

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

Stock Code 股票代號 : 1001

Building on our Foundation for Future Growth

建構豐盛未來



中期報告

2011-12

Interim Report

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 2011, together with comparative figures, as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30th September 2011

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」)截至二零一一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

截至二零一一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		
		2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	
Revenue	收入	4	2,237,789	2,049,544
Cost of sales	銷售成本	6	(2,205,177)	(1,992,209)
Gross profit	毛利		32,612	57,335
Other gains – net	其他收益 – 淨額	5	31,873	62,021
Selling and distribution expenses	銷售及分銷支出	6	(16,370)	(13,864)
General and administrative expenses	一般及行政支出	6	(79,051)	(67,776)
Operating (loss)/profit	經營 (虧損)/溢利		(30,936)	37,716
Finance income	財務收入	7	981	394
Finance costs	財務費用	7	(15,031)	(13,316)
Share of profit of associates – net	應佔聯營公司溢利 – 淨額		2,465	797
(Loss)/profit before income tax	除稅前 (虧損)/溢利		(42,521)	25,591
Income tax credit/(expense)	所得稅計入/(支出)	8	7,475	(1,358)
(Loss)/profit for the period	期內 (虧損)/溢利		(35,046)	24,233
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人		(36,786)	21,796
Non-controlling interest	非控制性權益		1,740	2,437
			(35,046)	24,233
(Losses)/earnings per ordinary share for (loss)/profit attributable to the equity holders of the Company during the period	本期內本公司股權持有人應佔 (虧損)/溢利計算之每股普通股 (虧損)/盈利			
– Basic	– 基本	10	HK(8.9) cents港仙	HK5.3 cents港仙
– Diluted	– 攤薄	10	HK(8.8) cents港仙	HK5.1 cents港仙
Dividends	股息	9	–	5,384

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 2011

簡明綜合中期財務狀況表

於二零一一年九月三十日

		As at 30th September 2011 於二零一一年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元 (Audited) (已審核)
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	16,006	16,130
Investment property	投資物業	20,000	20,000
Intangible asset	無形資產	10,692	10,692
Land use rights	土地使用權	10,627	10,728
Investments in associates	於聯營公司之投資	161,699	156,184
Deferred income tax assets	遞延所得稅資產	35,306	22,951
Derivative financial instruments	衍生金融工具	395	2,294
Total non-current assets	非流動資產總額	254,725	238,979
Current assets	流動資產		
Inventories	存貨	492,027	389,864
Trade and bill receivables	應收賬款及票據	458,841	497,362
Loan receivables	應收貸款	19,000	19,000
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	149,548	142,032
Derivative financial instruments	衍生金融工具	954	103
Amounts due from associates	應收聯營公司	25,032	23,103
Pledged bank deposits	已抵押銀行存款	38,404	41,624
Cash and cash equivalents	現金及現金等值	291,094	485,868
Total current assets	流動資產總額	1,474,900	1,598,956
Current liabilities	流動負債		
Trade and bill payables	應付賬款及票據	124,118	313,935
Receipts in advance	預收款項	52,878	145,621
Accrued liabilities and other payables	應計負債及其他應付賬款	45,615	90,997
Derivative financial instruments	衍生金融工具	2,181	13
Current income tax liabilities	流動所得稅負債	10,303	7,932
Borrowings	借貸	845,285	600,144
Total current liabilities	流動負債淨額	1,080,380	1,158,642

			As at 30th September 2011 於二零一一年 九月三十日	As at 31st March 2011 於二零一一年 三月三十一日
		Note 附註	HK\$'000 千港元 (Unaudited) (未經審核)	HK\$'000 千港元 (Audited) (已審核)
Net current assets	流動負債總額		394,520	440,314
Total assets less current liabilities	總資產減流動負債		649,245	679,293
Non-current liabilities	非流動負債			
Derivative financial instruments	衍生金融工具		-	128
Deferred income tax liabilities	遞延所得稅負債		1,367	1,373
Total non-current liabilities	非流動負債總額		1,367	1,501
Net assets	資產淨額		647,878	677,792
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		-	2,485
- Others	- 其他		570,684	600,758
			612,097	644,656
Non-controlling interest	非控制性權益		35,781	33,136
Total equity	權益總額		647,878	677,792

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
CHANGES IN EQUITY**

For the six months ended 30th September 2011

簡明綜合中期權益變動表

截至二零一一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				Non- controlling interest 非控制性 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 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	其他全面收入						
- Currency translation differences	- 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 interest in an associate	出售一間聯營公司之權益	-	(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
As at 1st April 2011	於二零一一年四月一日	41,413	519,775	83,468	644,656	33,136	677,792
(Loss)/profit for the period	期內(虧損)/溢利	-	-	(36,786)	(36,786)	1,740	(35,046)
Other comprehensive income	其他全面收入						
- Currency translation differences	- 貨幣匯兌差額	-	6,137	-	6,137	905	7,042
Total comprehensive (loss)/income	全面(虧損)/收入總額	-	6,137	(36,786)	(30,649)	2,645	(28,004)
Share option scheme – value of services	購股權計劃 – 服務價值	-	575	-	575	-	575
Lapse of share options	失效之購股權	-	(26)	26	-	-	-
Dividends payable to equity holders of the Company	應付本公司股權 持有人之股息	-	-	(2,485)	(2,485)	-	(2,485)
As at 30th September 2011	於二零一一年九月三十日	41,413	526,461	44,223	612,097	35,781	647,878

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 2011

簡明綜合中期現金流量表

截至二零一一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

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

Net cash used in operating activities	經營活動所用之現金淨額	(442,108)	(247,833)
<hr style="border-top: 1px dashed black;"/>			
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(2,415)	150,610
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Net cash generated from financing activities	融資活動產生之現金淨額	245,876	230,016
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Net (decrease)/increase in cash and cash equivalents	現金及現金等值之淨(減少)/增加	(198,647)	132,793
Cash and cash equivalents as at 1st April	於四月一日之現金及現金等值	485,868	160,935
Translation adjustments	匯兌調整	3,873	1,351
<hr style="border-top: 1px solid black;"/>			
Cash and cash equivalents as at 30th September	於九月三十日之現金及現金等值	291,094	295,079
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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 (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 11th November 2011.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2011 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 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

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.

