



# STEEL TOTAL SOLUTION PROVIDER

VAN SHUNG CHONG HOLDINGS LIMITED  
萬順昌集團有限公司

Interim Report 2008/09 中期報告

Stock Code 股票代號 : 1001

## UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board”) of Van Shung Chong Holdings Limited (“VSC” or the “Company”) hereby announces the unaudited condensed consolidated interim financial information of VSC and its subsidiaries (the “VSC Group”) as at and for the six months ended 30th September 2008, together with comparative figures, as follows:

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30th September 2008

## 未經審核中期業績

萬順昌集團有限公司(「萬順昌」或「本公司」)之董事會(「董事會」)謹此宣佈萬順昌及其附屬公司(「萬順昌集團」)於及截至二零零八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連同比較數字如下：

## 簡明綜合中期損益表

截至二零零八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		
		2008	2007	
		二零零八年	二零零七年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收入	4	3,046,324	2,788,767
Cost of sales	銷售成本	5	(2,783,823)	(2,619,414)
<b>Gross profit</b>	<b>毛利</b>		<b>262,501</b>	169,353
Other (losses)/gains — net	其他(虧損)/收益 — 淨額		(11,177)	6,910
Selling and distribution expenses	銷售及分銷支出	5	(25,686)	(22,008)
General and administrative expenses	一般及行政支出	5	(133,438)	(103,141)
<b>Operating profit</b>	<b>經營溢利</b>		<b>92,200</b>	51,114
Finance income	財務收入	6	2,899	4,940
Finance costs	財務費用	6	(24,840)	(21,223)
Share of post-tax profit of associates	應佔聯營公司 除稅後溢利		1,008	(2,551)
<b>Profit before income tax</b>	<b>除稅前溢利</b>		<b>71,267</b>	32,280
Income tax expense	所得稅支出	7	(18,596)	(6,058)
<b>Profit for the period</b>	<b>期內溢利</b>		<b>52,671</b>	26,222
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人		34,495	21,342
Minority interest	少數股東權益		18,176	4,880
			<b>52,671</b>	26,222
<b>Dividends</b>	<b>股息</b>	8	—	4,155
<b>Earnings per share for profit attributable to the equity holders of the Company</b>	<b>本公司股權持有人應佔溢利 計算之每股盈利</b>			
— Basic	— 基本	9	HK9.1 cents 港仙	HK5.7 cents 港仙
— Diluted	— 攤薄	9	HK9.1 cents 港仙	HK5.6 cents 港仙

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 BALANCE SHEET**

As at 30th September 2008

**簡明綜合中期資產負債表**

於二零零八年九月三十日

			As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 (Unaudited) (未經審核)	As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 (Audited) (已審核)
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	10	145,725	140,422
Investment properties	投資物業	10	44,800	44,800
Leasehold land and land use rights	租賃土地及土地使用權	10	27,488	27,417
Goodwill	商譽	10	6,775	16,585
Investments in associates	於聯營公司之投資		159,890	158,882
Deferred income tax assets	遞延所得稅資產		32,073	31,395
Available-for-sale financial assets	可供出售之財務資產		7,055	7,055
Derivative financial instruments	衍生金融工具		—	1,310
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>423,806</b>	427,866
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		1,108,010	815,377
Due from customers on installation contract work	應收客戶之安裝合約工程		2,700	2,700
Trade and bill receivables	應收賬款及票據	11	662,177	794,798
Loan receivables	應收貸款		22,472	22,472
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		232,209	264,314
Derivative financial instruments	衍生金融工具		35,586	15,356
Amounts due from associates	應收聯營公司		21,587	16,927
Non-current assets held for sale	持作出售之非流動資產		—	7,100
Pledged bank deposits	已抵押銀行存款		137,453	214,577
Cash and cash equivalents	現金及現金等值		287,988	271,435
<b>Total current assets</b>	<b>流動資產總額</b>		<b>2,510,182</b>	2,425,056
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bill payables	應付賬款及票據	12	253,878	401,417
Receipts in advance	預收款項		101,046	110,524
Accrued liabilities and other payables	應計負債及其他應付賬款		77,485	61,619
Current income tax liabilities	流動所得稅負債		16,511	10,552
Derivative financial instruments	衍生金融工具		28,509	3,319
Borrowings	借貸	13	1,222,069	1,065,039
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>1,699,498</b>	1,652,470

			As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元 (Audited) (已審核)
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>810,684</b>	772,586
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,234,490</b>	1,200,452
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Derivative financial instruments	衍生金融工具		9,087	2,590
Deferred income tax liabilities	遞延所得稅負債		2,239	2,268
Borrowings	借貸	13	86,179	117,690
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>97,505</b>	122,548
<b>Net assets</b>	<b>資產淨額</b>		<b>1,136,985</b>	1,077,904
<b>Equity</b>	<b>權益</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>	<b>本公司股權持有人應佔股本及儲備</b>			
Share capital	股本	14	38,143	38,043
Reserves	儲備		839,146	797,688
			<b>877,289</b>	835,731
<b>Minority interest</b>	<b>少數股東權益</b>		<b>259,696</b>	242,173
<b>Total equity</b>	<b>權益總額</b>		<b>1,136,985</b>	1,077,904

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**

**簡明綜合中期權益變動表**

For the six months ended 30th September 2008

截至二零零八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	Total
		Share capital	Other reserves	Retained earnings	Total	interest 少數股東	equity
		股本 HK\$'000 千港元	其他儲備 HK\$'000 千港元	保留盈利 HK\$'000 千港元	總額 HK\$'000 千港元	權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
<b>As at 1st April 2007</b>	於二零零七年四月一日	36,861	471,137	274,597	782,595	224,808	1,007,403
Profit for the period	期內溢利	—	—	21,342	21,342	4,880	26,222
Issuance of shares	股份發行	914	7,959	—	8,873	—	8,873
Disposal of available-for-sale financial assets	出售可供出售之財務資產	—	(1,616)	—	(1,616)	—	(1,616)
Share option scheme — value of services	購股權計劃 — 服務價值	—	652	—	652	—	652
Dividends paid to equity holders of the Company	已付本公司股權 持有人之股息	—	—	(9,798)	(9,798)	—	(9,798)
Dividend paid to a minority shareholder of a subsidiary	已付一間附屬公司 之一位少數股東之股息	—	—	—	—	(319)	(319)
Disposal of certain interests in a subsidiary and recognised it as an associate	出售於一間附屬公司 之若干權益及確認為 一間聯營公司	—	—	—	—	(745)	(745)
Currency translation differences	貨幣滙兌差額	—	3,750	—	3,750	—	3,750
<b>As at 30th September 2007</b>	於二零零七年九月三十日	37,775	481,882	286,141	805,798	228,624	1,034,422
<b>As at 1st April 2008</b>	於二零零八年四月一日	<b>38,043</b>	<b>509,275</b>	<b>288,413</b>	<b>835,731</b>	<b>242,173</b>	<b>1,077,904</b>
Profit for the period	期內溢利	—	—	34,495	34,495	18,176	52,671
Issuance of shares	股份發行	100	680	—	780	—	780
Share option scheme — value of services	購股權計劃 — 服務價值	—	1,291	—	1,291	—	1,291
Dividend payable to equity holders of the Company	應付本公司股權持有人之 股息	—	—	(4,946)	(4,946)	—	(4,946)
Dividend payable to a minority shareholder of a subsidiary	應付一間附屬公司 之一位少數股東之股息	—	—	—	—	(653)	(653)
Currency translation differences	貨幣滙兌差額	—	9,938	—	9,938	—	9,938
<b>As at 30th September 2008</b>	於二零零八年九月三十日	<b>38,143</b>	<b>521,184</b>	<b>317,962</b>	<b>877,289</b>	<b>259,696</b>	<b>1,136,985</b>

