

Notes to the Accounts

賬目附註

1. 主要會計政策

編製本賬目時所採納的主要會計政策如下所述：

(a) 編製基準

本賬目乃根據香港公認會計原則及香港會計師公會（「公會」）頒佈之會計實務標準編製。賬目乃按照歷史成本會計法編製，惟以下所披露之會計政策，投資物業及長期投資按公平價值列賬。

由二零零三年四月一日起，萬順昌集團有限公司（「萬順昌」）及其附屬公司（合稱「萬順昌集團」）已採用公會頒佈之經修訂會計實務準則（「會計準則」）第十二號「利得稅」。根據會計實務準則第十二號，此項遞延稅項乃就資產與負債之稅基及其賬面值之暫時差異作全數撥備。往年度，遞延稅項乃因應就課稅而計算之溢利與賬目所示之溢利二者間之重大時差，根據預期於可預見將來支付或可收回之負債及資產而計算。採納經修訂會計準則第十二號（經修訂）構成會計政策之變動對萬順昌集團過往會計期間之業績並無重大影響。

(b) 綜合基準

綜合賬目包括萬順昌及其附屬公司之賬目，並以權益法計算萬順昌集團所佔其聯營公司之收購後業績及儲備。於本年度購入或出售之附屬公司及聯營公司，分別由收購的生效日期起或截至出售的生效日期止包括在綜合損益表。

萬順昌集團所有公司間重大交易及結餘均於綜合賬目時註銷。

出售一間附屬公司所產生的損益，乃指出售所得款項與萬順昌集團所佔資產淨值兩者間之差額，連同任何未攤銷商譽或負商譽，以及任何相關累計外幣滙兌調整。

少數股東權益指外界股東所佔附屬公司經營業績及淨資產之權益。

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They are prepared under the historical cost convention except that, as disclosed in the accounting policies below, investment properties and long-term investments are stated at fair value.

Commencing from 1st April 2003, Van Shung Chong Holdings Limited ("VSC") and its subsidiaries (together the "VSC Group") have adopted the revised Statement of Standard Accounting Practice ("SSAP") 12 "Income taxes" issued by the HKSA, under which deferred taxation is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. In prior year, deferred taxation was provided in respect of significant timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has no significant effect on the VSC Group's results for the prior accounting periods.

(b) Basis of consolidation

The consolidated accounts include the accounts of VSC and its subsidiaries, together with the VSC Group's share of post-acquisition results and reserves of its associates under the equity method of accounting. The results of subsidiaries and associates acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Any significant intercompany transactions and balances within the VSC Group are eliminated on consolidation.

The gain or loss on disposal of a subsidiary represents the difference between the proceeds of the disposal and the VSC Group's share of its net assets together with any unamortised goodwill or negative goodwill and any related cumulative foreign currency translation adjustments.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

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1. 主要會計政策 (續)

(c) 商譽

商譽指所付代價的公平價值與萬順昌集團佔購入可識別淨資產的公平價值總額兩者之間之差額。商譽於資產負債表內確認為一項無形資產及按其預計經濟年期以直線法攤銷。商譽之賬面值會定期或於出現減值之因素時獲評估。任何商譽減值於減值期間內於損益表扣除。