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(「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，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二零一一年十一月十一日經董事會核准刊發。

2 編製基準

本份截至二零一一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」)編製截至二零一一年三月三十一日止年度之年度綜合財務報表一併閱讀。

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。

2 BASIS OF PREPARATION (CONTINUED)

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, committing to supply contracts with suppliers and/or entering into commodity futures on steel price, are primarily aimed at reducing the potential exposure to steel price fluctuation.

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 2011, 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 revised standards and amendments to existing standards are mandatory for the first time for the financial year beginning 1st April 2011 and are relevant for the VSC Group.

- HKAS 24 (Revised) 'Related Party Disclosures' is effective for annual periods beginning on or after 1st January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. It also clarifies and simplifies the definition of a related party. The revised standard has no material impact on the VSC Group's consolidated financial statements.

2 編製基準 (續)

萬順昌集團從事鋼材產品買賣並受商品價格風險之影響。於批准本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，與供應商訂定供貨合約及／或就鋼材價格訂立商品期貨合約，主要旨在減少鋼材價格波動造成之潛在風險。

3 會計政策

除下文所述外，已採納之會計政策與截至二零一一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。

以下對現有準則之經修訂之準則及修訂為始於二零一一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。

- 香港會計準則第24號(經修訂)「關連人士披露」於二零一一年一月一日起或以後之年度期間生效。香港會計準則第24號對與政府相關實體及政府進行交易在披露要求方面給予豁免。此亦澄清及簡化關連人士之定義。該經修訂準則對萬順昌集團之綜合財務報表並無重大影響。

3 ACCOUNTING POLICIES (CONTINUED)

- Amendment to HKAS 34 'Interim Financial Reporting' is effective for annual periods beginning on or after 1st January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

The following standards, amendments and interpretations to existing standards are effective in 2011 but not relevant to the VSC Group.

- Amendment to HKAS 32 'Classification of Rights Issues' is effective for annual periods beginning on or after 1st February 2010. This is not currently applicable to the VSC Group, as it has not made any rights issue.
- Amendment to HK(IFRIC) – Int 14 'HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction' is effective for annual periods beginning on or after 1st January 2011. This is not currently relevant to the VSC Group, as it does not have a defined benefit retirement scheme.
- HK(IFRIC) – Int 19 'Extinguishing Financial Liabilities with Equity Instruments' is effective for annual periods beginning on or after 1st July 2010. This is not currently applicable to the VSC Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.
- Third improvements to HKFRS (2010) were issued in May 2010 by the Hong Kong Institute of Certified Public Accountants. All improvements are effective in the current financial period and currently not relevant to the VSC Group.

3 會計政策 (續)

- 對香港會計準則第34號「中期財務報告」之修訂於二零一一年一月一日起或以後之年度期間生效。此修訂強調香港會計準則第34號之現有披露原則及為如何應用披露原則再進一步加入指引，更強調重大事情及交易之披露原則。額外要求包括改變公平價值計量（如重要）之披露及更新有關資料於最近期之年報之需要。以上會計準則之變動只引致額外之披露。

以下對現有準則並於二零一一年生效但與萬順昌集團無關之準則、修訂及詮釋。

- 對香港會計準則第32號之修訂「供股分類」於二零一零年二月一日起或以後之年度期間生效。由於萬順昌集團並無任何供股，因此現時不適用此修訂。
- 對香港（國際財務報告詮釋委員會）－詮釋第14號「香港會計準則第19號－設定受益資產、最低資金規定及其相互關係」之修訂於二零一一年一月一日或以後年度之期間生效。由於萬順昌集團並無界定利益退休計劃，因此現時與萬順昌集團無關。
- 香港（國際財務報告詮釋委員會）－詮釋第19號「以股本工具抵銷財務負債」於二零一零年七月一日起或以後之年度期間生效。由於萬順昌集團現時並無以股本工具抵銷財務負債，因此現時不適用此詮釋。
- 香港會計師公會於二零一零年五月頒佈了第三個對香港財務報告準則（2010）之年度改進計劃。所有改進已於現時之財政期間生效，唯現時與萬順昌集團無關。

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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Sales of goods	貨品銷售	2,234,832	2,046,068
Service income	服務收入	681	2,512
Rental income	租金收入	2,276	964
Total revenue	收入總額	2,237,789	2,049,544

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 resins; and
- (iv) Property investment.

The VSC Group's CODM assesses the performance of operating segments based on a measure of (loss)/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 CODM is measured in a manner consistent with that in the unaudited condensed consolidated interim financial information.

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

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
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Sales of goods	貨品銷售	2,234,832	2,046,068
Service income	服務收入	681	2,512
Rental income	租金收入	2,276	964
Total revenue	收入總額	2,237,789	2,049,544

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) 塑膠樹脂；及
- (iv) 房地產投資。

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

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

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of the VSC Group's results by the business segments for the six months ended 30th September 2011 is as follows:

4 收入及分部資料(續)

萬順昌集團於截至二零一一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 resins 塑膠樹脂 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	1,817,925	224,106	195,596	162	-	-	2,237,789
Operating (loss)/profit	經營(虧損)/溢利	(19,630)	17,435	3,468	145	(15)	(32,339)	(30,936)
Finance income	財務收入	758	6	22	11	-	184	981
Finance costs	財務費用	(12,414)	(399)	(389)	(50)	(1)	(1,778)	(15,031)
Share of profit of associates – net	應佔聯營公司溢利 — 淨額	-	-	-	2,465	-	-	2,465
(Loss)/profit before income tax	除稅前(虧損)/溢利	(31,286)	17,042	3,101	2,571	(16)	(33,933)	(42,521)
Other gains – net	其他收益 – 淨額	28,781	757	222	27	-	2,086	31,873
Depreciation and amortisation	折舊及攤銷	(650)	(910)	(17)	-	-	(2,064)	(3,641)
Income tax credit/(expense)	所得稅計入/(支出)	4,893	(3,437)	(468)	(3)	-	6,490	7,475

