Analysis of the VSC Group's results by the business segments for the six months ended 30th September 2010 is as follows:

4 收入及分部資料 (續)

向主要營運決策者匯報源自對外人士之收入之計算方法與未經審核簡明綜合中期財務資料一致。

萬順昌集團於截至二零一零年九月三十日止六個月按業務分部之業績分析如下：

| | | Steel distribution 鋼材分銷 HK\$'000 千港元 | Building products 建築產品 HK\$'000 千港元 | Plastics 塑膠 HK\$'000 千港元 | Property investment 房地產投資 HK\$'000 千港元 | Other operations 其他業務 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 | 1,650,318 | 187,986 | 210,936 | 304 | - | - | 2,049,544 |
| Operating profit/(loss) | 經營溢利/(虧損) | 58 | 14,436 | 7,685 | 175 | 40,469 | (25,107) | 37,716 |
| Finance income | 財務收入 | 106 | 26 | 2 | - | 93 | 167 | 394 |
| Finance costs | 財務費用 | (11,883) | (1,014) | (265) | - | (6) | (148) | (13,316) |
| Share of profit/(loss) of associates – net | 應佔聯營公司 溢利/(虧損) – 淨額 | - | - | - | 1,774 | (977) | - | 797 |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | (11,719) | 13,448 | 7,422 | 1,949 | 39,579 | (25,088) | 25,591 |
| Other gains – net | 其他收益 – 淨額 | 19,857 | 180 | 96 | - | 41,763 | 125 | 62,021 |
| Depreciation and amortisation | 折舊及攤銷 | (779) | (887) | (26) | - | - | (1,927) | (3,619) |
| Income tax credit/(expense) | 所得稅計入/(支出) | 147 | (2,320) | (970) | - | (11) | 1,796 | (1,358) |

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of the VSC Group's results by the business segments for the six months ended 30th September 2009 is as follows:

| | | Steel distribution 鋼材分銷 HK\$'000 千港元 | Building products 建築產品 HK\$'000 千港元 | Plastics 塑膠 HK\$'000 千港元 | Property investment 房地產投資 HK\$'000 千港元 | Other operations 其他業務 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 | 1,292,299 | 173,397 | 116,990 | 680 | 310 | - | 1,583,676 |
| Operating profit/(loss) | 經營溢利/(虧損) | 97,748 | 6,766 | 4,433 | 11,061 | (2,646) | (21,063) | 96,299 |
| Finance income | 財務收入 | 129 | - | 4 | - | 10 | 271 | 414 |
| Finance costs | 財務費用 | (7,007) | (363) | (423) | - | (322) | (1,716) | (9,831) |
| Share of profit/(loss) of associates – net | 應佔聯營公司 溢利/(虧損) – 淨額 | - | - | - | 2,695 | (19,476) | - | (16,781) |
| Profit/(loss) before tax | 除稅前溢利/(虧損) | 90,870 | 6,403 | 4,014 | 13,756 | (22,434) | (22,508) | 70,101 |
| Other (losses)/ gains – net | 其他(虧損)/ 收益 – 淨額 | (1,195) | (31) | (3) | 10,448 | 574 | 3,058 | 12,851 |
| Depreciation and amortisation | 折舊及攤銷 | (840) | (861) | (19) | - | - | (1,966) | (3,686) |
| Income tax (expense)/credit | 所得稅(支出)/計入 | (18,259) | (1,238) | (496) | (409) | (161) | 4,593 | (15,970) |

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

| | | For the six months ended 30th September 截至九月三十日止六個月 | |
|----------------------|-------------|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Revenue | 收入 | | |
| Mainland China | 中國內地 | 947,905 | 929,064 |
| Hong Kong | 香港 | 1,101,639 | 654,612 |
| Total revenue | 收入總額 | 2,049,544 | 1,583,676 |

For the six months ended 30th September 2010, revenue of approximately 8.5% (for the six months ended 30th September 2009: 4.7%) was derived from a single external customer.

4 收入及分部資料(續)

萬順昌集團於截至二零零九年九月三十日止六個月按業務分部之業績分析如下：

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：

| | | For the six months ended 30th September 截至九月三十日止六個月 | |
|----------------------|-------------|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Revenue | 收入 | | |
| Mainland China | 中國內地 | 947,905 | 929,064 |
| Hong Kong | 香港 | 1,101,639 | 654,612 |
| Total revenue | 收入總額 | 2,049,544 | 1,583,676 |

截至二零一零年九月三十日止六個月，約8.5%（截至二零零九年九月三十日止六個月：4.7%）之收入乃賺取自一位對外客戶。

5 OTHER GAINS – NET

5 其他收益 – 淨額

| | | For the six months ended 30th September | |
|---|-----------------------|--|----------|
| | | 截至九月三十日止六個月 | |
| | | 2010 | 2009 |
| | | 二零一零年 | 二零零九年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Gain on disposal of an investment property | 出售一項投資物業之收益 | - | 10,448 |
| Amount recovered from an available-for-sale financial asset fully impaired previously | 收回一項以往已全數減值之可供出售之財務資產 | - | 386 |
| Net exchange gain | 淨匯兌收益 | 4,143 | 89 |
| Sundry income | 雜項收入 | 1,547 | 1,259 |
| Fair value gain on interest rate instruments | 利率工具之公平價值收益 | 131 | 1,968 |
| Net fair value gains 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收益 | - | 121 |
| Losses on steel future contracts | 鋼材期貨合約之虧損 | (8,117) | (1,420) |
| Write-back of provision for onerous contracts | 撤回有償契約之撥備 | 23,898 | - |
| Gain on disposal of an associate | 出售一間聯營公司之收益 | 40,419 | - |
| | | 62,021 | 12,851 |

6 EXPENSES BY NATURE

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

6 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：

| | | For the six months ended | |
|--|------------------------|--------------------------|-----------|
| | | 30th September | |
| | | 截至九月三十日止六個月 | |
| | | 2010 | 2009 |
| | | 二零一零年 | 二零零九年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Raw materials consumed and finished goods sold | 原材料耗用及製成品銷售 | 1,992,548 | 1,422,288 |
| (Write-back of)/write-down of inventories | 存貨(撤回)/撇減 | (1,042) | 1,735 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 3,518 | 3,585 |
| Loss on disposals of property, plant and equipment | 出售物業、廠房及設備之虧損 | 8 | 2 |
| Amortisation of leasehold land and land use rights | 租賃土地及土地使用權之攤銷 | 101 | 101 |
| Employee benefit expenses | 僱員福利支出 | 36,516 | 32,650 |
| Operating lease rental in respect of land and buildings | 土地及樓宇營業租約租金 | 6,833 | 7,556 |
| (Write-back of)/impairment of trade receivables | 應收賬款(撤回)/減值 | (564) | 3,098 |
| Others | 其他 | 35,931 | 29,213 |
| 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 | 2,073,849 | 1,500,228 |

7 FINANCE INCOME AND COSTS

7 財務收入及費用

| | | For the six months ended 30th September 截至九月三十日止六個月 | |
|---|-------------------------|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 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 | 334 | 206 |
| – from an associate (Note 16(a)) | – 來自一間聯營公司 (附註16(a)) | 60 | 208 |
| | | 394 | 414 |
| ----- | | | |
| Finance costs | 財務費用 | | |
| Interest expenses: | 利息支出： | | |
| – bank borrowings wholly repayable within five years | – 須於五年內全數償還之 銀行借貸 | (7,578) | (6,027) |
| Bank charges | 銀行費用 | (5,738) | (3,804) |
| | | (13,316) | (9,831) |
| ----- | | | |
| Net finance costs | 淨財務費用 | (12,922) | (9,417) |

8 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% (2009: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong.

The National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") on 16th March 2007 and the State of Council announced the Detail Implementation Regulations ("DIR") on 6th December 2007. According to the CIT Law, the income tax rates for both domestic and foreign investment enterprises are unified at 25% effective from 1st January 2008. However, for enterprises which are established before the publication of the CIT Law and are entitled to preferential treatments of reduced income tax rate granted by relevant tax authorities, the income tax rate is gradually increased to 25% within 5 years after the effective date of the CIT Law. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term continue to enjoy such treatment until the fixed term expires. During the period, subsidiaries established in Mainland China are subject to China corporate income tax at rate of 25% (2009: 25%).