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 CASH FLOW STATEMENT**

For the six months ended 30th September 2008

**簡明綜合中期現金流量表**

截至二零零八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	
		2008	2007
		二零零八	二零零七
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
<b>Net cash used in operating activities</b>	<b>經營活動所用之現金淨額</b>	<b>(191,333)</b>	<b>(203,840)</b>
Cash flows from investing activities:	投資活動之現金流：		
Acquisition of property, plant and equipment	添置物業、廠房及設備	<b>(13,344)</b>	(10,776)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	<b>145</b>	11
Proceeds from disposals of a non-current asset held for sales	出售一項持作出售之非流動資產之所得款項	<b>7,100</b>	—
Proceeds from disposals of an available-for-sale financial assets	出售可供出售之財務資產之所得款項	—	11,158
Dividends received from an available-for-sales financial assets	一項可供出售之財務資產之股息收入	<b>4,075</b>	—
Additional investment in associates	增加於聯營公司之投資	—	(29,868)
Proceeds from disposal of certain interests in a subsidiary and recognised it as an associate	出售於一間附屬公司之若干權益之所得款項及確認為一間聯營公司	—	3,723
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少／(增加)	<b>77,124</b>	(40,661)
Translation adjustments	滙兌調整	<b>6,487</b>	809
<b>Net cash generated from/(used in) investing activities</b>	<b>投資活動產生／(所用)之現金淨額</b>	<b>81,587</b>	<b>(65,604)</b>
Cash flows from financing activities:	融資活動之現金流：		
New bank loans	新增銀行貸款	<b>125,045</b>	111,964
Repayment of bank loans	償還銀行貸款	<b>(108,135)</b>	(11,511)
Net increase in trust receipt bank loans	信託收據銀行貸款之淨增加	<b>108,609</b>	131,504
Dividends paid to a minority shareholder of a subsidiary	已付一間附屬公司之一位少數股東之股息	—	(319)
Dividends paid to equity holders of the Company	已付本公司股權持有人之股息	—	(9,798)
Issuance of shares	股份發行	<b>780</b>	8,873
<b>Net cash generated from financing activities</b>	<b>融資活動產生之現金淨額</b>	<b>126,299</b>	<b>230,713</b>
Increase/(decrease) in cash and cash equivalents	現金及現金等值之增加／(減少)	<b>16,553</b>	(38,731)
Cash and cash equivalents as at 1st April	於四月一日之現金及現金等值	<b>271,435</b>	304,574
Cash and cash equivalents as at 30th September	於九月三十日之現金及現金等值	<b>287,988</b>	265,843

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

The unaudited condensed consolidated interim financial information are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. It has been approved for issue by the Board of Directors on 12th December 2008.

### 2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2008 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 2008, 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責任公司，並根據百慕達公司法1981，成為一間豁免公司。自一九九四年二月十八日起，本公司於香港聯合交易所有限公司主板上市。其註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

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

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二零零八年十二月十二日經董事會核准刊發。

### 2 編製基準

本份截至二零零八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」)編製截至二零零八年三月三十一日止年度之年度綜合財務報表一併閱讀。

### 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 2008, 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 interpretations are mandatory for the first time for the financial year beginning 1st April 2008 but are not currently relevant for the VSC Group.

HK(IFRIC) — Int 12 Service Concession Arrangements

HK(IFRIC) — Int 14 HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

HKAS 39 and HKFRS 7 (Amendments) Financial Instruments: Recognition and Measurement and Financial Instruments: Disclosures (effective on or after 1st July 2008)

The following new/revised standards and amendments to existing standards have been issued but are not effective for the financial year beginning 1st April 2008 and have not been early adopted:

HKAS 1 (Revised) Presentation of Financial Statements (effective for annual periods beginning on or after 1st January 2009)

HKAS 23 (Revised) Borrowing Costs (effective for annual periods beginning on or after 1st January 2009)

HKAS 27 (Revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1st July 2009)

### 3 會計政策

除下文所述外，已採納之會計政策與截至二零零八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所得稅率計提。

以下新增詮釋為始於二零零八年四月一日之財政年度之首年必須採納，但現階段與萬順昌集團無關。

香港(國際財務報告詮釋委員會) — 詮釋第12號 服務特許權安排

香港(國際財務報告詮釋委員會) — 詮釋第14號 香港會計準則第19號 — 界定福利資產限制、最低融資規定及相互之間之關係

香港會計準則第39號及香港財務報告準則第7號(修訂) 金融工具：確認及計量及金融工具：披露(於二零零八年七月一日起生效)

下列新訂／經修訂之準則及修訂對現有始於二零零八年四月一日起之財政年度已頒佈但並未生效之準則並無提前採納：

香港會計準則第1號(經修訂) 財務報表之呈列(於二零零九年一月一日起或以後年度期間生效)

香港會計準則第23號(經修訂) 借貸成本(於二零零九年一月一日起或以後年度期間生效)

香港會計準則第27號(經修訂) 綜合及獨立財務報表(於二零零九年七月一日起或以後年度期間生效)



### 3 ACCOUNTING POLICIES (CONTINUED)

HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1st January 2009)
HKFRS 3 (Revised)	Business Combinations (effective for annual periods beginning on or after 1st July 2009)
HKFRS 8	Operating Segments (effective for annual periods beginning on or after 1st January 2009)

The VSC Group plans to adopt the above new/revised standards and amendments to existing standards when they become effective.

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

HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation (effective for annual periods beginning on or after 1st January 2009)
HK(IFRIC) — Int 13	Customer Loyalty Programmes (effective for annual periods beginning on or after 1st July 2008)
HK(IFRIC) — Int 15	Agreements for Construction of Real Estate (effective for annual periods beginning on or after 1st January 2009)
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1st October 2008)

### 3 會計政策(續)

香港財務報 告準則第2 號(修訂)	以股份為基礎之補償計劃之歸屬條件及取消(於二零零九年一月一日起或以後年度期間生效)
香港財務報 告準則第 3號(經修 訂)	業務合併(於二零零九年七月一日起或以後年度期間生效)
香港財務報 告準則第8 號	經營分部(於二零零九年一月一日起或以後年度期間生效)

萬順昌集團計劃對現有準則生效後，採納以上新訂／經修訂之準則及修訂。

以下對現有準則及詮釋之修訂並未生效及對萬順昌集團之業務無關：

香港會計準 則第32號 及香港會 計準則第1 號(修訂)	清盤產生之可沽售金融工具及責任(於二零零九年一月一日起或以後年度期間生效)
香港(國際 財務報告 詮釋委員 會) — 詮 釋第13號	客戶忠誠計劃(於二零零八年七月一日起或以後年度期間生效)
香港(國際 財務報告 詮釋委員 會) — 詮 釋第15號	房地產建築協議(於二零零九年一月一日起或以後年度期間生效)
香港(國際 財務報告 詮釋委員 會) — 詮 釋第16號	海外業務投資淨額對沖(於二零零八年十月一日起或以後年度期間生效)

#### 4 SEGMENT INFORMATION

##### Primary reporting format — business segments

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

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

Analysis of the VSC Group’s results by business segment for the six months ended 30th September 2008 is as follows:

#### 4 分部資料

##### 主要申報形式 — 業務分部

萬順昌集團主要於香港和中國內地經營兩項業務：

- (i) 中國先進材料加工（「CAMP」）
- (ii) 建築材料（「CMG」）

萬順昌集團截至二零零八年九月三十日止六個月按業務分部之業績分析如下：

		CAMP	CMG	Other operations	Eliminations	Total
		中國先進 材料加工 HK\$'000 千港元	建築材料 HK\$'000 千港元	其他業務 HK\$'000 千港元	抵銷 HK\$'000 千港元	總額 HK\$'000 千港元
External revenue	對外收入	1,136,904	1,909,111	309	—	3,046,324
Inter-segment revenue	分部間收入	—	62,945	—	(62,945)	—
		<b>1,136,904</b>	<b>1,972,056</b>	<b>309</b>	<b>(62,945)</b>	<b>3,046,324</b>
Segment results	分部業績	<b>84,263</b>	<b>59,073</b>	<b>(18)</b>		<b>143,318</b>
Other gains/(losses) — net	其他收益／ (虧損) — 淨額	<b>(9,805)</b>	<b>(196)</b>	<b>(1,176)</b>		<b>(11,177)</b>
Unallocated corporate expenses	未分配企業支出					<b>(39,941)</b>
Operating profit	經營溢利					<b>92,200</b>
Finance income	財務收入					<b>2,899</b>
Finance costs	財務費用					<b>(24,840)</b>
Share of post-tax profit of associates	應佔聯營公司 除稅後溢利					<b>1,008</b>
Income tax expense	所得稅支出					<b>(18,596)</b>
Profit for the period	期內溢利					<b>52,671</b>

#### 4 SEGMENT INFORMATION (CONTINUED)

##### Primary reporting format — business segments (Continued)

Analysis of the VSC Group's results by business segment for the six months ended 30th September 2007 is as follows:

#### 4 分部資料(續)

##### 主要申報形式 — 業務分部(續)

萬順昌集團截至二零零七年九月三十日止六個月按業務分部之業績分析如下：

		CAMP	CMG	Other	Eliminations	Total
		中國先進		operations		
		材料加工	建築材料	其他業務	抵銷	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
External revenue	對外收入	1,207,174	1,568,808	12,785	—	2,788,767
Inter-segment revenue	分部間收入	—	108,807	—	(108,807)	—
		<u>1,207,174</u>	<u>1,677,615</u>	<u>12,785</u>	<u>(108,807)</u>	<u>2,788,767</u>
Segment results	分部業績	<u>36,639</u>	<u>34,162</u>	<u>12,490</u>		83,291
Other gains/(losses) — net	其他收益／ (虧損) — 淨額	(194)	(1,252)	8,356		6,910
Unallocated corporate expenses	未分配企業支出					<u>(39,087)</u>
Operating profit	經營溢利					51,114
Finance income	財務收入					4,940
Finance costs	財務費用					(21,223)
Share of post-tax loss of associates	應佔聯營公司 除稅後溢利					(2,551)
Income tax expense	所得稅支出					<u>(6,058)</u>
Profit for the period	期內溢利					<u>26,222</u>