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of the VSC Group's results by the business segments for the six months ended 30th September 2010 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 resins 塑膠樹脂 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
Profit/(loss) before income tax	除稅前溢利/(虧損)	(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 (expense)/credit	所得稅(支出)/計入	147	(2,320)	(970)	-	(11)	1,796	(1,358)

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

4 收入及分部資料(續)

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：

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

2011

2010

二零一一年

二零一零年

HK\$'000

HK\$'000

千港元

千港元

Revenue	收入		
Mainland China	中國內地	1,016,492	947,905
Hong Kong	香港	1,221,297	1,101,639
Total revenue	收入總額	2,237,789	2,049,544

For the six months ended 30th September 2011, revenue of approximately HK\$155,456,000 (for the six months ended 30th September 2010: HK\$182,409,000) was derived from a single external customer.

截至二零一一年九月三十日止六個月，約155,456,000港元(截至二零一零年九月三十日止六個月：182,409,000港元)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	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Net exchange gain	淨匯兌收益	7,186	4,143
Sundry income	雜項收入	838	1,547
Fair value gains on interest rate instruments	利率工具之公平價值收益	13	131
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	(1,126)	–
Net fair value change on steel future contracts	鋼材期貨合約之公平價值淨變動	(1,947)	27
Realised loss on steel future contracts	鋼材期貨合約之變現虧損	(886)	(8,144)
Write-back of provision for onerous contracts	撤回有償契約之撥備	27,795	23,898
Gain on disposal of interest in an associate	出售一間聯營公司之權益之收益	–	40,419
		31,873	62,021

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	
		2011	2010
		二零一一年	二零一零年
		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	2,204,201	1,992,548
Write-down/(write-back) of provision of impairment of inventories	撇減/(撤回)存貨減值撥備	976	(1,042)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	3,540	3,518
(Gain)/loss on disposals of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(20)	8
Amortisation of land use rights	土地使用權之攤銷	101	101
Employee benefit expenses	僱員福利支出	47,995	36,516
Operating lease rental in respect of land and buildings	土地及樓宇營業租約租金	9,673	6,833
Reversal of impairment of trade receivables	撥回應收賬款減值	(933)	(564)
Others	其他	35,065	35,931
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	2,300,598	2,073,849

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	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	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	981	334
– from receivables	– 來自應收款	–	60
		981	394
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	(12,910)	(7,578)
Bank charges	銀行費用	(2,121)	(5,738)
		(15,031)	(13,316)
Net finance costs	淨財務費用	(14,050)	(12,922)

8 INCOME TAX CREDIT/(EXPENSE)

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong. Subsidiaries established in Mainland China are subject to China corporate income tax at rate of 25% (2010: 25%).

8 所得稅計入／(支出)

本公司獲豁免繳納百慕達稅項直至二零一六年。

香港利得稅乃根據來自或賺取自香港之估計應課稅溢利按稅率16.5% (二零一零年：16.5%) 作出撥備。於中國內地成立之附屬公司按稅率25% (二零一零年：25%) 繳付中國企業所得稅。

8 INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

The amount of income tax credit/(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	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current income tax	當期所得稅		
– Hong Kong profits tax	– 香港利得稅	(1,814)	(2,119)
– China corporate income tax	– 中國企業所得稅	(2,943)	(3,070)
Deferred income tax	遞延所得稅	12,232	3,831
		7,475	(1,358)

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

8 所得稅計入／(支出)(續)

於未經審核簡明綜合中期損益表中確認之所得稅計入／(支出)包括：

		For the six months ended 30th September 截至九月三十日止六個月	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current income tax	當期所得稅		
– Hong Kong profits tax	– 香港利得稅	(1,814)	(2,119)
– China corporate income tax	– 中國企業所得稅	(2,943)	(3,070)
Deferred income tax	遞延所得稅	12,232	3,831
		7,475	(1,358)

所得稅計入／(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

The Board does not recommend the payment of any interim dividend for the six months ended 30th September 2011 (2011 interim: HK1.3 cents per ordinary share; totaling approximately HK\$5,384,000).

9 股息

董事會並不建議就截至二零一一年九月三十日止六個月派付任何中期股息(二零一一年中期：每股普通股1.3港仙；約共5,384,000港元)。

10 (LOSSES)/EARNINGS PER ORDINARY SHARE

(a) Basic

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

10 每股普通股(虧損)／盈利

(a) 基本

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

		For the six months ended 30th September 截至九月三十日止六個月	
		2011 二零一一年	2010 二零一零年
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔(虧損)／溢利(千港元)	(36,786)	21,796
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	414,128
Basic (losses)/earnings per ordinary share (HK cents)	每股普通股基本(虧損)／盈利(港仙)	(8.9)	5.3

10 (LOSSES)/EARNINGS PER ORDINARY SHARE (CONTINUED)**(b) Diluted**

Diluted (losses)/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（虧損）／盈利（續）**(b) 攤薄**

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

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

截至九月三十日止六個月

2011

2010

二零一一年

二零一零年

(Loss)/profit attributable to equity holders of the Company and used to determine diluted (losses)/earnings per ordinary share (HK\$'000)	本公司股權持有人應佔 (虧損)／溢利及用以釐訂 每股普通股攤薄 (虧損)／盈利(千港元)	(36,786)	21,796
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	414,128
Adjustment for share options ('000)	調整購股權(千份)	3,968	9,452
Weighted average number of ordinary shares for diluted (losses)/earnings per ordinary share ('000)	每股普通股攤薄 (虧損)／盈利之普通股 加權平均數(千股)	418,096	423,580
Diluted (losses)/earnings per ordinary share (HK cents)	每股普通股攤薄 (虧損)／盈利(港仙)	(8.8)	5.1