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

| | | For the six months ended 30th September 截至九月三十日止六個月 | |
|------------------------------|-----------|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Current income tax | 當期所得稅 | | |
| – Hong Kong profits tax | – 香港利得稅 | 2,119 | 1,328 |
| – China corporate income tax | – 中國企業所得稅 | 3,070 | 2,171 |
| Deferred income tax | 遞延所得稅 | (3,831) | 12,471 |
| | | 1,358 | 15,970 |

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

8 所得稅支出

本公司獲豁免繳納百慕達稅項直至二零一六年。

香港利得稅乃根據來自或賺取自香港之估計應課稅溢利按稅率16.5% (二零零九年：16.5%) 作出撥備。

於二零零七年三月十六日，全國人民代表大會通過中華人民共和國企業所得稅法(「企業所得稅法」)，而國務院亦於二零零七年十二月六日頒佈條例實施細則(「條例實施細則」)。根據企業所得稅法，內地及外資企業之所得稅率自二零零八年一月一日起劃一為25%。然而，就於企業所得稅法頒佈前設立並享有相關稅務機關授予減免所得稅優惠稅率之企業而言，所得稅率自企業所得稅法生效之後5年內逐漸增至25%。目前有權於一段固定期間獲得標準所得稅率豁免或減免之企業，可繼續享有該項待遇，直至該段固定期限屆滿為止。本期內，於中國內地成立之附屬公司按稅率25% (二零零九年：25%) 繳付中國企業所得稅。

於未經審核簡明綜合中期損益表中支出之所得稅包括：

| | For the six months ended 30th September 截至九月三十日止六個月 | |
|------------------------------|---|----------------------------------|
| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Current income tax | | |
| – Hong Kong profits tax | 2,119 | 1,328 |
| – China corporate income tax | 3,070 | 2,171 |
| Deferred income tax | (3,831) | 12,471 |
| | 1,358 | 15,970 |

所得稅支出乃按管理層估計全年財政年度之加權平均全年所得稅率而確認。

9 DIVIDENDS

An interim dividend of HK1.3 cents per ordinary share (2010 interim: HK3 cents per ordinary share) was proposed by the board of directors on 10th November 2010. This interim dividend, amounting to approximately HK\$5,384,000 (2010 interim: approximately HK\$12,391,000), has not been recognised as a liability in this unaudited condensed consolidated interim financial information.

10 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 period.

9 股息

董事會於二零一零年十一月十日建議中期股息每股普通股1.3港仙(二零一零年中期：每股普通股3港仙)。約共5,384,000港元(二零一零年中期：約12,391,000港元)之中期股息並沒有在此未經審核簡明綜合中期財務資料中確認為負債。

10 每股普通股盈利

(a) 基本

計算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期內已發行普通股之加權平均數計算。

For the six months ended

30th September

截至九月三十日止六個月

| 2010 | 2009 |
|-------|-------|
| 二零一零年 | 二零零九年 |

| | | | |
|---|--------------------|---------|---------|
| 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) | 21,796 | 50,203 |
| Weighted average number of ordinary shares in issue ('000) | 已發行普通股之加權平均數 (千股) | 414,128 | 390,235 |
| Basic earnings per ordinary share (HK cents) | 每股普通股基本盈利 (港仙) | 5.3 | 12.9 |

10 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 are 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.

10 每股普通股盈利(續)

(b) 攤薄

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

For the six months ended

30th September

截至九月三十日止六個月

2010

2009

二零一零年

二零零九年

| | | | |
|---|--------------------------------|---------|---------|
| 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) | 21,796 | 50,203 |
| Weighted average number of ordinary shares in issue ('000) | 已發行普通股之 加權平均數(千股) | 414,128 | 390,235 |
| Adjustment for share options ('000) | 調整購股權(千份) | 9,452 | - |
| 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) | 423,580 | 390,325 |
| Diluted earnings per ordinary share (HK cents) | 每股普通股攤薄盈利 (港仙) | 5.1 | 12.9 |

11 TRADE AND BILL RECEIVABLES

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

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

| | | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 |
|--|------------|--|---|
| 0 – 60 days | 0-60日 | 461,949 | 371,468 |
| 61 – 120 days | 61-120日 | 48,517 | 32,479 |
| 121 – 180 days | 121-180日 | 3,929 | 4,729 |
| 181 – 365 days | 181-365日 | 3,109 | 1,121 |
| Over 365 days | 超過365日 | 13,502 | 15,051 |
| | | 531,006 | 424,848 |
| Less: Provision for impairment of trade receivables | 減：應收賬款減值撥備 | (14,452) | (15,022) |
| | | 516,554 | 409,826 |

The carrying amounts of net trade and bill receivables approximated their fair values.

11 應收賬款及票據

銷售均以(i)見票即付之信用證；或(ii)記賬方式進行，信貸期一般介乎15至60日不等。

應收賬款及票據根據發票日期之賬齡分析如下：

| | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 |
|--|--|---|
| | 461,949 | 371,468 |
| | 48,517 | 32,479 |
| | 3,929 | 4,729 |
| | 3,109 | 1,121 |
| | 13,502 | 15,051 |
| | 531,006 | 424,848 |
| Less: Provision for impairment of trade receivables | (14,452) | (15,022) |
| | 516,554 | 409,826 |

淨應收賬款及票據之賬面金額與其之公平價值相約。

12 TRADE AND BILL PAYABLES

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

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

| | | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 |
|----------------|----------|--|---|
| 0 – 60 days | 0-60日 | 113,727 | 242,003 |
| 61 – 120 days | 61-120日 | 17 | 4,050 |
| 121 – 180 days | 121-180日 | 1,675 | 83 |
| 181 – 365 days | 181-365日 | 2 | 438 |
| Over 365 days | 超過365日 | 597 | 899 |
| | | 116,018 | 247,473 |

The carrying amounts of trade and bill payables approximated their fair values.

12 應付賬款及票據

與供應商之付款條款均以信用證或記賬方式進行。若干供應商之信貸期約30日。

應付賬款及票據根據發票日期之賬齡分析如下：

| As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 |
|--|---|
|--|---|

應付賬款及票據之賬面金額與其之公平價值相約。

13 BORROWINGS

13 借貸

| | | As at | As at |
|--|----------------------|-----------------------|------------|
| | | 30th September | 31st March |
| | | 2010 | 2010 |
| | | 於二零一零年 | 於二零一零年 |
| | | 九月三十日 | 三月三十一日 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Non-current | 非當期 | | |
| – Long-term bank loans | – 長期銀行貸款 | – | 3,925 |
| Current | 當期 | | |
| – Trust receipts bank loans, secured | – 信託收據銀行貸款，抵押的 | 516,580 | 247,803 |
| – Short-term bank loans, secured | – 短期銀行貸款，抵押的 | 108,151 | 154,714 |
| – Long-term bank loans, secured, current portion | – 長期銀行貸款，抵押的 當期部份 | 7,760 | 7,764 |
| | | 632,491 | 410,281 |
| Total borrowings | 借貸總額 | 632,491 | 414,206 |

Movements in borrowings are analysed as follows:

借貸變動之分析如下：

| | | HK\$'000 |
|--|------------------------|-----------------|
| | | 千港元 |
| Six months ended 30th September 2010 | 二零一零年九月三十日止六個月 | |
| Opening amount at 1st April 2010 | 於二零一零年四月一日期初金額 | 414,206 |
| Inception of borrowings | 當期借貸 | 274,806 |
| Repayments of borrowings | 償還借貸 | (56,521) |
| Closing amount at 30th September 2010 | 於二零一零年九月三十日期終金額 | 632,491 |
| Six months ended 30th September 2009 | 二零零九年九月三十日止六個月 | |
| Opening amount at 1st April 2009 | 於二零零九年四月一日期初金額 | 501,064 |
| Inception of borrowings | 當期借貸 | 117,671 |
| Repayments of borrowings | 償還借貸 | (139,702) |
| Closing amount at 30th September 2009 | 於二零零九年九月三十日期終金額 | 479,033 |

14 SHARE CAPITAL

| | | Number of shares 股份數目 '000 千股 | Nominal value 面值 HK\$'000 千港元 |
|---|-----------------------|---|---|
| Authorised (Ordinary shares of HK\$0.10 each) | 法定（每股0.10港元之普通股） | 1,000,000 | 100,000 |
| As at 1st April 2010 and 30th September 2010 | 於二零一零年四月一日及二零一零年九月三十日 | 414,128 | 41,413 |

14 股本

15 COMMITMENTS

(a) Capital commitments

Capital commitments in respect of an investment property is as follows:

| | | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 | As at 31st March 2010 於二零一零年 三月三十一日 HK\$'000 千港元 |
|---------------------------------|---------|---|--|
| Contracted but not provided for | 已訂約但未確認 | 19,500 | - |

15 承擔

(a) 資本承擔

關於一項投資物業之資本承擔如下：

(b) Commitments under operating leases

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

| | | As at 30th September 2010 於二零一零年 九月三十日 HK\$'000 千港元 | As at 31st March 2010 於二零零九年 三月三十一日 HK\$'000 千港元 |
|---|----------|---|--|
| Not later than one year | 未逾1年 | 11,211 | 10,083 |
| Later than one year and not later than five years | 逾1年及未逾5年 | 8,487 | 5,305 |
| Later than five years | 逾5年 | 483 | 758 |
| | | 20,181 | 16,146 |

(b) 營業租約承擔

就承租物業而訂立之不可撤銷營業租約之應付承擔總額分析如下：

15 COMMITMENTS (CONTINUED)

(c) Commitments under derivative contracts

As at 30th September 2010, the VSC Group had outstanding forward foreign exchange contracts to purchase approximately US\$1,000,000 (31st March 2010: US\$1,000,000) for approximately HK\$7,760,000 (31st March 2010: HK\$7,760,000). The settlement date is 26th May 2011.