#### 4 SEGMENT INFORMATION (CONTINUED)

##### Primary reporting format — business segments (Continued)

The segment assets and liabilities as at 30th September 2008 and capital expenditure, depreciation and amortisation, impairment of trade receivables and write-down of inventories for the six months ended 30th September 2008 are as follows:

		<b>CAMP</b>	<b>CMG</b>	<b>Other</b>	<b>Unallocated</b>	<b>Total</b>
		中國先進		operations		
		材料加工	建築材料	其他業務	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Assets	資產	<b>1,170,028</b>	<b>1,475,267</b>	<b>251,788</b>	<b>36,905</b>	<b>2,933,988</b>
Liabilities	負債	<b>206,836</b>	<b>261,874</b>	<b>2,774</b>	<b>1,325,519</b>	<b>1,797,003</b>
Capital expenditure	資本支出	<b>10,027</b>	<b>3,317</b>	—	—	<b>13,344</b>
Depreciation and amortization	折舊及攤銷	<b>8,181</b>	<b>2,288</b>	<b>219</b>	—	<b>10,688</b>
Impairment of trade receivables	應收賬款減值	<b>12,413</b>	<b>3,599</b>	—	—	<b>16,012</b>
Write-down of inventories	存貨撇減	<b>510</b>	<b>3,160</b>	—	—	<b>3,670</b>

#### 4 分部資料(續)

##### 主要申報形式 — 業務分部(續)

於二零零八年九月三十日之分部資產及負債及截至二零零八年九月三十日止六個月之資本支出、折舊及攤銷、應收賬款減值及存貨撇減如下：

#### 4 SEGMENT INFORMATION (CONTINUED)

##### Primary reporting format — business segments (Continued)

The segment assets and liabilities as at 31st March 2008 and capital expenditure, depreciation and amortisation, impairment of trade receivables and write-down/(write-back) of inventories for the six months ended 30th September 2007 are as follows:

		CAMP	CMG	Other	Unallocated	Total
		中國先進	建築材料	其他業務	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Assets	資產	1,241,708	1,323,016	248,720	39,478	2,852,922
Liabilities	負債	207,386	377,782	2,520	1,187,330	1,775,018
Capital expenditure	資本支出	9,541	1,235	—	—	10,776
Depreciation and amortization	折舊及攤銷	8,296	2,178	220	—	10,694
Impairment of trade receivables	應收賬款減值	636	1,467	—	—	2,103
Write-down/(write-back) of inventories	存貨撇減/(撤回)	4,476	(1,276)	—	—	3,200

Unallocated cost represents corporate expenses. Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

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

#### 4 分部資料(續)

##### 主要申報形式 — 業務分部(續)

於二零零八年三月三十一日之分部資產及負債及截至二零零七年九月三十日止六個月之資本支出、折舊及攤銷、應收賬款減值及存貨撇減/(撤回)如下:

		CAMP	CMG	Other	Unallocated	Total
		中國先進	建築材料	其他業務	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Assets	資產	1,241,708	1,323,016	248,720	39,478	2,852,922
Liabilities	負債	207,386	377,782	2,520	1,187,330	1,775,018
Capital expenditure	資本支出	9,541	1,235	—	—	10,776
Depreciation and amortization	折舊及攤銷	8,296	2,178	220	—	10,694
Impairment of trade receivables	應收賬款減值	636	1,467	—	—	2,103
Write-down/(write-back) of inventories	存貨撇減/(撤回)	4,476	(1,276)	—	—	3,200

未分配成本為企業支出。分部間轉撥或交易按可供無關連第三方之正常商業條款進行。

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

#### 4 SEGMENT INFORMATION (CONTINUED)

##### Primary reporting format — business segments (Continued)

Segment liabilities comprise operating liabilities and exclude corporate borrowings and derivative financial instruments.

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

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

##### Secondary reporting format — geographical segments

The VSC Group's business activities operate predominately in Hong Kong and Mainland China.

Analysis of the VSC Group's revenue, assets and capital expenditure by geographical segment are as follows:

		Revenue 收入		Assets 資產		Capital Expenditure 資本支出	
		For the six months ended 30th September		As at 30th September	As at 31st March	For the six months ended 30th September	
		2008	2007	2008	2008	2008	2007
		截至九月三十日止六個月 二零零八年	二零零七年	於二零零八年 九月三十日	於二零零八年 三月三十一日	截至九月三十日止六個月 二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Hong Kong	香港	725,968	624,871	1,055,496	966,911	1,777	989
Mainland China	中國內地	2,320,356	2,163,896	1,878,492	1,886,011	11,567	9,787
		<b>3,046,324</b>	2,788,767	<b>2,933,988</b>	2,852,922	<b>13,344</b>	10,776

Revenue are allocated based on the places in which customers are located. Assets and capital expenditure are allocated based on where the assets are located.

#### 4 分部資料(續)

##### 主要申報形式 — 業務分部(續)

分部負債包括經營負債但並不包括企業借貸及衍生金融工具。

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

其他業務主要包括在香港提供之租務服務及其他投資。此兩者並沒有構成獨立之匯報分部。

##### 次要申報形式 — 地區分部

萬順昌集團之業務主要在香港及中國內地經營。

萬順昌集團按地區分部之收入，資產及資本支出分析如下：

## 5 EXPENSES BY NATURE

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

## 5 按性質劃分之支出

包括在銷售成本、銷售及分銷支出與一般及行政支出內之支出之分析如下：

		For the six months ended 30th September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Raw materials consumed and finished goods sold	原材料耗用及製成品銷售	2,750,877	2,579,449
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	10,399	10,421
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	177	12
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	289	273
Employment costs	僱員成本	79,992	65,296
Operating lease rental in respect of — land and buildings	營業租約租金 — 土地及樓宇	9,751	5,407
— plant and machinery and motor vehicles	— 廠房及機器及汽車	1,629	1,647
Impairment of trade receivables	應收賬款減值	16,012	2,103
Write-down of inventories	存貨撇減	3,670	3,200
Others	其他	70,151	76,755
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	2,942,947	2,744,563

## 6 FINANCE INCOME AND COSTS

## 6 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	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Finance income	財務收入		
Interest income:	利息收入：		
— on short-term bank deposits	— 於短期銀行存款	2,868	4,940
— on loan receivables	— 於應收貸款	31	—
		<b>2,899</b>	4,940
Finance costs	財務費用		
Interest expenses:	利息支出：		
— on bank borrowings wholly repayable within five years	— 須於五年內全數償還之銀行借貸	(22,935)	(19,153)
— paid to a related party	— 已付予一位關連人士	(1,905)	(2,070)
		<b>(24,840)</b>	(21,223)
Net finance costs	淨財務費用	<b>21,941</b>	16,283

## 7 INCOME TAX EXPENSE

Hong Kong and overseas profits tax has been provided at the rate of 16.5% (2007: 17.5%) and at the rates of taxation prevailing in the countries in which the VSC Group operate respectively.

## 7 所得稅支出

香港及海外利得稅分別按稅率16.5% (二零零七年：17.5%) 作出撥備及按萬順昌集團經營業務之國家之當時稅率計算。

		For the six months ended 30th September 截至九月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Current income tax	當期所得稅		
— Hong Kong profits tax	— 香港利得稅	6,439	5,103
— China corporate income tax	— 中國企業所得稅	12,453	2,972
Deferred income tax	遞延所得稅	(296)	(2,017)
Income tax expense	所得稅支出	<b>18,596</b>	6,058



## 8 DIVIDENDS

A 2008 final dividend of HK1.3 cents (2007 final: HK2.6 cents) per ordinary share; totalling approximately HK\$4,946,000 (2007 final: approximately HK\$9,584,000) was paid on 3rd October 2008.

The directors do not recommend the payment of any interim dividend for the six months ended 30th September 2008 (2008 interim: HK1.1 cents per ordinary share; totalling approximately HK\$4,155,000).

## 9 EARNINGS PER SHARE

### Basic

Basic earnings per 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.

## 8 股息

二零零八年度末期股息每股普通股 1.3港仙(二零零七年末期: 2.6港仙)合共約4,946,000港元(二零零七年末期: 約9,584,000港元), 並已於二零零八年十月三日支付。

董事並不建議就截至二零零八年九月三十日止六個月派付任何中期股息(二零零八年中 期: 每股普通股1.1港仙; 共約4,155,000港元)。

## 9 每股盈利

### 基本

計算每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	
		2008 二零零八年	2007 二零零七年
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)	34,495	21,342
Weighted-average number of ordinary shares in issue ('000)	已發行普通股之加權平均數 (千股)	380,762	374,914
Basic earnings per share (HK cents)	每股基本盈利(港仙)	9.1	5.7

## 9 EARNINGS PER SHARE (CONTINUED)

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares 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.