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 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
0 – 60 days	0 – 60日	364,492	430,632
61 – 120 days	61 – 120日	68,441	46,856
121 – 180 days	121 – 180日	20,415	15,574
181 – 365 days	181 – 365日	6,901	5,276
Over 365 days	超過365日	7,173	8,882
		467,422	507,220
Less: Provision for impairment of trade receivables	減：應收賬款減值撥備	(8,581)	(9,858)
		458,841	497,362

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 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
0 – 60 days	364,492	430,632
61 – 120 days	68,441	46,856
121 – 180 days	20,415	15,574
181 – 365 days	6,901	5,276
Over 365 days	7,173	8,882
	467,422	507,220
Less: Provision for impairment of trade receivables	(8,581)	(9,858)
	458,841	497,362

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 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
0 – 60 days	0 – 60日	117,115	311,435
61 – 120 days	61 – 120日	–	316
121 – 180 days	121 – 180日	279	–
181 – 365 days	181 – 365日	6,696	–
Over 365 days	超過365日	28	2,184
		124,118	313,935

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 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
	117,115	311,435
	–	316
	279	–
	6,696	–
	28	2,184
	124,118	313,935

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
		2011	2011
		於二零一一年	於二零一一年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Current	當期		
– Trust receipts bank loans, secured	– 信託收據銀行貸款，抵押的	699,252	416,198
– Short-term bank loans, secured	– 短期銀行貸款，抵押的	136,436	169,324
– Long-term bank loans, secured	– 長期銀行貸款，抵押的	–	3,876
– Portion of mortgage loan from bank due for repayment within one year	– 一年內償還之部分銀行按揭貸款	2,315	2,304
– Portion of mortgage loan from bank due for repayment after one year which contains a repayable on demand clause	– 一年後償還附有即時償還條款之部分銀行按揭貸款	7,282	8,442
Total borrowings	借貸總額	845,285	600,144

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 2011	二零一一年九月三十日止六個月	
Opening amount at 1st April 2011	於二零一一年四月一日期初金額	600,144
Inception of borrowings	當期借貸	286,714
Repayments of borrowings	償還借貸	(41,573)
Closing amount at 30th September 2011	於二零一一年九月三十日期終金額	845,285
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

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 2011 and 30th September 2011	於二零一一年四月一日及 二零一一年九月三十日	414,128	41,413

14 股本

15 COMMITMENTS

(a) Commitments under operating leases

(i) Lessor

Total commitments receivable under the non-cancellable operating lease agreements in respect of rent-out premises is analysed as follows:

		As at 30th September 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
Not later than one year	未逾1年	456	120
Later than one year and not later than five years	逾1年及未逾5年	450	-
		906	120

15 承擔

(a) 營業租約承擔

(i) 出租人

就出租物業而訂立之不可
撤銷營業租約之應收承擔
總額分析如下：

15 COMMITMENTS (CONTINUED)

(a) Commitments under operating leases (Continued)

(ii) Lessee

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

		As at 30th September 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
Not later than one year	未逾1年	17,163	13,522
Later than one year and not later than five years	逾1年及未逾5年	17,386	16,636
Later than five years	逾5年	-	198
		34,549	30,356

(b) Commitments under derivative contracts

As at 30th September 2011, the VSC Group had outstanding forward foreign currency contracts to purchase approximately US\$10,000,000 (31st March 2011: US\$18,000,000) for approximately HK\$77,940,000 (31st March 2011: HK\$140,184,000). The settlement date is 31st July 2012.

As at 30th September 2011, the VSC Group had outstanding forward foreign currency contracts to purchase approximately US\$55,000,000 (31st March 2011: US\$79,000,000) for approximately RMB351,395,000 (31st March 2011: RMB517,889,000). The settlement dates are from 27th June 2012 to 25th February 2013.

15 承擔 (續)

(a) 營業租約承擔 (續)

(ii) 承租人

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：

		As at 30th September 2011 於二零一一年 九月三十日 HK\$'000 千港元	As at 31st March 2011 於二零一一年 三月三十一日 HK\$'000 千港元
Not later than one year	未逾1年	17,163	13,522
Later than one year and not later than five years	逾1年及未逾5年	17,386	16,636
Later than five years	逾5年	-	198
		34,549	30,356

(b) 衍生合約承擔

於二零一一年九月三十日，萬順昌集團尚有約77,940,000港元(二零一一年三月三十一日：140,184,000港元)未行使之遠期外匯貨幣合約以用作購買約10,000,000美元(二零一一年三月三十一日：18,000,000美元)。結算日為二零一二年七月三十一日。

於二零一一年九月三十日，萬順昌集團尚有約人民幣351,395,000元(二零一一年三月三十一日：人民幣517,889,000元)未行使之遠期外匯貨幣合約以用作購買約55,000,000美元(二零一一年三月三十一日：79,000,000美元)。結算日為由二零一二年六月二十七日至二零一三年二月二十五日。

15 COMMITMENTS (CONTINUED)

(b) Commitments under derivative contracts (Continued)

As at 30th September 2011, the VSC Group had outstanding steel future contracts to purchase 3,000 metric tonnes (31st March 2011: 2,000 metric tonnes) of rebar at approximately RMB12,948,000 (31st March 2011: RMB9,590,000). The settlement date is 17th January 2012.

As at 30th September 2011, the VSC Group had no outstanding interest rate instrument (31st March 2011: notional principal amount of approximately US\$50,000,000). No committed payment under interest rate instrument (31st March 2011: approximately US\$500,000).

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 business:

		For the six months ended	
		30th September	
		截至九月三十日止六個月	
		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Sales of goods to an associate (i)	向一間聯營公司銷售貨品(i)	119,054	94,966
Rental expenses paid to an associate (ii)	已付一間聯營公司之租金支出(ii)	1,414	1,279
Interest received from a then associate (iii)	已收一間已出售之聯營公司之利息(iii)	-	60

15 承擔 (續)

(b) 衍生合約承擔 (續)

於二零一一年九月三十日，萬順昌集團尚有約人民幣12,948,000元(二零一一年三月三十一日：人民幣9,590,000元)未行使之鋼材期貨合約以用作購買約3,000公噸(二零一一年三月三十一日：2,000公噸)鋼筋。結算日為二零一二年一月十七日。

於二零一一年九月三十日，萬順昌集團並無(二零一一年三月三十一日：設定本金額約50,000,000美元)未行使之利率工具。並無已確認之利率工具付款額(二零一一年三月三十一日：約500,000美元)。

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：

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 approximately 2% per annum on outstanding balances due from a then associate.