(d) 附屬公司

附屬公司乃該等由萬順昌直接或間接控制其半數以上投票權，控制其財務及營運政策監管權，委任或罷免董事會的大多數席位，或於董事會會議上佔大多數投票權的實體。

於萬順昌之資產負債表內，於附屬公司的投資乃以成本扣除累計減值虧損列賬。萬順昌將附屬公司之業績按已收及應收股息之基準入賬。

(e) 聯營公司

聯營公司乃萬順昌集團能夠對其行使重大影響力之公司，惟對其財務及營運政策並無控制權或共同控制權。

在綜合賬目內，於聯營公司的投資乃按權益法入賬，據此，該項投資最初按成本記錄，並於其後就萬順昌集團所佔聯營公司購入後的業績、收取聯營公司的分派、因尚未計入因聯營公司損益表內之聯營公司股權變動而產生之萬順昌集團所佔聯營公司權益比例的其他必需改變、投資成本值與萬順昌集團所佔於收購日期收購的可資識別資產淨值之總公平價值的差額（商譽）的攤銷，以及任何減值虧損作出調整。萬順昌集團所佔聯營公司收購後業績已計入綜合損益表內。當在聯營公司之投資賬面值全數撇銷，便不再採用權益會計法，除非萬順昌集團就該聯營公司已產生承擔或有擔保之承擔。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Goodwill

Goodwill represents the excess of the fair value of the consideration of an acquisition over the VSC Group's share of the aggregate fair values of the identifiable net assets acquired. Goodwill is recognised as an intangible asset in the balance sheet and is amortised on a straight-line basis over its estimated economic life. The carrying value of goodwill is assessed periodically or when factors indicating an impairment are present. Any impairment of goodwill is charged to the profit and loss account in the period in which the impairment occurs.

(d) Subsidiaries

Subsidiaries are those entities in which VSC, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast majority votes at the meetings of the board of directors.

In VSC's balance sheet, investment in subsidiaries is stated at cost less accumulated impairment losses. The results of subsidiaries are accounted for by VSC on the basis of dividends received and receivable.

(e) Associates

An associate is a company over which the VSC Group has significant influence, but not control or joint control, over its financial and operating policy decisions.

In the consolidated accounts, investment in associates is accounted for under the equity method of accounting, whereby the investment is initially recorded at cost and is adjusted thereafter to recognise the VSC Group's share of the post-acquisition results of associates, distributions received from associates, other necessary alterations in the VSC Group's proportionate interest in associates arising from changes in the equity of associates that have not been included in the profit and loss account of associates, amortisation of the difference between the cost of investment and the VSC Group's share of the aggregate fair value of the identifiable net assets acquired at the date of acquisition (goodwill), and any impairment loss. The VSC Group's share of post-acquisition results of associates is included in the consolidated profit and loss account. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the VSC Group has incurred obligations or guaranteed obligations in respect of the associate.

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1. 主要會計政策 (續)

(f) 合約合營企業

合約合營企業為萬順昌集團與一個或以上其他訂約方成立而預定經營期之實體，並享有及承擔受合約管制之合營企業夥伴之權利及義務。倘萬順昌集團有能力控制及管治該合約合營企業之財務及營運政策，並從其業務中獲取利益，則該合營企業被視為實際附屬公司及當作附屬公司形式入賬。如萬順昌集團僅能對合約合營企業行使重大影響力，該合營企業會以聯營公司形式入賬。

(g) 固定資產與折舊

除投資物業外，固定資產按成本值減累計折舊及累計減值虧損入賬。因修整及改善固定資產而可增加其未來經濟利益之開支轉撥資本，而保養及維修開支則於產生時作為開支。

租賃土地按其租約期計算折舊，而其他固定資產按直線法於估計可用年期內撇銷其成本值減累計減值虧損計算折舊。折舊之年率如下：

土地	2% (租約年期)
樓宇	2.5%至4%
租賃物業裝修	20%至33% (租約年期)
傢俬及設備	15%至33%
機器	10%至25%
汽車	20%

折舊方法及可使用年期定期被檢訂以確保折舊方法及折舊率與固定資產之預期經濟利益模式保持一致。

出售一項固定資產(投資物業除外)之盈虧乃出售所得款項淨額減有關資產當時之賬面值之基準之差額於損益表內予以確認。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(f) Contractual joint ventures

A contractual joint venture is an entity established between the VSC Group and one or more other parties for a pre-determined period of time, with the rights and obligations of the joint venture partners being governed by a contract. If the VSC Group is able to govern and control the financial and operating policies of the contractual joint venture so as to obtain benefits from its activities, such joint venture is considered as a de facto subsidiary and is accounted for as a subsidiary. If the VSC Group can only exercise significant influence over the contractual joint venture, such joint venture is accounted for as an associate.