## 9 每股盈利(續)

### 攤薄

計算每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	
		2008 二零零八年	2007 二零零七年
Profit attributable to equity holders of the Company and used to determine diluted earnings per share (HK\$'000)	本公司股權持有人應佔溢利及用以釐訂每股攤薄盈利(千港元)	34,495	21,342
Weighted-average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	380,762	374,914
Adjustments for share options ('000)	調整購股權(千份)	—	4,454
Weighted-average number of ordinary shares for diluted earnings per share ('000)	計算每股攤薄盈利之普通股加權平均數(千股)	380,762	379,368
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	9.1	5.6

## 10 CAPITAL EXPENDITURE

## 10 資本支出

		Property, plant and equipment 物業、 廠房及設備 HK\$'000 千港元	Investment properties 投資物業 HK\$'000 千港元	Leasehold land and land use rights 租賃土地及 土地使用權 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元
<b>Six months ended</b>	<b>二零零七年</b>				
<b>30th September 2007</b>	<b>九月三十日</b>				
	<b>止六個月</b>				
Opening net book amount as at	於二零零七年				
1st April 2007	四月一日期				
	初賬面淨值	126,315	50,000	26,527	31,202
Additions	添置	10,776	—	—	—
Fair value gains	公平價值收益	—	800	—	—
Disposals	出售	(23)	—	—	—
Depreciation/amortization	折舊／攤銷	(10,421)	—	(273)	—
Translation adjustments	滙兌差額	2,602	—	339	—
Closing net book amount	於二零零七年				
as at 30th September 2007	九月三十日				
	期終賬面淨值	129,249	50,800	26,593	31,202
<b>Six months ended</b>	<b>二零零八年九月</b>				
<b>30th September 2008</b>	<b>三十日止六個月</b>				
Opening net book amount as at	於二零零八年				
1st April 2008	四月一日期				
	初賬面淨值	140,422	44,800	27,417	16,585
Additions	添置	13,344	—	—	—
Disposals	出售	(322)	—	—	—
Impairment of goodwill	商譽減值	—	—	—	(9,810)
Depreciation/amortization	折舊／攤銷	(10,399)	—	(289)	—
Translation adjustments	滙兌差額	2,680	—	360	—
Closing net book amount as at	於二零零八年				
30th September 2008	九月三十日				
	期終賬面淨值	145,725	44,800	27,488	6,775

## 11 TRADE AND BILL RECEIVABLES

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

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

		<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
0-60 days	0-60日	<b>543,560</b>	623,513
61-120 days	61-120日	<b>99,868</b>	146,660
121-180 days	121-180日	<b>14,045</b>	16,641
181-365 days	181-365日	<b>14,627</b>	11,989
Over 365 days	超過365日	<b>24,290</b>	17,530
		<b>696,390</b>	816,333
Less: provision for impairment of receivables	減：應收賬款減值撥備	<b>(34,213)</b>	(21,535)
		<b>662,177</b>	794,798

The carrying amounts of trade and bill receivables are approximately 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120日不等。

應收賬款及票據根據發票日期之賬齡分析如下：

	<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
	<b>543,560</b>	623,513
	<b>99,868</b>	146,660
	<b>14,045</b>	16,641
	<b>14,627</b>	11,989
	<b>24,290</b>	17,530
	<b>696,390</b>	816,333
Less: provision for impairment of receivables	<b>(34,213)</b>	(21,535)
	<b>662,177</b>	794,798

應收賬款及票據之賬面金額與其公平價值相約。

## 12 TRADE AND BILL PAYABLES

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

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

		<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
0-60 days	0-60日	<b>243,180</b>	357,358
61-120 days	61-120日	<b>2,664</b>	25,416
121-180 days	121-180日	<b>2,308</b>	8,864
181-365 days	181-365日	<b>3,034</b>	9,092
Over 365 days	超過365日	<b>2,692</b>	687
		<b>253,878</b>	401,417

The carrying amounts of trade and bill payables are approximately 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介乎30至210日不等。

應付賬款及票據之賬齡分析如下：

	<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
	<b>243,180</b>	357,358
	<b>2,664</b>	25,416
	<b>2,308</b>	8,864
	<b>3,034</b>	9,092
	<b>2,692</b>	687
	<b>253,878</b>	401,417

應付賬款及票據之賬面金額與其公平價值相約。

### 13 BORROWINGS

### 13 借貸

		As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元	As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元
Non-current	非當期		
— Long-term bank loans, secured	— 長期銀行貸款，抵押的	86,179	117,690
Current	當期		
— Trust receipts bank loans, secured	— 信託收據銀行貸款，抵押的	859,911	751,302
— Short-term bank loans, secured	— 短期銀行貸款，抵押的	314,857	281,957
— Long-term bank loan, secured, current portion	— 長期銀行貸款，抵押的，當期部份	47,301	31,780
		<b>1,222,069</b>	1,065,039
Total borrowings	借貸總額	<b>1,308,248</b>	1,182,729

Movements in borrowings are analysed as follows:

借貸變動分析如下：

		HK\$'000 千港元
<b>Six months ended 30th September 2007</b>	<b>二零零七年九月三十日止六個月</b>	
Opening amount at 1st April 2007	於二零零七年四月一日期初賬面金額	710,987
Inceptions of borrowings	當期借貸	243,468
Repayments of borrowings	償還借貸	(11,511)
Closing amount at 30th September 2007	於二零零七年九月三十日期終賬面金額	942,944
<b>Six months ended 30th September 2008</b>	<b>二零零八年九月三十日止六個月</b>	
Opening amount at 1st April 2008	於二零零八年四月一日期初賬面金額	1,182,729
Inceptions of borrowings	當期借貸	233,654
Repayments of borrowings	償還借貸	(108,135)
Closing amount at 30th September 2008	於二零零八年九月三十日期終賬面金額	1,308,248

## 14 SHARE CAPITAL

## 14 股本

		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(每股普通股面值 0.10港元)	1,000,000	100,000
As at 1st April 2008	於二零零八年四月一日	380,428	38,043
Exercise of share options	行使之購股權	1,000	100
As at 30th September 2008	於二零零八年九月三十日	381,428	38,143

## 15 GUARANTEES

As at 30th September 2008, the VSC Group has given performance bonds in the ordinary course of business amounting to approximately HK\$573,000 (31st March 2008: approximately HK\$1,416,000) to third parties.

## 15 擔保

於二零零八年九月三十日，萬順昌集團就其正常業務之需要而給予第三方履約擔保書約573,000港元(二零零八年三月三十一日：約1,416,000港元)。

## 16 COMMITMENTS

### (a) Capital commitments

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

## 16 承擔

### (a) 資本承擔

關於物業、廠房及設備之資本承擔如下：

		As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元	As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元
Contracted but not provided for	已訂約但未確認	3,486	611

## 16 COMMITMENTS (CONTINUED)

### (b) Commitments under operating leases

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

		<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
Not later than one year	未逾1年	<b>13,131</b>	14,417
Later than one year and not later than five years	逾1年及未逾5年	<b>11,430</b>	16,290
Later than five years	逾5年	<b>1,043</b>	1,854
		<b>25,604</b>	32,561

### (c) Commitments under derivative contracts

As at 30th September 2008, the VSC Group had the following derivative contracts. These contracts are stated at fair values as at 30th September 2008.

- (i) Outstanding forward foreign currency contracts to purchase approximately US\$24,200,000 (31st March 2008: US\$58,500,000) for approximately HK\$187,094,000 (31st March 2008: HK\$452,724,000), for the purpose of hedging against the VSC Group's commitments arising from its trading activities.

## 16 承擔(續)

### (b) 營業租約承擔

就承租物業及汽車而訂立之不可撤銷營業租約之應付承擔總額分析如下：

		<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
Not later than one year	未逾1年	<b>13,131</b>	14,417
Later than one year and not later than five years	逾1年及未逾5年	<b>11,430</b>	16,290
Later than five years	逾5年	<b>1,043</b>	1,854
		<b>25,604</b>	32,561

### (c) 衍生合約承擔

於二零零八年九月三十日，萬順昌集團有以下衍生合約。此等合約按其於二零零八年九月三十日之公平價值列賬。

- (i) 尚有約187,094,000港元(二零零八年三月三十一日：452,724,000港元)未行使之遠期外匯貨幣合約以用作購買約24,200,000美元(二零零八年三月三十一日：58,500,000美元)，旨在為萬順昌集團於貿易活動有關之承諾作出對沖。



## 16 COMMITMENTS (CONTINUED)

### (c) Commitments under derivative contracts (continued)

- (ii) Outstanding currency swap contracts to purchase approximately US\$65,000,000 (31st March 2008: US\$54,000,000) for approximately RMB451,610,000 (31st March 2008: RMB389,340,000), for the purpose of hedging against the VSC Group's commitments arising from its trading activities.
  