(b) Key management compensation

16 與關連人士之交易 (續)

(a) 交易 (續)

附註：

- (i) 所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) 利息收入乃以年利率約2%按已出售之一間聯營公司之過期結餘計算。

(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

		2011	2010
		二零一一年	二零一零年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and allowances	薪金及津貼	4,992	4,857
Bonus	花紅	463	3,544
Pension costs – defined contribution schemes	退休金成本 – 界定供款計劃	155	81
		5,610	8,482

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 2011 was approximately HK\$2,238 million, a 9% increase as compared with approximately HK\$2,050 million for the same period of last year. Gross profit margin, however, decreased by 1.3 percentage points to 1.5% as compared with 2.8% for the same period of last year. Selling and distribution expenses increased by 18% from approximately HK\$14 million to approximately HK\$16 million. General and administrative expenses increased by 17% from approximately HK\$68 million to approximately HK\$79 million.

Loss attributable to the equity holders of the Company was approximately HK\$37 million. Basic losses per ordinary share was HK8.9 cents as compared with earnings of HK5.3 cents for the same period of last year. The Board does not recommend the payment of any interim dividend for the six months ended 30th September 2011 (2011 interim: HK1.3 cents per ordinary share).

FINANCIAL POSITIONS

Compared with last fiscal year ended 31st March 2011, as at 30th September 2011, the VSC Group's total assets decreased by approximately HK\$108 million to approximately HK\$1,730 million. The VSC Group's inventories increased by approximately HK\$102 million to approximately HK\$492 million. The average Days of Supplies (average inventories divided by cost of sales x 183 days) was increased from 29 days for the last year end to 37 days. The VSC Group's trade and bill receivables decreased by approximately HK\$38 million to approximately HK\$459 million. The average overall Day Sales Outstanding (average trade and bill receivables divided by revenue x 183 days) remained at 39 days for the last year end and for the six months ended 30th September 2011. Net assets value of the VSC Group decreased by approximately HK\$30 million to approximately HK\$648 million, equivalent to HK\$1.56 per ordinary share.

業績

截至二零一一年九月三十日止六個月之收入約2,238,000,000港元，較去年同期約2,050,000,000港元上升9%。但毛利率則較去年同期之2.8%下跌1.3個百分點至1.5%。銷售及分銷支出由約14,000,000港元增加至約16,000,000港元，上升18%。一般及行政支出則由約68,000,000港元增加至約79,000,000港元，上升17%。

本公司股權持有人應佔虧損約37,000,000港元。每股普通股基本虧損則由去年同期盈利5.3港仙下跌至虧損8.9港仙。董事會並不建議就截至二零一一年九月三十日止六個月派付任何中期股息（二零一一年中期：每股普通股1.3港仙）。

財務狀況

與截至二零一一年三月三十一日止之財政年度相比，萬順昌集團於二零一一年九月三十日之資產總額減少約108,000,000港元至約1,730,000,000港元。當中，萬順昌集團之存貨增加約102,000,000港元至約492,000,000港元。平均存貨週轉日數（平均存貨除以銷售成本乘183日）從去年年終之29日增加至37日。萬順昌集團之應收賬款及票據減少約38,000,000港元至約459,000,000港元。截至二零一一年九月三十日止六個月之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）為39日，與去年年終保持一致。而萬順昌集團之資產淨值減少約30,000,000港元至約648,000,000港元，相當於每股普通股1.56港元。

Compared with the financial position at 31st March 2011, the VSC Group's cash and cash equivalents and pledged bank deposits, decreased by approximately HK\$198 million to approximately HK\$329 million while the VSC Group's bank borrowings increased by approximately HK\$245 million to approximately HK\$845 million. Current ratio decreased to 1.37, 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 10% to 46%.

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.

The VSC Group's trade financing remained primarily supported by its bank trading and term loan facilities. About 82% of the VSC Group's total borrowings were denominated in HK dollar, about 16% in Chinese Renminbi ("RMB") and about 2% in US dollar. 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 RMB110 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.

與於二零一一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，減少約198,000,000港元至約329,000,000港元，而萬順昌集團之銀行借貸則增加約245,000,000港元至845,000,000港元。流動比率則減少至1.37，資產負債比率（負債淨額，即借貸總額減已抵押銀行存款及現金及現金等值，除以股權持有人應佔股本及儲備加負債淨額）由10%上升至46%。

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。

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82%以港元為幣值，另約16%及約2%分別以人民幣（「人民幣」）及美元為幣值。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利率計息。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110,000,000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。

CHARGES ON ASSETS

As at 30th September 2011, the VSC Group had certain charges on assets which included (i) inventories of approximately HK\$23 million pledged for certain of the VSC Group's short-term bank loans; (ii) certain inventories which were held under trust receipts bank loan arrangements; (iii) bank deposits of approximately HK\$33 million which were pledged as collateral for the VSC Group's banking facilities and approximately HK\$5 million were pledged for steel future contracts; and (iv) an investment property of approximately HK\$20 million was pledged as collaterals for certain of the VSC Group's bank borrowings.

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 speculative purposes.

CONTINGENT LIABILITIES

As at 30th September 2011, there was no material contingent liability.