(g) Fixed assets and depreciation

Fixed assets, other than investment properties, are stated at cost less accumulated depreciation and accumulated impairment losses. Major expenditures on modifications and betterments of fixed assets which will increase their future economic benefits are capitalised, while expenditures on maintenance and repairs are expensed when incurred.

Leasehold land is depreciated over the period of the lease, while other fixed assets are depreciated on a straight-line basis at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives. The principal annual rates of depreciation are as follows:

Land	2% (lease terms)
Buildings	2.5% to 4%
Leasehold improvements	20% to 33% (lease terms)
Furniture and equipment	15% to 33%
Machinery	10% to 25%
Motor vehicles	20%

The depreciation methods and useful lives are reviewed periodically to ensure that the methods and rates of depreciation are consistent with the expected pattern of economic benefits from fixed assets.

The gain or loss on disposal of a fixed asset, other than investment properties, is the difference between the net disposal proceeds and the then carrying amount of the relevant asset, and are recognised in the profit and loss account.

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1. 主要會計政策 (續)

(h) 投資物業

投資物業指具有長期投資潛質(而任何租金收入按公平交易商討釐定)之已完成建築工程及發展之契約土地及樓宇之權益。

投資物業均按獨立合資格估值師每年進行之估值所得之公開市值列入資產負債表。投資物業價值之所有變動乃於投資物業重估儲備中處理，除非該儲備之結餘不足彌補按投資組合計算之虧絀，在此情況下，則將虧絀淨額撥入損益表。投資物業出售時，其以往確認之重估盈餘會被撥回，而於損益表內申報之出售盈虧乃根據出售所得款項淨額減原有成本計算。

除非投資物業之剩餘租約年期為二十年或以下，否則無需計算折舊，惟剩餘租約年期為二十年或以下之投資物業則須於剩餘租約年內就當時之賬面值作出折舊準備。

(i) 長期投資

持有作非買賣用途之長期投資按其公平價值於資產負債表中列賬。個別投資公平價值之變動均於投資重估儲備中計入或扣除，直至有關投資出售或被摒棄或有關投資被釐定出現減值為止。於出售時，累計盈虧乃指出售所得款項淨額及有關投資之賬面值之差額，連同任何轉撥自投資重估儲備之盈餘／虧絀於損益表中處理。倘有客觀證明顯示個別投資出現減值，於投資重估儲備之累計虧損乃計入損益表中。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(h) Investment properties

Investment properties are leasehold interests in land and buildings in respect of which construction and development work have been completed and which are held for their long-term investment potential, any rental income being negotiated at arm's length.

Investment properties are included in the balance sheet at their open market value on the basis of an annual valuation by independent qualified valuers. All changes in the value of investment properties are dealt with in the investment property revaluation reserve unless the balance of this reserve is insufficient to cover a deficit on a portfolio basis, in which case the net deficit is charged to the profit and loss account. When an investment property is disposed of, the relevant portion of previously recognised revaluation surpluses are reversed and the gain or loss on disposal reported in the profit and loss account is determined based on the net disposal proceeds less the original cost.

No depreciation is provided for investment properties unless the unexpired lease term is 20 years or less, in which case depreciation is provided on the then carrying value over the unexpired lease term.

(i) Long-term investments

Long-term investments, which are held for non-trading purpose, are stated at fair value at the balance sheet date. Changes in the fair value of individual investments are credited or debited to the investment revaluation reserve until the investments are sold or otherwise disposed of or until the investments are determined to be impaired. Upon disposal, the cumulative gain or loss, representing the difference between the net disposal proceeds and the carrying amount of the relevant investments, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the profit and loss account. When there is objective evidence that individual investments are impaired, the cumulative loss recorded in the investment revaluation reserve is taken to the profit and loss account.