- (iii) Outstanding interest rate swap contracts covering different periods with notional principal amounts of HK\$72,000,000 (31st March 2008: Nil) to pay at fixed rate of 3.25% per annum and receive floating rate of commercial rate for the purpose of hedging against cash-flow interest rate risks arising from the VSC Group's loan of HK\$48,000,000 which has a maturity date on 31st August 2010. The contracts comprise HK\$36,000,000 for the period February 2009 to August 2009, HK\$24,000,000 for the period August 2009 to February 2010 and HK\$12,000,000 for the period February 2010 to August 2010.

## 16 承擔(續)

### (c) 衍生合約承擔(續)

- (ii) 尚有約人民幣451,610,000元(二零零八年三月三十一日:人民幣389,340,000元)未行使之貨幣掉期合約以用作購買約65,000,000美元(二零零八年三月三十一日:54,000,000美元),旨在為萬順昌集團於貿易活動有關之承諾作出對沖。
  
- (iii) 尚有涵蓋不同期間未行使利率掉期合約之名義本金額為72,000,000港元(二零零八年三月三十一日:無),須按固定年利率3.25%支付,以及收取商業利率之浮動利率,旨在對沖由萬順昌集團48,000,000港元於二零一零年八月三十一日到期之貸款所引致之現金流量利率風險。該等合約之行使期分別為二零零九年二月至二零零九年八月、二零零九年八月至二零一零年二月及二零一零年二月至二零一零年八月,金額分別為36,000,000港元、24,000,000港元及12,000,000港元。

## 17 RELATED-PARTY 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:

### (a) Transactions

		For the six months ended 30th September	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Purchase of goods from a related party (i)(ii)	向一關連人士採購貨品 (i)(ii)	95,148	83,698
Rental expenses paid to an associate (iii)	已付一聯營公司之租金支出 (iii)	3,226	—
Interest paid to a related party (i)(iv)	已付一關連人士之利息 (i)(iv)	1,905	2,070

#### Notes:

- (i) The Company relates to Shinsho Corporation, the 30% minority shareholder of VSC Shinsho Company Limited, a subsidiary of the VSC Group.
- (ii) Goods were purchased at prices mutually agreed by both parties.
- (iii) Rental expenses were determined by reference to open market rental.
- (iv) Interest expenses are determined at a rate of approximately 1.5% per annum (30th September 2007: 2.6%) per annum.

## 17 與關連人士之交易

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：

### (a) 交易

		For the six months ended 30th September	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元

#### 附註：

- (i) 本公司與神鋼商事株式會社有關連，其為擁有萬順昌神商有限公司(為萬順昌集團之附屬公司)30%權益之少數股東。
- (ii) 貨品採購皆按雙方達成協議之價格收取。
- (iii) 租金支出參考公開市場之租金而釐訂。
- (iv) 利息支出乃按年利率約1.5%(二零零七年九月三十日：2.6%)計算。

**17 RELATED-PARTY TRANSACTIONS (CONTINUED)**  
**(b) Period/year-end balances (included in trade payables)**

**17 與關連人士之交易(續)**  
**(b) 期終/年終結餘(包括在應付賬款)**

		<b>As at 30th September 2008 於二零零八年 九月三十日 HK\$'000 千港元</b>	<b>As at 31st March 2008 於二零零八年 三月三十一日 HK\$'000 千港元</b>
Payables to a related party (i)	應付一關連人士 (i)	<b>79,676</b>	91,570

Note:

- (i) The Company relates to Shinsho Corporation, the 30% minority shareholder of VSC Shinsho Company Limited, a subsidiary of the VSC Group. The balance is unsecured and bears interest at commercial rate and repayable according to agreed credit days.

附註：

- (i) 本公司與神鋼商事株式會社有關連，其為擁有萬順昌神商有限公司(為萬順昌集團之附屬公司)30%權益之少數股東。結餘並無抵押及按商業利率計息及根據已承認之信貸日還款。

**(c) Key management compensation**

**(c) 主要管理層報酬**

		<b>For the six months ended 30th September 截至九月三十日止六個月</b>	
		<b>2008 二零零八年 HK\$'000 千港元</b>	<b>2007 二零零七年 HK\$'000 千港元</b>
Salaries and allowances	薪金及津貼	<b>2,870</b>	6,465
Bonus	花紅	<b>480</b>	2,282
Pension costs	退休金成本		
— defined contribution schemes	— 界定供款計劃	<b>23</b>	68
Share option scheme	購股權計劃		
— value of services	— 服務價值	—	190
		<b>3,373</b>	9,005

## 18 SEASONALITY

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

## 19 SUBSEQUENT EVENTS

CAMP (B.V.I.) Holdings Limited ("CAMP BVI"), a wholly-owned subsidiary of the Company, received and accepted a call notice from Ryerson Pan-Pacific LLC ("Ryerson LLC") on 27th October 2008, for the exercise of the call option to acquire an additional 20% interest in VSC-Ryerson China Limited ("VSC-Ryerson China") at a consideration of US\$4,304,000 (equivalent to approximately HK\$33,571,000). The sale and purchase of the additional 20% interest in VSC-Ryerson China was completed on 31st October 2008. Immediately following the completion of the exercise of call option, the VSC Group's interests in VSC-Ryerson China were reduced from 60% to 40%, making VSC-Ryerson China an associate of the VSC Group.

On 6th December 2008, the VSC Group published a circular for a proposed disposal of a further 20% interest in VSC-Ryerson China to Ryerson LLC, Ryerson Inc. or Rhombus Holding Corporation (or any wholly-owned subsidiary of each of them) through the exercise of a put option (the "VSC Put Option") at a consideration of US\$14,200,000 (equivalent to approximately HK\$110,760,000). The exercise of VSC Put Option is subject to the approval of the shareholders of the Company at the special general meeting to be held on 23rd December 2008. Should the proposed disposal be approved and CAMP BVI exercised the VSC Put Option, the VSC Group's interests on VSC-Ryerson China will be further reduced to 20% upon completion.

## 18 季節性

季節性對萬順昌集團之營運並無重大影響。

## 19 結算日後事項

本公司之一間全資附屬公司CAMP (B.V.I.) Holdings Limited (「CAMP BVI」)收到及於二零零八年十月二十七日接納Ryerson Pan-Pacific LLC (「Ryerson LLC」)發出的認購通知，內容關於欲行使其認購期權以收購萬順昌—瑞爾盛中國有限公司(「萬順昌—瑞爾盛中國」)額外20%權益，代價為4,304,000美元(相當於約33,571,000港元)。此買賣萬順昌—瑞爾盛中國額外20%權益於二零零八年十月三十一日完成。緊隨行使認購期權後，萬順昌集團於萬順昌—瑞爾盛中國擁有之權益由60%減至40%，萬順昌—瑞爾盛中國因而成為萬順昌集團之一間聯營公司。

於二零零八年十二月六日，萬順昌集團刊發之一份通函，內容關於透過行使其認沽期權(「VSC認沽期權」)，建議出售萬順昌—瑞爾盛中國額外20%權益予Ryerson LLC、Ryerson Inc.或Rhombus Holding Corporation(或前述各方之任何全資附屬公司)，代價為14,200,000美元(相當於約110,760,000港元)。行使VSC認沽期權須待本公司於二零零八年十二月二十三日舉行之股東特別大會上獲本公司股東批准後，方可作實。倘建議出售獲批准及CAMP BVI行使VSC認沽期權完成後，萬順昌集團於萬順昌—瑞爾盛中國擁有之權益將進一步減至20%。

## RESULTS

Our revenue for the six months ended 30th September 2008 reached approximately HK\$3,046 million, a 9% increase as compared with approximately HK\$2,789 million for the same period of last year. Our gross margin increased by 2.5 percentage points to 8.6% as compared with 6.1% for the same period of last year. Selling and distribution expenses increased by 17% from approximately HK\$22 million to approximately HK\$26 million because of soaring crude oil price which drove up the transportation cost. General and administrative expenses increased by 29% from approximately HK\$103 million to approximately HK\$133 million. The increase was mainly due to higher employment costs and increase in impairment of trade receivables. The increase in employment costs was mainly due to higher labor cost of VJY as a result of the newly enacted Law Of The People's Republic of China On Employment Contracts ("New Labor Law"). Also, we maintained competitive salaries and incentives to motivate and retain good performing staffs. With more and more plants closing down in the Shenzhen and Dongguan area, we took a conservative approach in evaluating our doubtful debts resulting in an increase of approximately HK\$14 million in impairment of trade receivables.

Profit attributable to the equity holders of the Company was approximately HK\$34 million, a 62% increase from approximately HK\$21 million for the same period of last year.

Basic earnings per share increased by 60% to HK9.1 cents as compared with HK5.7 cents for the same period of last year. No interim dividend was declared for the six months ended 30th September 2008 (2008 interim: HK1.1 cents per ordinary share). Although the VSC Group's customary practice is to pay more than 20% of its earnings as dividend, the Board, after carefully considering the current crisis in the financial market, has decided to withhold the interim dividend.