As at 30th September 2010, the VSC Group had outstanding steel future contracts to purchase 6,000 metric tonnes of rebar at RMB25,374,000 (31st March 2010: 10,000 metric tonnes of rebar at approximately RMB47,600,000).

As at 30th September 2010, the VSC Group had outstanding interest rate instrument with a notional principal amount of approximately HK\$7,760,000 (31st March 2010: HK\$11,689,000). The settlement date is 8th September 2011.

16 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:

15 承擔(續)

(c) 衍生合約承擔

於二零一零年九月三十日，萬順昌集團尚有約7,760,000港元(二零一零年三月三十一日：7,760,000港元)未行使之遠期外匯合約以用作購買約1,000,000美元(二零一零年三月三十一日：1,000,000美元)。結算日為二零一一年五月二十六日。

於二零一零年九月三十日，萬順昌集團尚有約人民幣25,374,000元(二零一零年三月三十一日：約人民幣47,600,000元之10,000公噸鋼筋)未行使之鋼材期貨合約以用作購買6,000公噸鋼筋。

於二零一零年九月三十日，萬順昌集團尚有一項設定本金額約7,760,000港元(二零一零年三月三十一日：11,689,000港元)未行使之利率工具。結算日為二零一一年九月八日。

16 與關連人士之交易

(a) 交易

與關連人士之重大交易詳情如下，此等交易是按照萬順昌集團日常業務之正常條款進行：

For the six months ended

30th September

截至九月三十日止六個月

| 2010 | 2009 |
|----------|----------|
| 二零一零年 | 二零零九年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

| | | | |
|---|-------------------|--------|--------|
| Sales of goods to associates (i) | 向聯營公司銷售貨品(i) | 94,966 | 92,146 |
| Rental expenses paid to an associate (ii) | 已付一間聯營公司之租金支出(ii) | 1,279 | 2,529 |
| Interest received from an associate (iii) | 已收一間聯營公司之利息(iii) | 60 | 208 |

16 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Transactions (Continued)

Notes:

- (i) Goods were sold at prices mutually agreed by both parties.
- (ii) Rental expenses were determined by reference to open market rental.
- (iii) Interest income was determined at a rate of LIBOR plus 1.75% per annum on outstanding balances.

(b) Key management compensation

16 與關連人士之交易 (續)

(a) 交易 (續)

附註：

- (i) 銷售之貨品皆按雙方達成協議之價格收取。
- (ii) 租金支出乃參考公開市場之租值而釐訂。
- (iii) 利息收入乃以倫敦銀行同業拆息加1.75%之年利率按結餘計算。

(b) 主要管理層報酬

For the six months ended

30th September

截至九月三十日止六個月

| | | 2010 | 2009 |
|--|----------------|--------------|--------------|
| | | 二零一零年 | 二零零九年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Salaries and allowances | 薪金及津貼 | 4,857 | 4,102 |
| Bonus | 花紅 | 3,544 | - |
| Pension costs – defined contribution schemes | 退休金成本 – 界定供款計劃 | 81 | 89 |
| | | 8,482 | 4,191 |

17 SEASONALITY

There is no material seasonality impact on the operations of the VSC Group.

17 季節性

季節性對萬順昌集團之營運並無重大影響。

RESULTS

Revenue for the six months ended 30th September 2010 was approximately HK\$2,050 million, a 29% increase as compared with approximately HK\$1,584 million for the same period of last year. The major contributor was Hong Kong Steel Distribution operation which benefitted from the booming property market in Hong Kong. Gross profit margin, however, decreased by 7.3 percentage points to 2.8% as compared with 10.1% for the same period of last year. This was due to a sudden surge in steel price in late March 2010 which significantly eroded the profit margin of the Hong Kong Steel Distribution operations. The steel price quickly corrected in May 2010 and stabilized since then. Selling and distribution expenses increased by 28% from approximately HK\$11 million to approximately HK\$14 million. The increase was in line with the increase in revenue. General and administrative expenses slightly increased by 4% from approximately HK\$65 million to approximately HK\$68 million.

On 3rd June 2010, the VSC Group entered into a share repurchase agreement to dispose the remaining 20% interest in Ryerson China Limited for US\$17.5 million, equivalent to approximately HK\$136 million. The transaction was completed in July 2010 and a gain of approximately HK\$40 million was recognized as other gain.

Profit attributable to the equity holders of the Company was approximately HK\$22 million, a 57% decrease from approximately HK\$50 million for the same period of last year. Basic earnings per ordinary share decreased by 59% to HK5.3 cents as compared with HK12.9 cents for the same period of last year. The interim dividend of HK1.3 cents per ordinary share was declared for the six months ended 30th September 2010 (2010 interim: HK3 cents).

業績

截至二零一零年九月三十日止六個月之收入約2,050,000,000港元，較去年同期約1,584,000,000港元上升29%，主要由於香港鋼材分銷業務受惠於香港物業市場之興旺。但毛利率則較去年同期之10.1%下跌7.3個百分點至2.8%。原因是於二零一零年三月下旬鋼材價格突然急升，嚴重影響香港鋼材分銷業務之溢利率。其後於二零一零年五月，鋼材價格迅速作出調整及維持穩定直至現在。銷售及分銷支出由約11,000,000港元增加至約14,000,000港元，上升28%，與收入之升幅一致。一般及行政支出則由約65,000,000港元微增至約68,000,000港元，上升4%。

於二零一零年六月三日，萬順昌集團訂立一項股份購回協議，以17,500,000美元，相等於約136,000,000港元出售餘下於瑞爾盛中國有限公司之20%權益。交易已於二零一零年七月完成，並錄得約40,000,000港元之收益及已確認於其他收益中。

本公司股權持有人應佔溢利較去年同期減少57%，由約50,000,000港元減少至約22,000,000港元。每股普通股基本盈利則由去年同期12.9港仙下跌至5.3港仙，跌幅為59%。期內宣派截至二零一零年九月三十日止六個月之中期股息每股普通股1.3港仙（二零一零年中期：3港仙）。

FINANCIAL POSITIONS

Compared with last fiscal year ended 31st March 2010, as at 30th September 2010, the VSC Group's total assets increased by approximately HK\$104 million to approximately HK\$1,548 million. The VSC Group's inventories increased by approximately HK\$71 million to approximately HK\$317 million. The average Days of Supplies (average inventories divided by cost of sales x 183 days) was 26 days which was better than that of 29 days for the last year end. The VSC Group's trade and bill receivables increased by approximately HK\$107 million to approximately HK\$517 million. The average overall Day Sales Outstanding (average trade and bill receivables divided by revenue x 183 days) increased from 32 days for the last year end to 41 days for the six months ended 30th September 2010. Net assets value of the VSC Group increased by approximately HK\$17 million to approximately HK\$668 million, equivalent to HK\$1.61 per ordinary share.

Compared with the financial position at 31st March 2010, the VSC Group's cash and cash equivalents and pledged bank deposits, increased by approximately HK\$122 million to approximately HK\$341 million while the VSC Group's bank borrowings increased by approximately HK\$218 million to approximately HK\$632 million. Current ratio improved to 1.52, while gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to equity holders plus net debt) increased from 24% to 32%.

FINANCIAL RESOURCES

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, and on cost efficient funding of the VSC Group and its group companies. The VSC Group always adhered to prudent financial management principles.