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1. 主要會計政策 (續)

(j) 存貨

存貨按成本值與可變現淨值兩者中之較低者入賬。成本值以先入先出法計算之原材料、直接勞工工資及適當比例之所有生產費用。可變現淨值乃按預計銷售所得款項扣除估計銷售支出計算。

(k) 安裝合約

倘安裝合約之結果未能可靠地估計，則僅入賬確認大有可能收回之已產生合約成本為合約收入，合約成本於產生期間確認。

倘安裝合約之結果可以可靠地估計，則合約收入及合約成本會按其合約期間，分別入賬確認為收入及開支。萬順昌集團採用完成百分比計算法按適當收入及成本金額在指定期間確認入賬。倘合約成本總額大有可能超逾合約收入總額，則其預算虧損即時入賬確認為開支。

每份合約產生之成本與已確認之損益總額，與截至年終為止之進度款項作一比較。當已發生成本與已確認之溢利(減已確認之虧損)超過進度款項之款額，有關差額將列作流動資產下之應收客戶安裝合約工程。當進度款項之款額超過已發生成本加已確認之溢利(減已確認之虧損)，差額將列作流動負債下之應付客戶安裝合約工程。

(l) 應收賬款

應收賬款按呆賬情況計提撥備。資產負債表內的應收賬款乃扣除有關撥備後列賬。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the first-in, first-out basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(k) Installation contracts

When the outcome of an installation contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised when incurred.

When the outcome of an installation contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract, respectively, as revenues and expenses. The VSC Group uses the percentage-of-completion method to determine the appropriate amount of revenue and costs to be recognised in a given period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year-end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on installation contract work under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on installation contract work under current liabilities.

(l) Accounts receivable

Provision is made against accounts receivable to the extent they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

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1. 主要會計政策 (續)

(m) 資產減值

資產於事件發生或情況變動顯示或許未能收回該等資產其中一項之賬面值時，則會進行減值檢討。倘資產之賬面值超逾可收回數額，則將相等於資產賬面值與可收回數額之差額計入損益表為減值虧損。可收回數額指資產之淨售價與使用價值之較高者。淨售價為以公平交易出售資產時所得數額減出售成本，而使用價值則為在持續使用資產及於其可使用年期終止時出售而預期所得之估計未來現金流量之現值。

倘有跡象顯示資產不再出現減值虧損或減值虧損已減少，則會將資產於過往年度確認之減值虧損撥回計入損益表。

(n) 或然負債及或然資產

或然負債乃指因過往事件而可能產生之負債，或然負債存在與否僅由出現或並無出現一項或多項萬順昌集團未能全力控制之不明朗未來事件而決定。或然負債亦可以是由過往事件產生而未予確認之現有債務，有關債務未予確認之原因為不大可能需要經濟資源流出或須承擔之款項未能可靠地計算。或然負債並不予以確認惟已於賬目附註中作出披露。倘資源流出之可能性出現變動因此大有可能導致經濟資源流出，其時或然負債將確認為撥備。

或然資產乃指因過往事件而可能產生之資產，或然資產存在與否僅由出現或並無出現一項或多項萬順昌集團未能全力控制之不明朗未來事件而決定。倘大有可能出現經濟效益流入，或然資產將不予確認，惟於賬目附註中作出披露。倘事實上可肯定會出現經濟效益流入，則有關資產須予以確認。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of one of these assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss representing the difference between the carrying amount and the recoverable amount of an asset is recognised in the profit and loss account. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of the disposal, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Reversal of an impairment loss of an asset recognised in prior years is recorded when there is an indication that the impairment loss recognised for the asset no longer exists or has decreased. The reversal is recorded in the profit and loss account.