In terms of assets performance, the VSC Group's average overall inventory turns was 5.8 times which was worse than that for the same period of last year as a result of increased inventory position by the Hong Kong Steel Distribution Department. The VSC Group's average overall Day Sales Outstanding ("DSO") for the six months ended 30th September 2008 improved from 51 days to 44 days as compared with that for the same period last year.

## 業績

截至二零零八年九月三十日止六個月之收入約達3,046,000,000港元，較去年同期約2,789,000,000港元上升9%。毛利率則較去年同期之6.1%上升2.5百分點至8.6%。銷售及分銷支出由約22,000,000港元上升至約26,000,000港元，增加17%，主要是原油價格急劇上升，導致運輸成本增加。一般及行政支出則由約103,000,000港元上升至約133,000,000港元，增加29%。該項增幅是由於僱員成本上升及應收賬款減值增加。僱員成本之增長主要是新頒佈之中華人民共和國勞動合同法（「新勞動法」）引致萬嘉源之僱員成本增加；及為鼓勵及挽留工作表現優秀之員工而必須給予之獎勵所致。而鑑於現時有越來越多位於深圳及東莞之廠房相繼關閉，按萬順昌集團保守政策評估呆賬後，增加了約14,000,000港元之應收賬款減值。

本公司股權持有人應佔溢利由去年同期約21,000,000港元上升至34,000,000港元，增加62%。

每股基本盈利由去年同期之5.7港仙上升至9.1港仙，增加60%。雖然萬順昌集團按慣例會派發多於20%之溢利作為股息，但經審慎考慮現時金融市場之危機後，董事決定保留中期股息及宣佈不派發截至二零零八年九月三十日止六個月之中期股息（二零零八年中期：每股普通股1.1港仙）。

在資產表現方面，萬順昌集團之平均存貨週轉次數為5.8次，與去年同期比較為差，原因是香港鋼材分銷部門之存貨有所增長所致。而萬順昌集團於截至二零零八年九月三十日止六個月之平均應收賬款週轉日數（「應收賬款週轉日數」）與去年同期比較下，由51日減少至44日。

## FINANCIAL POSITION

Compared with last fiscal year ended 31st March 2008, as at 30th September 2008, the VSC Group's total assets increased by approximately HK\$81 million to approximately HK\$2,934 million. The VSC Group's inventories increased by approximately HK\$293 million while trade and bill receivables decreased by approximately HK\$133 million. Net assets value of the VSC Group increased from approximately HK\$1,078 million to approximately HK\$1,137 million, equivalent to HK\$3.0 per ordinary share.

Compared with the financial position at 31st March 2008, the VSC Group's cash and cash equivalents and pledged bank deposits, decreased by approximately HK\$61 million to approximately HK\$425 million whereas the VSC Group's bank borrowings increased by approximately HK\$126 million. Current ratio is maintained at 1.5, while gearing ratio (net debt, which is total borrowings less pledged bank deposits and cash and cash equivalents, divided by total equity (excluding minority interests) plus net debt) increased from 45% to 50% because of increased borrowings as a result of increased inventory position by the Hong Kong Steel Distribution Department.

## FINANCIAL RESOURCES

VSC Group's trade financing remained primarily supported by its HK\$2.0 billions bank trading and term loan facilities. About 48% of the VSC Group's total borrowings were denominated in Hong Kong dollar, 11% in Renminbi ("RMB") and 41% in US dollar. About 92% of the VSC Group's total borrowing is repayable in one year, 5% was repayable between one and two years and 3% was repayable between two and five years. These facilities are either secured by VSC Group's property, plant and equipment and leasehold land and land use rights and/or VSC Group's inventory held under short-term trust receipts bank loan arrangement and/or inventories held under collateral management and/or pledged bank deposits and/or corporate guarantee provided by VSC. All of the above borrowings in Hong Kong are subject to floating interest rate. 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 RMB124 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.

## 財務狀況

與上個截至二零零八年三月三十一日止之財政年度相比，萬順昌集團於二零零八年九月三十日之資產總額增加約81,000,000港元至約2,934,000,000港元。而萬順昌集團之存貨增長約293,000,000港元，同時應收賬款及票據減少約133,000,000港元。資產淨值由約1,078,000,000港元增加至約1,137,000,000港元，相當於每股普通股3港元。

與於二零零八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61,000,000港元至約425,000,000港元，而萬順昌集團之銀行借貸則增加約126,000,000港元。流動比率仍維持於1.5，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總額（不包括少數股東權益）加淨負債）則由於香港鋼材分銷部門調高存貨水平而導致借貸增加，因此其比率由45%增加至50%。

## 財務資源

萬順昌集團之貿易融資主要仍由其20億港元之銀行貿易及定期貸款融資支持。萬順昌集團借款總額中約48%以港元為幣值，另11%及41%分別以人民幣及美元為幣值。萬順昌借貸總額中，約92%須於一年內償還，5%須於一年至兩年之間償還，3%須於兩年至五年內償還。該等信貸融資主要以萬順昌集團之物業、廠房及設備及租賃土地及土地使用權及／或短期信託收據銀行貸款安排持有萬順昌集團之存貨及／或抵押品管理下持有之存貨及／或已抵押銀行存款及／或萬順昌提供之公司擔保以作抵押。所有以上於香港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124,000,000元之人民幣貸款及滙票融資。人民幣銀行融資按中國人民銀行定之標準貸款利率以具競爭力之息差調整。

Interest rate swap contracts were entered into to hedge against major interest rate exposures. As at 30th September 2008, there were outstanding interest rate swap contracts to hedge against HK\$48 million of the VSC Group's borrowings.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES**

The VSC Group's businesses were primarily transacted in Hong Kong dollar, US dollar, RMB and Euro dollar. 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. Transaction values involving Euro dollar were relatively insignificant.

Forward foreign currency contracts were entered into when suitable opportunities arise and when considered appropriate to hedge against major foreign currency exposures. As at 30th September 2008, the outstanding derivative instruments of the VSC Group included forward foreign currency contracts, which were used to hedge principal repayment of future US dollars debts under letter of credit in the amount of approximately HK\$187 million and currency swap contracts, which were used to hedge principal repayment of future RMB debts in the amount of approximately RMB452 million. 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.

## **CHARGES ON ASSETS**

As at 30th September 2008, the VSC Group had certain charges on assets which included (i) buildings of approximately HK\$27 million, leasehold land and land use rights of approximately HK\$6 million, equipment of approximately HK\$25 million and inventories of approximately HK\$56 million pledged for certain of the VSC Group's short-term bank loans; (ii) certain inventories were held under short-term trust receipts bank loan arrangements, and (iii) bank deposits of approximately HK\$135 million were pledged as collateral for the VSC Group's banking facilities and approximately HK\$2 million was restricted as custom deposits in Mainland China.

萬順昌集團已訂立利率掉期合約以對沖主要利率風險。於二零零八年九月三十日，萬順昌集團有若干尚未行使之利率掉期合約以對沖約48,000,000港元之萬順昌集團借貸。

## **滙率波動風險及相關對沖**

萬順昌集團之業務主要以港元、美元、人民幣及歐元作交易。由於港元與美元之間滙率固定，萬順昌集團相信其滙率風險相當輕微。面對人民幣的升值，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。涉及歐元之交易金額相對太少而微不足道。

萬順昌集團已在適當時機訂立遠期外滙合約以對沖主要外滙風險。於二零零八年九月三十日，萬順昌集團之未平倉衍生工具包括遠期外滙合約，該等合約用於對沖約187,000,000港元根據信用證之未來美元債務本金還款及用以約人民幣452,000,000元之未來人民幣債務本金還款之貨幣掉期合約。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。

## **資產抵押**

於二零零八年九月三十日，萬順昌集團有若干資產抵押，包括(i)約27,000,000港元之樓宇、約6,000,000港元之租賃土地及土地使用權、約25,000,000港元之設備及約56,000,000港元之存貨已抵押作萬順昌集團之若干短期銀行貸款；(ii)若干於短期信託收據銀行貸款安排項下持有之存貨；及(iii)約135,000,000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2,000,000港元作為中國內地海關保證金之限制現金。

## CONTINGENT LIABILITIES

As at 30th September 2008, the VSC Group had outstanding performance bonds for its sanitary wares supply projects amounting to approximately HK\$0.6 million (31st March 2008: HK\$1.4 million).

## REVIEW OF OPERATIONS

### (1) China Advanced Materials Processing (“CAMP”)

The VSC Group’s CAMP operation comprises of three business units engaging in processing of rolled flat steel products in coil service centres, manufacture of enclosure systems and distribution of plastic resins. For the six months ended 30th September 2008, revenue of CAMP decreased 6% from HK\$1,207 million to HK\$1,137 million. However, segment results increased 130% to HK\$84 million.

#### *Coil Service Centre Operations*

The coil service centre operations grouped under VSC-Ryerson China Limited (“VSC-Ryerson China”) is a substantial investment of the VSC Group, which owned a 60% shareholding interest. US-based Ryerson Inc. owns the other 40%.