資產抵押

於二零一一年九月三十日，萬順昌集團有若干資產抵押，包括(i)約23,000,000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；(iii)約33,000,000港元之銀行存款作為萬順昌集團之銀行信貸額之抵押品及約5,000,000港元銀行存款已作為鋼材期貨合約之抵押品；及(iv)一項約20,000,000港元之投資物業已抵押作萬順昌集團之若干銀行借貸。

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。而萬順昌集團之政策乃不會為投機目的訂立任何衍生工具交易。

或然負債

於二零一一年九月三十日，萬順昌集團並無重大或然負債。

OPERATION REVIEW AND PROSPECTS

Overall

Following through from the year ended 31st March 2011 (“FY2011”), the six months ended 30th September 2011 continues to be challenging for the VSC Group and have been negatively affected by the uncertainty in the global economy. This is primarily driven by the results from the Hong Kong Steel Distribution business. Our Building Products Distribution business has performed well during the same period even as our Plastics Resins Distribution business also faces an extremely difficult market conditions as well.

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”)

We have generated HK\$988 million in revenue for the first 6 months of this financial year as against HK\$844 million for the same period of last year. Unfortunately, this increase in revenue has not been matched by similar increase in profits, our gross profit margin is a negative 4%, as most of all the onerous contracts that had been provided for as of FY2011 have been delivered.

The macro environment is positive as overall demand for steel in Hong Kong still looks good. With the launch of some of the 10 major infrastructure projects and the relaunch of the new Home Ownership Scheme by the Hong Kong Government, it is expected that the demand of steel will further boost up this year with these infrastructure projects and from the public housing market.

業務回顧與前景

整體狀況

延續截至二零一一年三月三十一日止年度（「二零一一財政年度」）的趨勢，截至二零一一年九月三十日止六個月對萬順昌集團而言依然充滿挑戰並且已受到環球經濟不明朗的負面因素影響。這主要是受香港鋼材分銷業務業績的驅動。儘管我們的塑膠樹脂分銷業務依然面臨極其嚴峻的市場環境，但我們的建築產品分銷業務於同期卻表現良好。

鋼材分銷

鋼材分銷業務包括在香港經營的鋼筋、結構鋼及工程產品之存銷業務，以及在中華人民共和國（「中國」）經營的鋼材分銷業務。萬順昌集團擁有66.7%權益的合營公司—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」）

本財政年度前六個月我們共獲得988,000,000港元的收入，而去年同期則為844,000,000港元。可惜此收入的增長並未帶來相若之溢利增長，毛利率為負4%，主要由於二零一一財政年度已作出撥備之有償契約均已大部份交付。

由於香港鋼材的總體需求依然強勁，因此宏觀環境相對較為樂觀。隨著香港政府陸續啟動十大基建項目及重啟新的居者有其屋計劃，預期本年度之鋼材需求將因此等基建項目及於公共房屋市場內有進一步提升。

The rising steel prices over the last few quarters had adversely affected the VSC Group as reflected in the interim results. However, in the recent months, the steel price has started to soften and recently HK Steel Department also secured orders of MTR West Island Line no. 703 Sheung Wan to Sai Ying Pun Tunnel and MTR South Island Line (East) no. 901 Admiralty Integrated Station and SCL enabling works, Kai Tak Cruise Terminal Building and ancillary facilities, and North Lantau Hospital Phase 1. As a result, we (as the management team) have good reason to expect improved performance in the HK Steel Department in the second half of year ending 31st March 2012 (“FY2012”).

This is also supported by the much lower provision for the onerous contract provision as of 30th September 2011.

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 Mainland China as well as the move towards international projects has been very successful. Our international project sales has increased in profitability in last 6 months.

Our 66.7% owned joint venture BSC continues to focus in automobile steel market. It also faces challenges from the fluctuating steel prices, despite that, they had been able to hold their gross profit margin above a positive 2%.

Metals Recycling Business

Following up on last year’s strategic planning and direction of the VSC Group to move into the metals recycling business, we have made a number of advances into this area, maintaining a cautious and prudent approach to minimize risks and protect the shareholders’ value in the VSC Group. After setting up a dedicated business development team for metals recycling, we now have a strong pipeline of potential opportunities that can provide us with good options to move into the metals recycling area. This includes ferrous and also non-ferrous opportunities in North America and Greater China region. The due diligence process demonstrates the Company’s discipline in risks management and commitment to enhancing shareholders’ value. Looking forward, we anticipate to close a number of accretive deals.

過往幾個季度鋼材價格上漲對萬順昌集團所產生之負面影響已於中期業績內反映。然而，最近數月鋼材價格開始回軟，而近期香港鋼材部亦獲得地鐵西港島線703號段上環至西營盤隧道工程及地鐵南港島線（東段）901號金鐘綜合車站及沙中線前期工程、啟德郵輪碼頭大樓及輔助設施以及北大嶼山醫院一期計劃等訂單。因此，我們（作為管理層）有充分理由相信截至二零一二年三月三十一日止年度（「二零一二財政年度」）之下半年，香港鋼材部的表現將會有所改善。

從於二零一一年九月三十日之有價契約撥備明顯減少支持了我們的判斷。

中國內地鋼材分銷（「中國鋼材部」）

我們欣然告知列位股東，我們直接向中國內地鋼材基礎設施之「最終用戶」進行直銷以及參與國際性項目的雙線戰略極為成功。我們的國際項目之銷售已於過往六個月增強了盈利能力。

本公司擁有66.7%權益的合營公司寶順昌繼續專注於汽車鋼材市場。其同樣面臨鋼材價格波動的嚴峻形勢，但依然能夠將毛利率維持於2%以上。

金屬再生資源業務

承接去年萬順昌集團有意涉足金屬再生資源業務的策略性計劃及方向，我們已在此方面有進一步發展，同時維持小心審慎的態度，務求將風險減至最低和保障萬順昌集團的股東利益。我們成立熱誠投入的金屬再生資源業務開發團隊後，目前已掌握一系列優質潛在商機，而我們可從中選擇合適機會進軍金屬再生資源業務。此業務包括北美洲及大中華地區黑色金屬及有色金屬的商機。盡職審查表明本公司對於風險管理的紀律和對提升股東價值的決心。本集團預期將能完成多項增值性的交易。

We are also happy to report that the VSC Group now has trading business in Mainland China in both the ferrous and non-ferrous operations too. After a year of learning and accumulating valuable experience and knowledge, we have obtained ISO 9001 Certificate for the scrap metal trading business and the metals recycling team is much more well poised to move into bigger and more impactful mergers and acquisitions, strategic alliances in both Greater China and also North America regions. We look forward to build a strong team with proper structure to meet the challenges and to accomplish the goals for this business.