財務狀況

與截至二零一零年三月三十一日止之財政年度相比，萬順昌集團於二零一零年九月三十日之資產總額增加約104,000,000港元至約1,548,000,000港元。當中，萬順昌集團之存貨增加約71,000,000港元至約317,000,000港元。平均存貨週轉日數（平均存貨除以銷售成本乘183日）為26日，與去年年終之29日比較為佳。萬順昌集團之應收賬款及票據增加約107,000,000港元至約517,000,000港元。平均應收賬款週轉日數（平均應收賬款及票據除以收入乘183日）由去年年終之32日增加至截至二零一零年九月三十日止六個月之41日。而萬順昌集團之資產淨值增加約17,000,000港元至約668,000,000港元，相當於每股普通股1.61港元。

與於二零一零年三月三十一日之財務狀況比較，萬順昌集團之現金及現金等值及已抵押銀行存款，增加約122,000,000港元至約341,000,000港元，而萬順昌集團之銀行借貸則增加約218,000,000港元至約632,000,000港元。流動比率得以改善至1.52，資產負債比率（淨負債（借貸總額減已抵押銀行存款及現金及現金等值）除以權益持有人應佔股本及儲備加淨負債）由24%上升至32%。

財務資源

萬順昌集團所有融資及庫務活動均由集團集中管理及監控。萬順昌集團整體庫務及集資政策集中於財務風險管理，及對萬順昌集團及其集團成員公司提供符合成本效益之集資方法。萬順昌集團一直秉持審慎財務管理原則。

The VSC Group's trade financing remained primarily supported by its bank trading and term loan facilities. About 81% of the VSC Group's total borrowings were denominated in HK dollar, about 14% in Chinese Renminbi ("RMB") and about 5% in US dollar and all repayable in one year. These facilities are either secured by the VSC Group's inventory held under short-term trust receipts bank loan arrangement and/or pledged bank deposits and/or corporate guarantee provided by the Company. All of the above borrowings were on floating rate basis. Interest costs of import bank loans were levied on inter-banks borrowing rates plus very competitive margin. RMB loans and bill exchange facilities have been obtained from domestic and foreign banks in the amount of RMB78 million. Interest costs of RMB banking facilities were based on standard loan rates set by the People's Bank of China adjusted with competitive margin.

CHARGES ON ASSETS

As at 30th September 2010, the VSC Group had certain charges on assets which included (i) inventories of approximately HK\$32 million pledged for certain of the VSC Group's short-term bank loans; (ii) certain inventories were held under trust receipts bank loan arrangements, and (iii) bank deposits of approximately HK\$45 million which were pledged as collateral for the VSC Group's banking facilities, performance bonds and steel future contracts.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The VSC Group's businesses were primarily transacted in HK dollar, US dollar and RMB. As exchange rate between HK dollar and the US dollar is pegged, the VSC Group believes its exposure to exchange rate risk arising from US dollar is not material. Facing the appreciation of RMB, the VSC Group will continue to match RMB payments with RMB receipts to minimize exchange exposure.

Forward foreign exchange contracts would be entered into when suitable opportunities arise and when management of the VSC Group consider appropriate, to hedge against major non-HK dollar currency exposures. It is the VSC Group's policy not to enter into any derivative transaction for investment purpose as such activity is deemed to be too speculative and a deviation from the VSC Group's core competence.

萬順昌集團之貿易融資主要仍由其銀行貿易及定期貸款融資支持。萬順昌集團借款總額中約81%以港元為幣值，另約14%及約5%分別以人民幣（「人民幣」）及美元為幣值，並全數須於一年內償還。該等信貸融資主要以萬順昌集團之短期信託收據銀行貸款安排持有萬順昌集團之存貨及／或已抵押銀行存款及／或本公司提供之公司擔保以作抵押。所有以上之借貸均按浮動率計息。進口銀行貸款之利息費用以銀行同業拆息率加非常具有競爭力之息差計算。萬順昌集團已自國內及外資銀行獲得數額為人民幣78,000,000元之人民幣貸款及匯票融資。人民幣銀行融資之利息費用乃按中國人民銀行釐定之標準貸款利率以優惠息差再加以調整。

資產抵押

於二零一零年九月三十日，萬順昌集團有若干資產抵押，包括(i)約32,000,000港元之存貨已抵押作萬順昌集團之若干短期銀行貸款；(ii)若干於信託收據銀行貸款安排項下持有之存貨；及(iii)約45,000,000港元之銀行存款作為萬順昌集團之銀行信貸額、履行擔保書及鋼材期貨合約之抵押品。

匯率風險波動及相關對沖

萬順昌集團之業務主要以港元、美元及人民幣作交易。由於港元與美元之間匯率固定，萬順昌集團相信其匯率風險相當輕微。面對人民幣之升值，萬順昌集團將繼續以人民幣收入來作出人民幣付款，從而減低兌換風險。

當出現適當時機且萬順昌集團之管理層認為合適之情況下，將簽訂遠期外匯合約以對沖非港元貨幣之主要外匯風險。萬順昌集團之政策為不進行任何投資用途衍生產品交易，因該等活動之投機成份過高，偏離萬順昌集團之核心競爭力。

CONTINGENT LIABILITIES

As at 30th September 2010, there was no material contingent liability.

OPERATION REVIEW AND PROSPECTS

Steel Distribution

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

Hong Kong Steel Distribution ("HK Steel Department")

Our rebar business' market share has improved and gone from strength to strength since the same period of last year. Our backlog orders have increased from 174,000 metric tonnes as of end of September 2009 to 216,000 metric tonnes as of end of March 2010 and now to over 233,000 metric tonnes as of end of September 2010. The HK Steel Department continues to catch the rise of demand and has obtained contracts to distribute rebar to various projects. Customer base has also been further widened, with total sales of over 179,000 metric tonnes in the first half of the financial year ending 31st March 2011 ("FY2011") and generating revenue of over HK\$844 million.

With the launch of some of the 10 major infrastructure projects by the Hong Kong Government, it is expected that the demand of steel will further boost up this year with these infrastructure projects. The local property construction market looks strong as well. This provides a good opportunity for the VSC Group and we also expect to perform well in this market. Our overall market share has also increased due to our HK Steel Department winning more projects across all segments of the market. Recently, the VSC Group secured orders from the Kai Tak Development Plan and Guangzhou-Shenzhen-Hong Kong Express Rail Link projects. The VSC Group also received orders from many clients that have been awarded government housing and private residential development projects.

或然負債

於二零一零年九月三十日，萬順昌集團並無重大或然負債。

業務回顧與前景

鋼材分銷

鋼材分銷業務包括在香港經營之鋼筋、結構鋼及工程產品存銷業務，以及在中華人民共和國（「中國」）經營之鋼材分銷業務。萬順昌集團擁有66.7%權益之合營公司－上海寶順昌（「寶順昌」）則在華東從事國內鋼材產品分銷業務。

香港鋼材分銷（「香港鋼材部」）

我們鋼筋業務之市場佔有率已得到提升，並自去年同期起不斷增加。本公司之手頭訂單已由二零零九年九月底之174,000公噸增加至二零一零年三月底之216,000公噸，現時更增至二零一零年九月底之233,000公噸。香港鋼材部繼續把握需求增加之良機，並已取得向多個工程項目分銷鋼筋之合約。客戶基礎亦進一步擴大，於截至二零一一年三月三十一日止財政年度（「二零一一財政年度」）上半年銷售總額超過179,000公噸，產生逾844,000,000港元之收入。

隨著香港政府開展部分十大基建項目，預期今年對鋼材之需求將因此等基建工程而進一步上升。本地物業建築市場亦走勢強勁，為萬順昌集團提供良機。我們亦預期會在这一市場有出色表現。由於香港鋼材部在市場上投得更多工程，本公司之整體市場佔有率亦告上升。萬順昌集團於近期成功獲得啟德發展計劃及廣深港高速鐵路項目訂單。此外，萬順昌集團亦爭取到獲得政府房屋及私人住宅發展項目客戶之訂單。

The volatility of the steel market continues to provide huge challenges for the HK Steel Department and we once again experience some of this impact in the first quarter of 2010 when the price of rebars from the mills spiked in late first quarter of this year. This high cost of goods sold was reflected in our interim results as you will see from the performance of the HK Steel Department. Much of this impact had been predicted and reserves had been set aside for the financial year ended 31st March 2010 ("FY2010"). Thus the impact to our first half financial statements has been mitigated to some degree.

On the positive side, the leadership team has managed to secure much lower costs rebars in the second and third quarter of 2010, thus we are cautiously optimistic for the remainder of FY2011.

Mainland China Steel Distribution ("PRC Steel Department")

We are glad to inform our shareholders that our dual strategy of going direct to the "end-users" of steel infrastructures in China as well as the move towards international projects has been very successful. Our international project sales has increased significantly. The profitability has also improved tremendously by 2-3 times that of domestic sales.

Our 66.7% owned joint venture BSC faces challenges from the changing government policies on steel industry. Its revenue increased from HK\$654 million to HK\$754 million and managed to pass on most of the price risk to its customers. Nevertheless, its gross profit dropped slightly due to the volatile steel prices.

Building Products Distribution

The business units of Building Products Distribution mainly engages in distributing sanitary wares in Hong Kong, Shanghai, Shenzhen and Macau. Total revenue of the Building Products Distribution amounted to approximately HK\$188 million for the period under review.