(n) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the VSC Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the VSC Group. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

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1. 主要會計政策 (續)

(o) 撥備

當萬順昌集團因以往事件而承擔現有法律或引申責任，且大有可能因承擔該等責任而導致資源外流，並能可靠估計有關承擔之數額時，將會作出撥備。撥備會定期檢討及調整，以反映現時之最佳估值。倘貨幣之價值會隨時間出現重大變化，則撥備數額將為預計履行承擔所需開支之現值。倘萬順昌集團預期撥備得以撥回，則只於有關撥回可在事實上可肯定時確認為獨立資產。

(p) 遞延稅項

遞延稅項乃利用負債法就資產與負債之稅基與他們在賬目之賬面值兩者之短暫時差作全數撥備。於結算日所制訂或大致制訂之稅率用以釐定遞延稅項。

遞延稅項資產乃就大有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項會就有關在附屬公司、聯營公司及合營企業之投資所產生之短暫時差而撥備，但假若可以控制短暫時差撥回之時間，並大有可能在可預見未來不會撥回該短暫時差則除外。

(q) 收入確認

收入於交易結果得以可靠地衡量而該交易的經濟利益大有可能流入萬順昌集團時確認。收入按以下基準確認：

(i) 營業收入

銷售貨品收入於風險及擁有權移交時確認，通常亦即為貨品付運往客戶和所有權轉讓時。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(o) Provisions

Provisions are recognised when the VSC Group has a present obligation, legal or constructive, as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where the VSC Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain.

(p) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(q) Revenue recognition

Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the VSC Group. Revenue is recognised on the following bases:

(i) Sales revenue

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Notes to the Accounts

賬目附註

1. 主要會計政策 (續)

(q) 收入確認 (續)

(ii) 安裝合約之收入

每份個別安裝合約之收入會參照合約活動之完成階段然後以完成百分比計算法予以確認。完成百分比主要按照已執行工作之合約成本對比預期總合約成本之比例 (見附註1.k)。

(iii) 租金收入

租金收入於有關租約期內以直線法予以確認。

(iv) 股息收入

股息收入乃於確定有權收取股息支付時予以確認。

(v) 利息收入

利息收入以未償還本金按適用息率以時間比例作基準予以確認。

於付運貨品或安裝合約工程展開前預先向客戶收取之款項均列作預收款項入賬。

(r) 員工福利

(i) 僱員應享假期

僱員的應享年假乃於應計予僱員時確認。僱員因提供服務產生的應享年假乃按截至資產負債表結算日的年假估計負債計算撥備。僱員應享病假及分娩假期僅於支取時才確認。

(ii) 退休金責任

萬順昌集團向界定供款退休金計劃作出的供款乃於產生時列作支出。

(s) 借貸成本

需以長時間準備作計劃用途或出售之資產收購、建造或生產直接應計之借貸成本撥為該資產之部份成本。所有其他借貸成本乃於其產生之期間於損益表扣除。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(q) Revenue recognition (Cont'd)

(ii) Revenue from installation contracts

Revenue from each individual installation contract is recognised using the percentage-of-completion method by reference to the stage of completion of the contract activity, primarily based on the proportion of contract costs incurred for work performed to date to estimated total contract costs (see Note 1(k)).

(iii) Rental income

Rental income is recognised on a straight-line basis over the period of the relevant leases.

(iv) Dividend income

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

(v) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Advance payments received from customers prior to delivery of goods or before commencement of installation contract work are recorded as receipts in advance.

(r) Employee benefits

(i) Employee leave entitlements

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

(ii) Pension obligations

The VSC Group's contributions to defined contribution retirement schemes are expensed as incurred.

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisitions, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the profit and loss account in the period in which they are incurred.