For the period under review, total processed tons decreased 19% from 102,423 metric tons to 83,037 metric tons. The decrease was primarily due to a stricter pricing policy in Southern China where we increased our margin expectations to improve profitability as well as a decrease in consumption due to a weak export market.

In spite of the decrease in total processed tons, net revenue for the same period increased 6.2%. We were able to capture the market increases and our gross margin increased from HK\$38 million to HK\$124 million. All coil service centres registered substantial improvement in margin and profitability.

## 或然負債

於二零零八年九月三十日，萬順昌集團就其潔具供應項目有尚未行使履約擔保書約 600,000港元(二零零八年三月三十一日：約1,400,000港元)。

## 業務回顧

### (1) 中國先進材料加工(「CAMP」)

萬順昌集團之CAMP業務包括三個業務部門，分別從事板材產品加工之卷鋼服務中心、系統設備外殼製造及分銷塑膠樹脂。截至二零零八年九月三十日止六個月，CAMP業務之收入減少6%，由1,207,000,000港元減至1,137,000,000港元。然而分部業績則增加130%至84,000,000港元。

#### *卷鋼服務中心業務*

卷鋼服務中心業務隸屬於萬順昌—瑞爾盛中國有限公司(「萬順昌—瑞爾盛中國」)，是萬順昌集團擁有60%股權之一項重大投資，而以美國為基地的Ryerson Inc.則擁有其餘40%股權。

回顧期內，總加工噸數減少19%，由102,423公噸減至83,037公噸。導致減少的主要原因是由於在華南實施了更嚴謹的定價政策，所以公司提高在華南的毛利期望以改善盈利能力，以及因為疲弱的出口市場令消耗量減少。

雖然總加工噸數減少，同期的淨收入增加6.2%。公司仍然能夠把握市場增長，毛利由38,000,000港元增至124,000,000港元。全部卷鋼服務中心的毛利率及盈利能力均錄得大幅度提升。



Segment results increased from HK\$16 million to HK\$91 million and includes write-down of inventories and impairment of trade receivables. We will continue to be conservative in our reserve planning in both inventory and doubtful debt.

#### *Plastics Resins Distribution (“Plastics”)*

For the period under review, sales volume increased 1% while revenue increased by 16%. Our Plastics team was able to capture market increases and therefore grow revenue in spite of only a slight increase in sales volume.

Gross margin increased by 28% and segment result increased by 15%. This includes HK\$3.5 million impairment of trade receivable. In light of the recent volatility in the global market, we remain committed to our customers.

However, in today’s financial environment, we will maintain a conservative and cautious approach to doubtful debt.

#### *Enclosure Systems Manufacturing (“VJY”)*

VJY operation continued to experience losses resulted from high raw material costs and lower customer demand as well as increased labor cost as a result of the New Labor Law. The company had decided to consolidate and scale down the operation and evaluate the possibility of rationalize the capabilities of VJY into VCS-Ryerson China.

## **(2) Construction Materials Group (“CMG”)**

The businesses of CMG operations of the VSC Group include distribution of steel and building products in both Hong Kong and the Mainland China, primarily to developers and contractors for construction works. Revenue of CMG for the period increased by 22% to HK\$1,909 million and segment results was HK\$59 million, which represented a 73% increase over the same period of last year’s HK\$34 million.

分部業績由16,000,000港元增至91,000,000港元，包括撇減存貨及應收賬款減值。公司將繼續以保守態度處理存貨及呆賬的儲備規劃。

#### *塑膠樹脂分銷（「塑膠」）*

回顧期內，銷售量及收入分別增加1%及16%。公司的塑膠團隊把握市場增長，因此即使銷售量僅微升，收入依然取得增長。

毛利增加28%，而分部業績增加15%，其中包括3,500,000港元之應收賬款減值。面對近期全球市場的動盪情況，公司依然對客戶作出承擔。

然而，在今天的金融環境下，公司將繼續以保守及審慎態度處理呆賬。

#### *系統設備外殼製造（「萬嘉源」）*

由於原材料成本高企、客戶需求較低以及實施新勞動法後所導致之勞工成本增加，萬嘉源業務繼續錄得虧損。本公司已決定整合及縮小該項業務，並且評估將萬嘉源的產能理順於萬順昌—瑞爾盛中國的可能性。

## **(2) 建築材料（「CMG」）**

萬順昌集團之CMG業務包括於香港及中國內地分銷鋼材及建築產品，主要銷售予建築工程發展商及承建商。CMG業務的期內收入增加22%至1,909,000,000港元，而分部業績為59,000,000港元，較去年同期34,000,000港元增加73%。

Our CMG operation is benefiting from a continuous rise of steel price in the first half of the year. All operation experienced a positive growth. The Hong Kong Steel Distribution Department segment result increased from \$25 million to \$48 million, a rise of 92%. Our delivery to the Macau market had helped to offset slower demand from the Hong Kong Market. The Building Product Department also did quite well in terms of revenue and segment results, reaching a \$160 million and \$5 million, respectively. The distribution of TOTO sanitary ware forms the core of this business. The introduction of the advance "Neorest" series is a success and gives us increase market share and customer satisfaction. Our joint venture trading operation, Shanghai Bao Shun Chang, finish the first half year with HK\$896 million in revenue, a 30% increase from the same period of last year. Segment results improved from HK\$6 million to HK\$13 million.

Global commodity financial industries' value destruction disaster in September 2008 had changed the landscape. We are seeing a slow down in Hong Kong construction industry for early part of 2009, despite the government's effort to start the infrastructure investment. The Macau market will continue to be slow in the coming year. We are focusing ourselves in our core steel business and finding ways to improve our internal efficiency, optimize our inventory level and reduce our DSO.

在上半年，公司的CMG業務受惠於持續上漲的鋼材價格，全部業務均錄得良好增長。香港鋼材分銷部門的業績由25,000,000港元增至48,000,000港元，增幅達92%。公司對澳門市場的付運有助紓緩香港市場需求放緩的影響。建築產品部門在收入及分部業績方面亦有優異表現，分別錄得160,000,000港元及5,000,000港元。分銷TOTO潔具成為該業務的核心，引入先進的「Neorest」系列更創出佳績，不止擴大了公司的市場佔有率，亦備受客戶讚譽。公司的合營貿易公司，上海寶順昌，在上半年錄得896,000,000港元的收入，較去年同期增長30%。分部業績則由6,000,000港元增至13,000,000港元。

於二零零八年九月發生之全球商品金融業價值崩潰的災難後，整體市場環境為之逆轉。雖然政府努力開展基建投資，但公司仍然預期二零零九年初香港建造業將放緩。澳門市場在來年將繼續放緩。公司將專注經營核心鋼鐵業務，並尋覓方法改善公司內部效能，優化存貨水平及減少公司的應收賬款週轉日數。

## PROSPECTS

The fallout from the global economic environment is anticipated to worsen and the economic growth of the PRC is also expected to slow down as a result of the recent global financial crisis. The global steel supply market and the steel price are so volatile that the VSC Group has not experienced such a chaotic market in its history of operation. The management has taken a very prudent approach in its strategies to address such macro environment. In the foreseeable future, consistent with the region and the market sector, the VSC Group will be in a consolidation mode to ensure that it is in a sound position to survive under such chaos in the market and ready to capitalize any new profitable opportunities again when the market turns.

Closer to home, the VSC Group is cautiously optimistic about the demand in steel in Hong Kong following the government's commitment in speeding up the local major infrastructure projects after the global financial turmoil. The VSC Group is confident that these infrastructure projects will create ample demand for steel supply in the future.

## EMPLOYEE AND REMUNERATION POLICIES

As at 30th September 2008, the VSC Group employed 1,035 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\$80 million. During the 6-month period under review, no options have been offered and/or granted to its employees under the share option scheme adopted since 12th November 2001.

## INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30th September 2008.

## 前景

全球經濟環境預期將會惡化，而受近來的全球金融危機拖累，中國的經濟增長亦預期將會放緩。全球鋼材供應市場及鋼材價格異常波動，萬順昌集團在其經營歷史中，從未經歷如斯混亂的市場。管理層已採取非常審慎態度實施其策略，以應付這個宏觀環境。在可見將來，與區域及行業情況一致，萬順昌集團將仍處於整合模式，力求持盈保泰，以在一片混亂的市場中生存下來，而且準備就緒，以便在市況好轉時再度把握新獲利機遇。

本地市場方面，受全球金融危機影響，政府承諾本地基建工程加速上馬後，萬順昌集團對香港的鋼材需求持審慎樂觀態度。萬順昌集團有信心該等建築工程日後將締造充裕的鋼材需求。

## 員工及薪酬政策

於二零零八年九月三十日，萬順昌集團聘請1,035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80,000,000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中並無向其僱員建議及／或授出任何購股權。

## 中期股息

董事並不建議派發截至二零零八年九月三十日止六個月之中期股息。

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

As at 30th September 2008, the interests and short positions of the Directors and chief executives of the Company in the shares of HK\$0.10 each in the capital of the Company ("Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

## 董事於股份、相關股份及債權證之權益及淡倉

於二零零八年九月三十日，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好倉

Name of Directors 董事名稱	Nature of interest 權益性質	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」)	Corporate interest held by Huge Top (Note a) Huge Top所持之公 司權益(附註a) Personal interest 個人權益	deemed interest (indirectly) 被視作擁有之 權益(間接) 100% (directly) 100% (直接)	173,424,000  1,614,000	45.47%  0.42%	—  1,500,000	173,424,000  3,114,000
			175,038,000	45.89%	1,500,000	176,538,000
Mr. Fernando Sai Ming Dong 唐世銘先生	Personal interest 個人權益	100% (directly) 100% (直接)	142,000	0.04%	500,000	642,000

Name of Directors 董事名稱	Nature of interest 權益性質	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
Dr. Chow Yei Ching 周亦卿博士	Personal interest 個人權益	100% (directly) 100% (直接)	1,000,000	0.26%	—	1,000,000
Mr. Harold Richard Kahler Harold Richard Kahler先生	Personal interest 個人權益	100% (directly) 100% (直接)	66,000	0.02%	1,000,000	1,066,000
Mr. Kenny King Ching Tam 譚競正先生	Personal interest 個人權益	100% (directly) 100% (直接)	—	—	1,000,000	1,000,000
Mr. Xu Lin Bao 徐林寶先生	Personal interest 個人權益	100% (directly) 100% (直接)	—	—	1,000,000	1,000,000

Notes:

- a. As at 30th September 2008, 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 11.91% 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. 於二零零八年九月三十日，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11.91%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) 相聯法團之好倉 — Huge Top**

<b>Name of Directors</b> <b>董事名稱</b>	<b>Nature of interest</b> <b>權益性質</b>	<b>Attributable interest to the Directors</b> <b>董事應佔權益</b>	<b>Number of shares</b> <b>股份數目</b>	<b>Approximate percentage</b> <b>概約百分比</b>
Mr. Yao (Refer to Note a in (i) above) 姚先生(請閱上文(i)附註a)	Corporate interest held by Perfect Capital Perfect Capital所持之公司權益	deemed interest (indirectly) 被視作擁有之權益(間接)	36	42.86%
	Personal interest 個人權益	100% (directly) 100%(直接)	10	11.90%
			46	54.76%
Mr. Fernando Sai Ming Dong 唐世銘先生	Personal interest 個人權益	100% (directly) 100%(直接)	5	5.95%

Save as disclosed above, as at 30th September 2008, 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，於二零零八年九月三十日，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**

**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**

Other than interests disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 30th September 2008, 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:

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，於二零零八年九月三十日，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	Nature of interest 權益性質	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	Directly 直接持有	173,424,000	45.47%	—	173,424,000
Ms. Miriam Che Li Yao 姚潔莉女士	Corporate 公司權益	173,424,000 (Note) (附註)	45.47%	—	173,424,000
	Personal 個人權益	2,000,000	0.52%	1,000,000	3,000,000
		175,424,000	45.99%	1,000,000	176,424,000

Note: As at 30th September 2008, 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.

附註：於二零零八年九月三十日，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。

Save as disclosed above, as at 30th September 2008, 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.

除上文所披露者外，於二零零八年九月三十日，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 of category of participant	Date of grant	Exercise period	Exercise price per Share	Number of share options				
				Beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	End of the period
參與者姓名或類別	授予日期	行使期	每股行使價	期初	期內授予	期內行使	期內失效	期末
				'000	'000	'000	'000	'000
				千份	千份	千份	千份	千份
Directors:								
董事：								
Mr. Yao	13th September 2006	13th September 2007 to 12th September 2016	HK\$0.90	1,500	—	—	—	1,500
姚先生	二零零六年九月十三日	二零零七年九月十三日至二零零六年九月十二日	0.90港元					
Mr. Fernando Sai Ming Dong	19th September 2003	19th September 2005 to 18th September 2013	HK\$1.418	300	—	—	—	300
唐世銘先生	二零零三年九月十九日	二零零五年九月十九日至二零零三年九月十八日	1.418港元					



Name of 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
	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
Dr. Chow Yei Ching 周亦卿博士	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. 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
Sub-total 小計				2,000	4,000	(1,000)	—	5,000
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	1,500	—	—	(100)	1,400

Name of 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
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二零零一六年九月十二日	HK\$0.90 0.90港元	2,600	—	—	(200)	2,400
Sub-total 小計				5,100	—	—	(300)	4,800
Others: 其他：								
In aggregate 共計	2nd May 2003 二零零三年五月二日	2nd May 2003 to 1st May 2013 二零零三年五月二日至二零零一三年五月一日	HK\$0.98 0.98港元	1,000	—	—	—	1,000
Sub-total 小計				1,000	—	—	—	1,000
Total of Share Option Scheme 購股權計劃總計				8,100	4,000	(1,000)	(300)	10,800

Notes:

附註：

- 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.
- 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:
  - During the period starting from 7th May 2005 to 6th May 2006, the option may be exercised up to 30% of such Shares.

- 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。
- 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：
  - 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。

- (ii) During the period starting from 7th May 2006 to 6th May 2007, the option may (to the extent not exercised in accordance with (i) above) be exercised up to 70% of such Shares.
- (iii) During the period starting from 7th May 2007 to 6th May 2013, the option may (to the extent not exercised in accordance with (i) and (ii) above) be exercised in full.

- (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）。
- (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）。

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 VSC nor any of its subsidiaries has purchased, sold or redeemed any of shares of VSC during the six months ended 30th September 2008.

### **買賣或贖回股份**

萬順昌或其任何附屬公司概無於截至二零零八年九月三十日止六個月內購入、售出或贖回任何萬順昌之股份。

### **CODE ON CORPORATE GOVERNANCE PRACTICES**

VSC 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 2008, except for the deviations herein below mentioned:

### **企業管治常規守則**

於截至二零零八年九月三十日止六個月內，萬順昌集團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：

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. VSC 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 VSC’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。萬順昌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、制訂及實施萬順昌之業務策略，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. VSC'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 four independent non-executive Directors with Mr. Kenny King Ching Tam as chairman and Dr. Chow Yei Ching, Mr. Harold Richard Kahler and Mr. Xu Lin Bao as members. Mr. Kenny King Ching Tam who is an independent non-executive Director with appropriate professional accounting expertise as required under Rule 3.10 of the Listing Rules. 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 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 VSC Group's unaudited condensed consolidated interim financial information for the six months ended 30th September 2008 now reported on have been reviewed by the Audit Committee, who is of opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in the Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors on 31st March 2004. Having made specific enquiry of all Directors, they all confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th September 2008. On 9th March 2006, the Board has approved that the 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。萬順昌之非執行董事(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，成員現時包括四名獨立非執行董事，譚競正先生為主席及周亦卿博士、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監管。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>)。審核委員會已審閱萬順昌集團現在提呈之截至二零零八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，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所載之標準守則，作為董事進行證券交易之操守準則。經向所有董事作出特定查詢後，彼等確認於截至二零零八年九月三十日止六個月內已遵守標準守則所載之所需規定。於二零零六年三月九日，董事會已通過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。

## **SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER**

Reference was made to a facility agreement dated 26th March 2008 (the "Facility Agreement") in relation to a term loan facility (the "Facility") of up to the principal sum of US\$8,000,000 (approximately HK\$62,400,000). The Facility is for a term of three years and the Facility Agreement contains a requirement that Mr. Yao and his direct related family members (i.e. Mr. Yao, Ms. Miriam Che Li Yao and Mrs. Yao Lin Shiu Mei, their spouses and their children) shall maintain beneficial and unencumbered ownership of not less than 30% of all issued capital of the Company and remain the single largest shareholder of the Company. Mr. Yao shall maintain management control over the VSC Group. The abovementioned obligations have been complied with.

On behalf of the Board  
**Andrew Cho Fai Yao**  
Chairman

Hong Kong, 12th December 2008

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

## **控股股東須履行特定責任**

茲提述二零零八年三月二十六日簽訂有關本金金額達8,000,000美元(約62,400,000港元)之定期信貸(「信貸」)之信貸協議(「信貸協議」)。信貸為期三年及信貸協議包括一項要求姚先生及其直接關連家庭成員(即為姚先生、姚潔莉女士及姚林秀美女士, 彼等之配偶及子女)將實益及沒有抵押的維持擁有本公司全部已發行股本不少於30%, 並為本公司之單一最大股東, 及要求姚先生維持萬順昌集團之管理控制。上述之此等責任規定已獲履行。

代表董事會  
主席  
姚祖輝

香港, 二零零八年十二月十二日

*於本報告日期, 董事會包括姚祖輝(主席)、唐世銘(為執行董事)、周亦卿、Harold Richard Kahler、譚競正、徐林寶(為獨立非執行董事)。*

**STEEL  
VALUE  
CHAIN**

[www.vschk.com](http://www.vschk.com)