PRC Leisure Plus (Shanghai and Shenzhen)

During the six months under review, Shanghai and Shenzhen Leisure Plus reported a revenue of approximately HK\$127 million which represents over 67% of our total Building Products Distribution's revenue. This signifies the huge success of our strategy to enter into the China market over the last 5-7 years. Our strength in our channels development in Shanghai and also key account development in Shenzhen also complements our "close working" and strategic partnership with our key supplier TOTO. We are constantly exploring to enhance our current as well as add more strategic partnerships to create value for our shareholders.

鋼材市場之波動繼續為香港鋼材部帶來巨大挑戰，在二零一零年第一季度末鋼筋出廠價急升，因此我們於是年首季之時再次受到若干影響。高銷售成本已於我們的中期業績中反映，從香港鋼材部之表現中可見一斑。大部份相關影響早已被預見，並於截至二零一零年三月三十一日止財政年度（「二零一零財政年度」）預留儲備。因此，對我們上半年財務報表之影響已略為紓緩。

利好消息為，領導團隊在二零一零年第二及第三季度已獲得較低成本之鋼筋，因此，我們對二零一一財政年度餘下時間之表現持審慎樂觀態度。

中國內地鋼材分銷（「中國鋼材部」）

我們欣然告知列位股東，本公司採納之雙線戰略（即向中國鋼材基建項目之「最終用戶」進行直銷之同時亦推動國際項目）已取得極大成功。我們國際項目之銷售額已錄得大幅增長。盈利能力亦較國內銷售大幅改善2至3倍。

本公司擁有66.7%權益之合營公司寶順昌面對鋼材行業政府政策變動造成之挑戰。其收入由654,000,000港元增加至754,000,000港元，並成功將大部份價格風險轉嫁予其客戶。然而，鋼材價格波動導致其毛利微降。

建築產品分銷

建築產品分銷轄下之業務部門主要在香港、上海、深圳及澳門分銷潔具。於回顧期間，建築產品分銷之總收入約為188,000,000港元。

中國利尚派（上海及深圳）

於六個月之回顧期間，上海及深圳利尚派錄得收入約127,000,000港元，佔建築產品分銷收益總額67%以上。這意味著過去5至7年我們進軍中國市場之策略取得巨大成功。我們在上海開拓渠道及在深圳發展主要客戶之實力，跟我們與主要供應商TOTO之「緊密合作」及戰略夥伴關係相輔相承。我們務求繼續加強我們現有戰略夥伴關係並尋求建立更多戰略夥伴關係，以為股東創造價值。

Hong Kong Leisure Plus

Hong Kong Leisure Plus recorded a revenue of approximately HK\$61 million, this represents 33% increase from last year's HK\$46 million for same period. It engages in projects, wholesale distribution and retail for sanitary wares and fittings, kitchen cabinets and home furniture for Hong Kong and Macau markets. Leisure Plus, the one-stop lifestyle home solution provider in Wanchai, offers a delicate combination of balances that turn customer's house into a home. Hong Kong Leisure Plus currently has contracts-on-hand worth approximately HK\$21 million, which includes some major projects such as supply of sanitary wares for Ocean Park, Times Square, HSBC Headquarter, Hong Kong Convention and Exhibition Centre, Tamar Government Headquarter, etc.

Plastic Resins Distribution ("Plastics Department")

Plastics Department distributes general and engineering plastics in Hong Kong and Mainland China. It currently has business presence in Guangzhou, Shenzhen, Shanghai and Hong Kong.

Since the economic crisis in 2008-2009, our business has improved tremendously. For the past half year, we have generated revenue of over HK\$211 million at a very respectable margin of over 6%. Learning from our lessons in FY2010, we are increasing our presence in China into Eastern China region (e.g. Hangzhou) as well as inland parts of China (e.g. Wuhan) since many Chinese manufacturers have also moved inland due to expensive labor costs in the coastal China cities. In addition to our existing sales offices, we expect to open offices in Wuhan and Hangzhou before the end of this calendar year.

The sales team of Plastics Department also has an aggressive plan to improve their performance. To drive volume growth, a dual strategy – emphasizing on both the higher end products of engineering plastics as well as increasing market share of the commodity plastics – has been implemented. We are confident of the continuing improvement in our Plastics Department's performance for FY2011.

香港利尚派

香港利尚派錄得收入約61,000,000港元，較去年同期之46,000,000港元增加33%。該部門於香港及澳門市場從事潔具及設備、廚櫃及家具之項目、批發分銷及零售。利尚派為位於灣仔之一站式家居解決方案供應商，提供多款精美選擇及組合，為客戶佈置理想家居。香港利尚派現有之手頭合約價值約21,000,000港元，當中包括部分主要項目，如為海洋公園、時代廣場、滙豐銀行總部、香港會議展覽中心及添馬艦政府總部等供應潔具等。

塑膠樹脂分銷（「塑膠部」）

塑膠部在香港及中國內地分銷一般及工程塑膠樹脂，業務現時遍及廣州、深圳、上海及香港。

自二零零八年至二零零九年之經濟危機後，我們之業務已大幅改善。過去半年，我們錄得逾211,000,000港元之收入，利潤率相當可觀，逾6%。我們吸取二零一零財政年度之經驗，現正為鞏固中國之業務進軍華東地區（如杭州）以及中國內陸地區（如武漢），此乃由於中國沿海城市之勞動成本日漸高昂，眾多中國製造商已遷移至中國內陸地區。除現有銷售辦事處外，我們預計在本曆年底前於武漢及杭州開設銷售辦事處。

塑膠部銷售團隊亦有積極進取之計劃以改善其表現。為推動銷售量增長，我們已推行雙線戰略，既著重工程塑膠高端產品，同時也著眼提高商品塑膠之市場佔有率。我們深信塑膠部之表現會於二零一零一財年度繼續改善。

Property Investment

The VSC Group invested in property business by holding a 33.33% stake in an 11-storey office building in Jing An District, Shanghai, where the VSC Group's PRC headquarter is located. Currently, the property is managed by our property management team and the property has an occupancy rate of over 98%. The performance has been above expectations and good returns have been made on the rentals of the retail and office floor space. The appreciation of the property value has also been encouraging. The tenants consist of various international companies which provide a stable income for the property business. Our property management team has been in the real estate properties management business for a number of years and will also explore the opportunities in providing property management and agent services to other projects. Recently, we are also looking at multiple potential property projects in FY2011 and a number of potential deals in various cities in China have been targeted. The management of these properties, service, maintenance and leasing could potential become a substantial portion of our future business in China.

In August 2010, we entered into the provisional agreement to acquire a residential property in One Beacon Hill with a consideration of approximately HK\$20 million for investment purpose to strengthen our income base.

Other Investment

The VSC Group has invested in associated companies which are engaged in hotel business operating in the PRC. In addition to monitoring the expansion of this business, the VSC Group will also continue to search for other potential investment opportunities to enhance the development of business.

We will also continue to explore synergistic businesses to enhance and provide strategic hedge to our existing Steel Distribution business; this would include but not limited to, metals recycling business as mentioned in our FY2010 Annual Report.

Hotel Business

The VSC Group owns 44% interest in a business of budgeted hotel chain operating in the PRC, namely a8 Hotel ("a8"), which currently operates 3 hotels in Shanghai and 2 hotels in Guangzhou, with one more hotel in Shanghai joined a8 as a franchisee. During the period under review, due to the Shanghai World Expo, the hotel business has performed very well with average room occupancy of over 85% and room rates over 20% above the norm. This has generated good positive cash-flow for the company and increased the shareholders' value. The leadership team is re-evaluating the strategic planning of this investment and the best possible way to create maximum shareholders' value here.

房地產投資

萬順昌集團憑藉持有上海靜安區一幢十一層高辦公大樓之33.33%權益，投資於房地產業務。萬順昌集團之中國總部亦設於該辦公大樓內。目前，該物業由我們之物業管理團隊管理且其出租率逾98%。該物業之表現高於預期，零售及辦公室樓面空間之租賃業務已獲得豐厚回報。物業價值增值亦令人鼓舞。租戶包括多家國際公司，為房地產業務帶來穩定收入。我們之物業管理團隊已經營房地產物業管理業務多年，其亦尋求機會，以取得向其他項目提供物業管理及代理服務之機會。我們近期亦瞄準二零一一年財政年度多項具潛力之物業項目，並已鎖定中國多個城市之若干具潛力交易。該等物業之管理、服務、維護及租賃業務或可成為我們在中國未來業務之重要組成部份。