Building Products Distribution

The business unit of Building Products Distribution mainly engages in distributing sanitary wares in Greater China, namely Shanghai, Wuhan, Shenzhen, Hong Kong and Macau. Total revenue of the Building Products Distribution amounted to approximately HK\$224 million for the period under review, growing from a respectable HK\$188 million for same period of last year, close to 20% increase.

China Leisure Plus (PRC – Shanghai, Wuhan and Shenzhen, etc.)

During the six months under review, Shanghai, Wuhan and Shenzhen Leisure Plus reported revenue of approximately HK\$167 million which represents over 70% of our total Building Products Distribution's revenue. This is largely due to our acquisition of the TOTO distributorship in Hubei province; mainly in Wuhan. The gross profit margin has also increased from 12% for the same period of last year to over 14%.

For the remaining second half of FY2012, we expect the revenue growth to continue strongly and also the profitability too. 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.

The strategic alliance with LIXIL Group for the distribution of their TOSTEM brand of products has also been enhanced and we look forward to the strong growth of our LIXIL distribution channels across entire China.

我們亦欣然報告，萬順昌集團目前在中國已建立黑色金屬和有色金屬兩方面之貿易業務。經過一年來的學習和累積寶貴經驗及知識，我們的廢五金屬的貿易已通過ISO 9001認證，而金屬再生資源團隊已整裝待發，可在大中華及北美洲地區進行更大型和更具影響力的併購和策略結盟。我們將成立結構合理的強大團隊以迎接挑戰並力爭達致此項業務的目標。

建築產品分銷

建築產品分銷業務轄下的業務部門主要在大中華地區，包括上海、武漢、深圳、香港和澳門分銷潔具。於回顧期間，建築產品分銷之總收入約為224,000,000港元，較去年同期的188,000,000港元增長接近20%。

中國利尚派（中國－上海、武漢和深圳等）

於六個月回顧期內，上海、武漢和深圳利尚派錄得收入約167,000,000港元，佔建築產品分銷業務總收入的70%以上。這主要是由於我們取得了TOTO在湖北省（主要是武漢市）的分銷代理權。毛利率亦從去年同期的12%增至14%以上。

二零一二年財政年度下半年，我們預期收入及盈利能力將繼續保持強勁增長。我們於上海開拓渠道和在深圳發展主要客戶的實力，跟我們與主要供應商TOTO的「緊密合作」和戰略夥伴關係相輔相承。我們現正尋求提升當前的以及建立更廣泛的戰略合作夥伴關係以為我們的股東創造價值。

我們亦加強了與驪住集團在分銷其TOSTEM品牌產品方面的戰略聯盟，我們預期驪住集團分銷渠道將在全國範圍內獲得強勁增長。

Hong Kong Building Products Department

Hong Kong Building Products Department recorded revenue of approximately HK\$57 million, the gross profit margin has increased to 31% from 27% for the same period of last year. 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 Building Products Department for the past 12 months has won a number of major projects such as supply of sanitary wares for Marinella, Hennessy Centre redevelopment, Holiday Inn Express (Tseung Kwan O), Tamar Development Project, City One Plaza, Jardine House redevelopment and The Wings.

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, Xiamen, Hangzhou, Wuhan and Hong Kong.

Recently, in the past 6 to 12 months, the export business of our customers in Mainland China has decreased dramatically. This has translated into huge volume decrease (from overall tonnage of 10,800 to 8,000 for the last 6 months) as well as severe pricing pressure from both our suppliers as well as our competitors. This pricing pressure explains the gross profit margin decreased from 6% for the same period of last year to 4% for the last 6 months.

Going forward, the Plastics Department team would focus on aggressively growing the customer base that sells predominately to Mainland China domestic market as this is the only growth market for our customers' base. As this current trend continues, we would also explore the current costs structure to ensure we have the most appropriate and profitable business model for the future.

香港建築產品部

香港建築產品部亦錄得約57,000,000港元收入，毛利率亦由去年同期的27%增至31%。該部門在香港和澳門市場從事潔具及設備、櫥櫃及家具之項目，批發分銷及零售。利尚派為位於灣仔的一站式家居解決方案供應商，提供多款精美選擇和組合，為客戶佈置理想家居。香港建築產品部於過往十二個月已成功獲得多個大型項目，例如為深灣9號、興利中心重建、智選假日酒店（將軍澳）、添馬艦發展計劃、第一城中心、怡和大廈重建及天晉等提供潔具。

塑膠樹脂分銷（「塑膠部」）

塑膠部門於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、廈門、杭州、武漢及香港。

當前，在過往六至十二個月期間，我們的中國內地客戶的出口業務急劇下降，以及來自我們的供應商以及競爭對手的巨大定價壓力，導致銷售量大幅下降（於過往六個月總噸數從10,800噸降至8,000噸）。該定價壓力同時也說明了毛利率從去年同期的6%降至過去六個月的4%的原因。

展望未來，塑膠部將專注於積極擴大那些主要於中國內地市場進行內銷的客戶基礎，因為這是我們的客戶基礎中唯一保持增長的市場。在保持這一趨勢的同時，我們亦將探討目前的成本結構，以確保未來我們能擁有最適合及最具效益的業務模式。

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 most 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 FY2012 and a number of potential deals in various cities in Mainland China have been targeted. The management of these properties, service, maintenance and leasing could potential become a substantial portion of our future business in Mainland China.

Other Investment

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 hotel in Shanghai joined a8 as a franchisee.