於二零一零年八月，我們以代價約20,000,000港元收購位於畢架山一號之住宅物業用作投資目的以增強收入基礎。

其他投資

萬順昌集團已投資於在中國經營酒店業務之聯營公司。萬順昌集團除監控該等業務之擴展外，亦將繼續物色其他潛在之投資機會，以加快業務發展。

我們亦會繼續物色具協同效應之業務，以改善現有鋼材分銷業務並為該業務提供策略性保障；這包括但不限於本公司二零一零財政年度年報中所述之金屬回收業務。

酒店業務

萬順昌集團擁有在中國營運之經濟型連鎖酒店a8酒店（「a8」）業務之44%權益。目前，a8分別在上海及廣州經營三家及兩家酒店，另一家上海酒店以特許店形式加盟a8。在回顧期內，受上海世博會帶動，酒店業務表現極佳，平均客房出租率超過85%，客房租金較平時高出20%。這為本公司帶來令人滿意之正現金流，並增加了股東價值。領導團隊正重新評估該項投資之戰略規劃及可為股東創造最高價值之最佳方式。

EMPLOYEE AND REMUNERATION POLICIES

As at 30th September 2010, the VSC Group employed 312 staff. Salaries and annual bonuses are determined according to positions and performance of the employees. The VSC Group provides on-the-job training and training subsidy to its employees in addition to retirement benefit schemes and medical insurance. Total staff costs including contribution to retirement benefit schemes incurred during the 6-month period under review amounted to approximately HK\$37 million. During the 6-month period under review, options to subscribe 3,815,000 shares have been offered and granted to its employee under the share option scheme adopted since 12th November 2001.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK1.3 cents per ordinary share for the six months ended 30th September 2010 payable to shareholders whose names appear on the Register of Members of the Company at the close of business on 17th December 2010. Dividend warrants are expected to be despatched on or before 22nd December 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 15th December 2010 to 17th December 2010 (both dates inclusive) during which period no transfers of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited by not later than 4:00 p.m. (Hong Kong SAR time) on 14th December 2010.

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

As at 30th September 2010, the interests and short positions of the Directors and chief executives of the Company in the shares of HK\$0.10 each in the capital of the Company ("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

員工及薪酬政策

於二零一零年九月三十日，萬順昌集團聘請312名員工。薪酬及年終花紅乃根據僱員之職位及表現而釐定。除退休福利計劃及醫療保險外，萬順昌集團亦為其僱員提供在職培訓及培訓津貼。總員工成本包括於回顧六個月期間之退休福利計劃供款約37,000,000港元。在回顧六個月期間，根據於二零零一年十一月十二日採納之購股權計劃，向其僱員提供及授出可認購3,815,000股股份之購股權。

中期股息

董事會宣佈向於二零一零年十二月十七日辦公時間結束時名列本公司股東名冊之股東派發截至二零一零年九月三十日止六個月之中期股息每股普通股1.3港仙。預期股息單將於二零一零年十二月二十二日或該日之前寄發。

暫停辦理股份過戶登記手續

本公司將由二零一零年十二月十五日至二零一零年十二月十七日（首尾兩天包括在內）期間暫停辦理股份過戶登記手續。為了符合享有中期股息資格，所有股份轉讓文件連同有關股票及過戶表格最遲須於二零一零年十二月十四日下午四時（香港特別行政區時間）送抵本公司於香港之股份過戶登記處，即香港中央證券登記有限公司。

董事於股份、相關股份及債權證之權益及淡倉

於二零一零年九月三十日，董事及本公司之最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之本公司股本中每股面值0.10港元之股份（「股份」）、相關股份及債權證中擁有之權益及淡倉包括(a)根

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:

據證券及期貨條例第XV部第7及第8分部必須知會本公司及香港聯合交易所有限公司(「聯交所」)(包括根據證券及期貨條例之該等規定被認為或視作擁有之權益及淡倉);或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內;或(c)根據上市發行人董事進行證券交易的標準守則(「標準守則」)必須知會本公司及聯交所之權益及淡倉載列如下:

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

(i) 本公司之股份及購股權之權益

| Name of Directors 董事名稱 | Capacity 身份 | Attributable interest to the Directors 董事應佔權益 | Number of Shares 股份數目 | Approximate percentage 概約百分比 | Number of share options 購股權數目 (Note b) (附註b) | Aggregate interest 累計權益 |
|--|---|--|-----------------------------|------------------------------------|---|-------------------------------|
| Mr. Andrew Cho Fai Yao (“Mr. Yao”) 姚祖輝先生 (「姚先生」) | Interest of controlled corporation, Huge Top (Note a) 受控制公司， Huge Top之權益 (附註a) | deemed interest (indirectly) 被視作擁有之 權益(間接) | 173,424,000 | 41.88% | – | 173,424,000 |
| | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | 2,512,000 | 0.61% | 1,500,000 | 4,012,000 |
| | | | 175,936,000 | 42.49% | 1,500,000 | 177,436,000 |
| Mr. Fernando Sai Ming Dong 唐世銘先生 | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | 142,000 | 0.03% | 500,000 | 642,000 |
| Mr. Harold Richard Kahler Harold Richard Kahler先生 | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | 66,000 | 0.02% | 1,000,000 | 1,066,000 |
| Mr. Kern Lim 林耿先生 | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | – | – | 3,815,000 | 3,815,000 |

| Name of Directors 董事名稱 | Capacity 身份 | Attributable interest to the Directors 董事應佔權益 | Number of Shares 股份數目 | Approximate percentage 概約百分比 | Number of share options 購股權數目 (Note b) (附註b) | Aggregate interest 累計權益 |
|--------------------------------------|---------------------------|--|-----------------------------|------------------------------------|---|-------------------------------|
| Mr. Kenny King Ching Tam 譚競正先生 | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | - | - | 1,000,000 | 1,000,000 |
| Mr. Xu Lin Bao 徐林寶先生 | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | - | - | 1,000,000 | 1,000,000 |

Notes:

- a. As at 30th September 2010, Huge Top Industrial Ltd. ("Huge Top") held 173,424,000 Shares. Mr. Yao was one of the two directors of Huge Top while the remaining director of Huge Top was Ms. Miriam Che Li Yao who was the sister of Mr. Yao. Mr. Yao directly held approximately 11.90% and indirectly through Perfect Capital International Corp. ("Perfect Capital") owned approximately 42.86% of the issued shares of Huge Top and was entitled to exercise more than one-third of the voting power at general meetings of Huge Top. Mr. Yao owned the entire issued share capital of Perfect Capital. These interests of the aforesaid Director in the Shares were corporate interests.
- b. The interests of the Director in the share options of the Company are separately disclosed in the section headed "Share Option Scheme" below.

附註：

- a. 於二零一零年九月三十日，Huge Top Industrial Ltd (「Huge Top」) 持有173,424,000股股份。姚先生乃Huge Top兩名董事之一，而Huge Top餘下之董事為姚潔莉小姐(乃姚先生之姊)。姚先生直接持有約11.90%及透過Perfect Capital International Corp. (「Perfect Capital」) 間接擁有Huge Top已發行股份約42.86%，並在Huge Top之股東大會上擁有多於三份一之投票權。姚先生擁有Perfect Capital全部已發行股本。前述董事於股份之該等權益乃屬公司權益。
- b. 董事於本公司購股權之權益已獨立在下節「購股權計劃」披露。

(ii) Long positions in associated corporation – Huge Top**(ii) 相聯法團之權益 – Huge Top**

| Name of Directors 董事名稱 | Capacity 身份 | Attributable interest to the Directors 董事應佔權益 | Number of shares 股份數目 | Approximate percentage 概約百分比 |
|---|---|---|---------------------------------|--|
| Mr. Yao (Refer to Note a in (i) above) 姚先生(請閱上文(i)附註a) | Interest of controlled corporation, Perfect Capital 受控制公司，Perfect Capital之權益 | deemed interest (indirectly) 被視作擁有之權益(間接) | 36 | 42.86% |
| | | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | 10 11.90% |
| | | | 46 | 54.76% |
| Mr. Fernando Sai Ming Dong 唐世銘先生 | Beneficial owner 實益擁有人 | 100% (directly) 100% (直接) | 13 | 15.48% |

Save as disclosed above, as at 30th September 2010, none of the Directors, chief executives of the Company and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (include interests and short positions which they are taken or deemed to have under such provisions of SFO); or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一零年九月三十日，董事、本公司之最高行政人員或彼等之聯繫人概無擁有根據證券及期貨條例有關本公司或其任何相聯法團之股份、相關股份或債權證中任何個人、家族、公司或其他權益或淡倉包括(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及聯交所(包括根據證券及期貨條例之該等規定被認為或視作擁有之權益或淡倉)；或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內；或(c)根據標準守則必須知會本公司及聯交所之權益或被視作擁有之權益或淡倉。

Apart from the foregoing, at no time during the period 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.