Since the great performance last year due to the Shanghai World Expo, the hotel business has continued to maintain relatively good performance and still has positive cash-flow. 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的一幢11層高辦公大樓的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，該物業乃由我們的物業管理團隊管理，該物業的出租率已超過98%。該業務的表現超出預期，零售及辦公室樓面空間之租賃業務已為我們帶來豐厚回報。物業的升值亦令人鼓舞。租戶包括多家國際公司，為我們的房地產業務帶來穩定收入。我們的物業管理團隊從事房地產管理業務亦已多年，並將繼續尋求向其他項目提供物業管理及代理服務的機會。目前，於二零一二財政年度，我們亦關注多個潛在物業項目，且已於中國內地各大城市鎖定多項具潛力交易。該等物業的管理、服務、維護及租賃均有可能構成我們於中國內地未來業務的重要組成部份。

其他投資

酒店業務

萬順昌集團擁有在中國營運的經濟型連鎖酒店a8酒店（「a8」）業務的44%權益。目前，a8分別在上海和廣州經營三家和兩家酒店，另一家上海酒店以特許店形式加盟a8。

承接去年於上海世博期間之佳績，酒店業務繼續保持較好表現及貢獻正現金流量。領導團隊正重估此項投資之策略性計劃，並思考能為列位股東創造最高價值之最佳可行方案。

EMPLOYEE AND REMUNERATION POLICIES

As at 30th September 2011, the VSC Group employed 415 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\$48 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 (the "2001 Share Option Scheme"). The 2001 Share Option Scheme was terminated on 11th August 2011 and a new share option scheme had been adopted since 11th August 2011 (the "2011 Share Option Scheme").

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2011.

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

As at 30th September 2011, the interests and short positions of the Directors and chief executives of the Company in the shares of HK\$0.10 each in the capital of the Company ("Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section

員工及薪酬政策

於二零一一年九月三十日，萬順昌集團聘請415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48,000,000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（「2001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。2001購股權計劃已於二零一一年八月十一日終止並已於同日採納新購股權計劃（「2011購股權計劃」）。

中期股息

董事會並不建議派發截至二零一一年九月三十日止六個月之中期股息。

董事於股份、相關股份及債權證之權益及淡倉

於二零一一年九月三十日，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

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:

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)	–	–	7,630,000	7,630,000

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 2011, 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 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 Director in the share options of the Company are separately disclosed in the section headed "Share Option Scheme" below.

附註：

- a. 於二零一一年九月三十日，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 2011, 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，於二零一一年九月三十日，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 2011, 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，於二零一一年九月三十日，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

Notes:

- (a) As at 30th September 2011, 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 2011, 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 is the brother of Ms. Miriam Che Li Yao and therefore was deemed to be interested in these Shares through Huge Top.

Save as disclosed above, as at 30th September 2011, 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 2001 Share Option Scheme was terminated on 11th August 2011 and the 2011 Share Option Scheme had been adopted since 11th August 2011 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 terms of the 2011 Share Option Scheme are contained in a circular dated 8th July 2011 and have been sent to the shareholders of the Company.

附註：

- (a) 於二零一一年九月三十日，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分之一之投票權，因此透過Huge Top被視為持有該等股份。
- (b) 於二零一一年九月三十日，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。

除上文所披露者外，於二零一一年九月三十日，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。

購股權計劃

於本公司之二零一一年股東週年大會上，已終止2001購股權計劃，生效日期為二零一一年八月十一日，亦自同日採納2011購股權計劃。2001購股權計劃終止後，本公司將不會再按2001購股權計劃授予購股權，惟2001購股權計劃之所有其他條款仍然有效，而於計劃終止前授予之購股權，將仍然有效及可按條款行使。2011購股權計劃之條款已刊於日期為二零一一年七月八日之通函及已寄予本公司之股東。

Up to the date of this interim report, no share options were granted under the 2011 Share Option Scheme. The details of the movements in the share options granted to the Company's employees (including Directors) under the 2001 Share Option Scheme during the period were as follows:

截至本中期報告日期，在2011購股權計劃下並沒有授予購股權。於期內，按2001購股權計劃下授予本公司僱員（包括董事）之購股權變動如下：

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 '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
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
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

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. 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
	1st August 2011 二零一一年八月一日	1st August 2013 to 31st July 2021 二零一三年八月一日至二零二一年七月三十一日	HK\$0.692 0.692港元	-	3,815	-	-	3,815
Sub-total 小計				8,815	3,815	-	-	12,630
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	700	-	-	-	700
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	-	-	(100)	600
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	4,600	-	-	(150)	4,450
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				17,500	-	-	(250)	17,250

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
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				33,315	3,815	-	(250)	36,880

Notes:

附註:

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| <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> |
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| <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:</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> | <p>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：</p> <p>(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。</p> <p>(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）。</p> <p>(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）。</p> |
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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 2011.

買賣或贖回股份

本公司或其任何附屬公司概無於截至二零一一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 2011, except for the deviations herein below mentioned:

所遵守之企業管治常規守則

於截至二零一一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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- 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.

- 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 2011. 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 2011. 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，職權涉及若干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，其中包括審閱截至二零一一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所載之上市發行人董事進行證券交易之標準守則，作為本公司董事的證券交易守則（「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，彼等確認於截至二零一一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 2011 Annual Report are set out below:

1. Mr. Harold Richard Kahler was appointed on 15th July 2011 as a class I director and serves on the board's compensation and leadership and development committee of Reynolds American Inc., a company listed on the New York Stock Exchange.
2. Mr. Andrew Cho Fai Yao retired as a non-executive director of North Asia Strategic Holdings Limited which is a company listed in GEM Board of the Stock Exchange of Hong Kong Limited with effect from 15th September 2011.

On behalf of the Board
Andrew Cho Fai Yao
Chairman

Hong Kong, 11th November 2011

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. Frank Muñoz (being the non-executive Director), 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

自二零一一年年報日期起，董事資料的變動載列如下：

1. Harold Richard Kahler先生於二零一一年七月十五日被委任為於紐約證券交易所上市之Reynolds American Inc.的一級董事及補償與領導才能發展委員會之成員。
2. 姚祖輝先生於二零一一年九月十五日退任為於香港聯合交易所有限公司創業板上市之北亞策略控股有限公司之非執行董事。

代表董事會
主席
姚祖輝

香港，二零一一年十一月十一日

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）、Frank Muñoz先生（為非執行董事）、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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2010-2011



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