除上述者外，於期內任何時間，本公司及其任何附屬公司並無訂立任何安排，以使董事或彼等之任何配偶或十八歲以下之子女有權透過購買本公司或任何其他法人團體之股份或債權證而從中獲益，以及概無董事或最高行政人員或彼等各自之配偶或十八歲以下之子女已獲授任何權利以認購本公司股份或債務證券或已行使該等權利。

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 30th September 2010, 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 of the Company which fell to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

根據證券及期貨條例第XV部第2及第3分部須披露人士之權益及淡倉

除上文「董事於股份、相關股份及債權證之權益及淡倉」一節所披露之權益外，於二零一零年九月三十日，按本公司根據證券及期貨條例第336條須存置之登記冊之記錄，下列實體於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉：

| Name 姓名 | Capacity 身份 | Number of Shares 股份數目 | Approximate percentage 概約百分比 | Number of share options 購股權數目 | Aggregate interest 累計權益 |
|--------------------------------------|---|----------------------------------|------------------------------------|-------------------------------------|-------------------------------|
| Huge Top | Beneficial owner 實益擁有人 | 173,424,000 | 41.88% | – | 173,424,000 |
| Perfect Capital | Interest of controlled corporation 受控制公司之權益 | 173,424,000 (Note a) (附註a) | 41.88% | – | 173,424,000 |
| Ms. Miriam Che Li Yao 姚潔莉女士 | Interest of controlled corporation 受控制公司之權益 | 173,424,000 (Note b) (附註b) | 41.88% | – | 173,424,000 |
| | Beneficial owner 實益擁有人 | 2,000,000 | 0.48% | 1,000,000 | 3,000,000 |
| | | 175,424,000 | 42.36% | 1,000,000 | 176,424,000 |
| Penta Investment Advisers Limited | Investment manager 投資經理 | 33,100,000 | 7.99% | – | 33,100,000 |
| John Zwaanstra | Interest of controlled corporation 受控制公司之權益 | 33,100,000 (Note c) (附註c) | 7.99% | – | 33,100,000 |

Note:

- (a) As at 30th September 2010, Huge Top held 173,424,000 Shares. Perfect Capital owned approximately 42.86% of the issued shares of Huge Top and was entitled to exercise more than one-third of the voting power at general meetings of Huge Top and therefore was deemed to be interested in these Shares through Huge Top.
- (b) As at 30th September 2010, Huge Top held 173,424,000 Shares. Ms. Miriam Che Li Yao was one of the two directors of Huge Top while the remaining director of Huge Top was Mr. Yao who was the brother of Ms. Miriam Che Li Yao and therefore was deemed to be interested in these Shares through Huge Top.
- (c) As at 30th September 2010, Mr. John Zwaanstra has direct control over an investment manager Penta Investment Advisers Limited ("Penta") and therefore was deemed to control the voting power of 33,100,000 Shares held in aggregate by Penta and its wholly-owned subsidiaries and other entities controlled by it.

Save as disclosed above, as at 30th September 2010, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

附註：

- (a) 於二零一零年九月三十日，Huge Top持有173,424,000股股份。Perfect Capital擁有Huge Top已發行股份約42.86%，並在Huge Top之股東大會上擁有多於三份一之投票權，因此透過Huge Top被視為持有該等股份。
- (b) 於二零一零年九月三十日，Huge Top持有173,424,000股股份。姚潔莉女士乃Huge Top兩名董事之一，而Huge Top餘下之董事為姚先生（乃姚潔莉女士之弟），因此透過Huge Top被視為持有該等股份。
- (c) 於二零一零年九月三十日，John Zwaanstra先生對投資經理Penta Investment Advisers Limited（「Penta」）擁有直接控制權，因此被視作控制Penta及其全資附屬公司及受其控制的其他實體所持有合共33,100,000股股份的投票權。

除上文所披露者外，於二零一零年九月三十日，董事並不知悉有任何其他人士（董事或本公司最高行政人員除外）於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉。

SHARE OPTION SCHEME

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

購股權計劃

本公司由二零零一年十一月十二日已採納一項購股權計劃(「購股權計劃」)，而本公司可如購股權計劃所列向參與人士授予購股權。購股權計劃之條款已刊於二零零一年十月本公司寄予股東之通函內。於期內，按購股權計劃尚未行使之購股權如下：

| Name or category of participant 參與者姓名或類別 | Date of grant 授予日期 | Exercise period 行使期 | Exercise price per Share 每股行使價 | Number of share options 購股權數目 | | | | |
|--|-----------------------------------|---|-----------------------------------|----------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------------------------|
| | | | | Beginning of the period 期初 | Granted during the period 期內授予 | Exercised during the period 期內行使 | Lapsed during the period 期內失效 | End of the period 期末 |
| | | | | '000 千份 | '000 千份 | '000 千份 | '000 千份 | '000 千份 |
| Directors: 董事： | | | | | | | | |
| Mr. Yao 姚先生 | 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 | HK\$0.90 0.90港元 | 1,500 | - | - | - | 1,500 |
| Mr. Fernando Sai Ming Dong 唐世銘先生 | 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 | HK\$1.418 1.418港元 | 300 | - | - | - | 300 |
| | 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 | HK\$0.90 0.90港元 | 200 | - | - | - | 200 |
| Mr. Kenny King Ching Tam 譚競正先生 | 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 | HK\$0.78 0.78港元 | 1,000 | - | - | - | 1,000 |
| Mr. Harold Richard Kahler Harold Richard Kahler先生 | 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 | HK\$0.78 0.78港元 | 1,000 | - | - | - | 1,000 |

| Name or category of participant 參與者姓名或類別 | Date of grant 授予日期 | Exercise period 行使期 | Exercise price per Share 每股行使價 | Number of share options 購股權數目 | | | | |
|---|-----------------------------------|---|-----------------------------------|---|---|---|--|---------------------------------------|
| | | | | Beginning of the period 期初 '000 千份 | Granted during the period 期內授予 '000 千份 | Exercised during the period 期內行使 '000 千份 | Lapsed during the period 期內失效 '000 千份 | End of the period 期末 '000 千份 |
| Mr. Xu Lin Bao 徐林寶先生 | 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 | HK\$0.78 0.78港元 | 1,000 | - | - | - | 1,000 |
| Mr. Kern Lim 林耿先生 | 19th July 2010 二零一零年七月十九日 | 1st June 2012 to 18th July 2020 二零一二年六月一日至二零二零年七月十八日 | HK\$0.828 0.828港元 | - | 3,815 | - | - | 3,815 |
| Sub-total 小計 | | | | 5,000 | 3,815 | - | - | 8,815 |
| Employees: 僱員: | | | | | | | | |
| In aggregate 共計 | 7th May 2003 二零零三年五月七日 | 7th May 2005 to 6th May 2013 (Note 2) 二零零五年五月七日至二零一三年五月六日 (附註2) | HK\$0.97 0.97港元 | 730 | - | - | - | 730 |
| In aggregate 共計 | 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 | HK\$1.418 1.418港元 | 1,000 | - | - | - | 1,000 |
| In aggregate 共計 | 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 | HK\$0.90 0.90港元 | 700 | - | - | - | 700 |
| In aggregate 共計 | 18th September 2009 二零零九年九月十八日 | 18th September 2011 to 17th September 2019 (Note 3) 二零一一年九月十八日至二零一九年九月十七日 (附註3) | HK\$0.586 0.586港元 | 5,600 | - | - | (1,000) | 4,600 |
| In aggregate 共計 | 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 | HK\$0.504 0.504港元 | 10,500 | - | - | - | 10,500 |
| Sub-total 小計 | | | | 18,530 | - | - | (1,000) | 17,530 |

| Name or category of participant 參與者姓名或類別 | Date of grant 授予日期 | Exercise period 行使期 | Exercise price per Share 每股行使價 | Number of share options 購股權數目 | | | | |
|---|-----------------------|--|-----------------------------------|----------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-------------------------|
| | | | | Beginning of the period 期初 | Granted during the period 期內授予 | Exercised during the period 期內行使 | Lapsed during the period 期內失效 | End of the period 期末 |
| | | | | '000 千份 | '000 千份 | '000 千份 | '000 千份 | '000 千份 |
| Others: 其他： | | | | | | | | |
| In aggregate | 2nd May 2003 | 2nd May 2003 to 1st May 2013 | HK\$0.98 | 1,000 | - | - | - | 1,000 |
| 共計 | 二零零三年五月二日 | 二零零三年五月二日至二零一三年五月一日 | 0.98港元 | | | | | |
| In aggregate | 13th October 2009 | 13th October 2009 to 12th October 2019 | HK\$0.504 | 6,000 | - | - | - | 6,000 |
| 共計 | 二零零九年十月十三日 | 二零零九年十月十三日至二零一九年十月十二日 | 0.504港元 | | | | | |
| Sub-total 小計 | | | | 7,000 | - | - | - | 7,000 |
| Total of Share Option Scheme 購股權計劃總計 | | | | 30,530 | 3,815 | - | (1,000) | 33,345 |

Notes:

附註：

- | | |
|---|---|
| <p>1. For the Share Option Scheme, the vesting period of the share options is from the date of the grant until the commencement of the exercise period.</p> <p>2. The options to subscribe for Shares at a price of HK\$0.97 per Share are to be exercisable in whole or in part in the following manner:</p> <p>(i) During the period starting from 7th May 2005 to 6th May 2006, the option may be exercised up to 30% of such Shares.</p> <p>(ii) During the period starting from 7th May 2006 to 6th May 2007, the option may (to the extent not exercised in accordance with (i) above) be exercised up to 70% of such Shares.</p> <p>(iii) During the period starting from 7th May 2007 to 6th May 2013, the option may (to the extent not exercised in accordance with (i) and (ii) above) be exercised in full.</p> | <p>1. 於購股權計劃，購股權未獲准行使期由授出當日開始直至行使期開始當日止。</p> <p>2. 以每股0.97港元認購股份之購股權可按以下方式全面或部份行使：</p> <p>(i) 於二零零五年五月七日至二零零六年五月六日期間，持有人最多可行使可認購30%此等股份的購股權。</p> <p>(ii) 於二零零六年五月七日至二零零七年五月六日期間，持有人最多可行使可認購70%此等股份的購股權（以按照上文(i)段以尚未行使者為限）。</p> <p>(iii) 於二零零七年五月七日至二零一三年五月六日期間，持有人可悉數行使購股權（以按照上文(i)及(ii)段以尚未行使者為限）。</p> |
|---|---|

3. The options to subscribe for Shares at a price of HK\$0.586 per Share are to be exercisable in whole or in part in the following manner:
- (i) During the period starting from 18th September 2011 to 17th September 2012, the option may be exercised up to 33.33% of such Shares.
 - (ii) During the period starting from 18th September 2012 to 17th September 2013, the option may (to the extent not exercised in accordance with (i) above) be exercised up to 66.66% of such Shares.
 - (iii) During the period starting from 18th September 2013 to 17th September 2019, the option may (to the extent not exercised in accordance with (i) and (ii) above) be exercised in full.
3. 以每股0.586港元認購股份之購股權可按以下方式全面或部份行使：
- (i) 於二零一一年九月十八日至二零一二年九月十七日期間，持有人最多可行使可認購33.33%此等股份的購股權。
 - (ii) 於二零一二年九月十八日至二零一三年九月十七日期間，持有人最多可行使可認購66.66%此等股份的購股權（以按照上文(i)段以尚未行使者為限）。
 - (iii) 於二零一三年九月十八日至二零一四年九月十七日期間，持有人可悉數行使購股權（以按照上文(i)及(ii)段以尚未行使者為限）。

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

除上文所披露外，於期內並無購股權獲授予、行使、失效或註銷。

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of shares of the Company during the six months ended 30th September 2010.

買賣或贖回股份

本公司或其任何附屬公司概無於截至二零一零年九月三十日止六個月內購入、售出或贖回任何本公司之股份。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") for the six months ended 30th September 2010, except for the deviations herein below mentioned:

所遵守之企業管治常規守則

於截至二零一零年九月三十日止六個月內，本公司已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「企業管治守則」）之原則，並遵守一切適用守則條文，惟下文所述者則除外：

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

1. 企業管治守則條文A.2.1條所規定，主席及行政總裁之職位應分開，不應由一人同時兼任。本公司之主席及行政總裁職位並無分開，現由姚先生一人同時出任。董事會認為由同一人擔任主席及行政總裁之職位能為萬順昌集團提供強勢及貫徹之領導，有效運用資源，並可有效地策劃、制訂及實施本公司之業務策略，從而使萬順昌集團能夠有效地維持其業務之發展。

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

AUDIT COMMITTEE

The Audit Committee has been set up since December 1998 and now consists of three independent non-executive Directors with Mr. Kenny King Ching Tam as chairman and Mr. Harold Richard Kahler and Mr. Xu Lin Bao as members. Mr. Kenny King Ching Tam who is an independent non-executive Director with appropriate professional accounting expertise as required under Rule 3.10 of the Listing Rules. Scope of the work of the Audit Committee is defined and approved by the Board in relation to various internal control and audit issues with a view to further improving our corporate governance. The Company adopted a new terms of reference of the Audit Committee on 20th March 2009 in order to conform with the amendments made to the CG Code. The Audit Committee has adopted its terms of reference, which is in line with the CG Code was posted to the Company's website at <http://www.vschk.com>. The Audit Committee has discussed auditing, internal controls, and financial reporting matters including review of the results for the six months ended 30th September 2010. They are also of opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 of the Listing Rules as its own code of conduct (the "Company's Model Code") regarding securities transactions by the Directors on 31st March 2004. Various amendments have been made to the Company's Model Code in order to conform with the amendments made to Appendix 10 of the Listing Rules effective 1st January 2009 and 1st April 2009. Having made specific enquiry of all Directors, they all confirmed that they have complied with the required standard set out in the Company's Model Code during the six months ended 30th September 2010. The Company's Model Code also applies to other specified relevant employees of the VSC Group in respect of their dealings in the securities of the Company.

2. 企業管治守則條文A.4.1所規定，非執行董事的委任應有指定任期，並須接受重新選舉。本公司之非執行董事（除Harold Richard Kahler先生外）並無指定委任任期。可是他們（包括全部其他董事）需要按本公司之組織章程細則每三年至少輪值告退一次，並可膺選連任。

審核委員會

審核委員會於一九九八年十二月成立，成員現時包括三名獨立非執行董事，譚競正先生為主席及Harold Richard Kahler先生及徐林寶先生為委員。按上市規則第3.10條，譚競正先生為獨立非執行董事並為合適專業會計專才。董事會已制定及核准審核委員會之職權範圍，職權涉及內部監控及審核事宜，目標為進一步改善其企業管治。本公司已於二零零九年三月二十日採納了審核委員會之新職權範圍，以符合企業管治守則近來作出之多項修訂。審核委員會已按企業管治守則採納其職權範圍，並列於本公司之網址（<http://www.vschk.com>）。審核委員會已討論審計，內部監控及財務匯報等事宜，其中包括審閱截至二零一零年九月三十日止六個月之業績，他們認為有關報表乃符合適用之會計準則及法例規定，並作出足夠之披露。

進行證券交易之標準守則

本公司已於二零零四年三月三十一日採納上市規則附錄10所載之進行證券交易之標準守則，作為本公司董事進行證券交易守則（「公司之標準守則」）。為符合上市規則附錄10於二零零九年一月一日及二零零九年四月一日生效之修訂，公司之標準守則已作出多項相關之修訂。經向所有董事作出特定查詢後，彼等確認於截至二零一零年九月三十日止六個月內已遵守公司之標準守則所載之所需規定。公司之標準守則亦適用於萬順昌集團該等特定之有關僱員買賣本公司之證券。

CHANGES IN THE INFORMATION OF DIRECTORS

Changes in Directors' information since the date of the 2010 Annual Report are set out below:

1. Mr. Kenny King Ching Tam was appointed on 29th July 2010 as an independent non-executive director of West China Cement Limited, a company formerly listed on the Alternative Investment Market of the London Stock Exchange plc. West China Cement Limited commenced listing on the Main Board of The Stock Exchange of Hong Kong Limited on 23rd August 2010 and was delisted from the Alternative Investment Market of the London Stock Exchange plc on the same date.
2. Mr. Kem Lim was appointed on 9th November 2010 as an independent director of RDA Microelectronics, Inc., a company commenced listing on the NASDAQ Global Market on 10th November 2010.

On behalf of the Board
Andrew Cho Fai Yao
Chairman

Hong Kong, 10th November 2010

As at the date of this report, the Board comprised Mr. Andrew Cho Fai Yao (Chairman), Mr. Fernando Sai Ming Dong and Mr. Kern Lim (being the executive Directors), Mr. Harold Richard Kahler, Mr. Kenny King Ching Tam and Mr. Xu Lin Bao (being the independent non-executive Directors).

董事資料之變動

自二零一零年年報日期起，董事資料的變動載列如下：

1. 譚競正先生於二零一零年七月二十九日獲委任為中國西部水泥有限公司之獨立非執行董事，該公司曾於倫敦證券交易所另類投資市場上市。中國西部水泥有限公司於二零一零年八月二十三日起開始於香港聯合交易所有限公司主板上市，該公司並於同日自倫敦證券交易所另類投資市場撤銷其上市地位。
2. 林耿先生於二零一零年十一月九日獲委任為銳迪科微電子有限公司之獨立董事，該公司於二零一零年十一月十日起開始於納斯達克全球市場上市。

代表董事會
主席
姚祖輝

香港，二零一零年十一月十日

於本報告日期，董事會包括姚祖輝先生（主席）、唐世銘先生及林耿先生（為執行董事）、Harold Richard Kahler先生、譚競正先生及徐林寶先生（為獨立非執行董事）。



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