Notes to the Accounts

賬目附註

1. 主要會計政策 (續)

(t) 營業租約

凡資產擁有權之絕大部份風險及回報仍屬出租公司之租約均列為營業租約。營業租約之支出均於有關租約年期以直線法自損益表中扣除。

(u) 外幣換算

萬順昌集團屬下個別公司之賬目及記錄乃以本身營運所在地之主要貨幣(「功能貨幣」)為單位。在個別公司之賬目中，於本年度以其他貨幣進行之交易乃按個別功能貨幣於交易時之適用匯率滙兌，以其他貨幣為單位之貨幣資產及負債乃按功能貨幣於資產負債表結算日之適用匯率滙兌。滙兌盈虧均於個別公司之損益表內處理。

萬順昌集團編製之綜合賬目乃以港元為單位。就綜合賬目而言，所有以港元以外作為功能貨幣之附屬公司之所有資產及負債乃按資產負債表結算日之適用匯率滙兌為港元，所有收支項目均按本年度適用之平均匯率換算。因換算該等交易而出現之滙兌差額列作累積外幣滙兌調整變動處理。

(v) 遠期外匯貨幣合約

遠期外匯貨幣合約用以對沖外幣匯率之波動。當遠期外匯貨幣合約用作對沖其淨貨幣資產或負債，合約之盈虧，以及貼現及溢價乃計入損益表中。倘遠期外匯貨幣合約用作對沖其肯定承擔，於承擔期間盈虧不予確認；於承擔期末時，任何盈虧、貼現或溢價乃於其有關交易金額中加進或減少。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(t) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the relevant leases.

(u) Foreign currency translation

Individual companies within the VSC Group maintain their books and records in the primary currencies of their respective operations ("functional currencies"). In the accounts of the individual companies, transactions in other currencies during the year are translated into the functional currencies at the applicable rates of exchange prevailing at the time of the transaction; monetary assets and liabilities denominated in other currencies are translated into the respective functional currencies at the applicable rates of exchange in effect at the balance sheet date. Exchange gains and losses are dealt with in the profit and loss account of the individual companies.

The VSC Group prepares consolidated accounts in Hong Kong dollars. For the purpose of consolidation, all the assets and liabilities of subsidiaries with functional currencies other than Hong Kong dollars are translated into Hong Kong dollars at the applicable rates of exchange in effect at the balance sheet date; all income and expense items are translated at the applicable average exchange rates during the year. Exchange differences arising from such translation are dealt with as movements of cumulative foreign currency translation adjustments.

(v) Forward foreign currency contracts

Forward foreign currency contracts are entered into to hedge against fluctuation in currency exchange rates. When the forward foreign currency contract is used as a hedge of a net monetary asset or liability, the gain or loss on the contract and the discount and premium are taken into the profit and loss account. Where the forward foreign currency contract is used as a hedge of a firm commitment, no gain or loss is recognised during the commitment period; at the end of that period, any gain or loss and the discount or premium are added to, or deducted from, the amount of the relevant transaction.

Notes to the Accounts

賬目附註

1. 主要會計政策 (續)

(w) 分類資料

根據萬順昌集團的內部財務報告，萬順昌集團決定以業務分類作為主要申報格式，而地區分類則為次要申報格式。

未分配成本指企業支出。分類資產主要包括固定資產、存貨、應收賬款及其他經營資產，而分類負債則主要包括萬順昌集團所有經營負債。資本支出包括添置固定資產、投資物業、於聯營公司之投資及長期投資，當中包括因收購附屬公司而添置之資產。

就地區分類申報而言，營業額乃根據貨品付運目的地及提供服務之地點而釐定。總資產及資本支出，以有關資產所在地分類。

(x) 現金及現金等值

現金及現金等值按成本值於資產負債表列賬。就現金流量表而言，現金及現金等值包括手頭現金、存於銀行之通知存款、現金投資(到期日為投資日期起計三個月或以內)及銀行透支。

1. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(w) Segment reporting

In accordance with the VSC Group's internal financial reporting, the VSC Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of fixed assets, inventories, receivables and other operating assets. Segment liabilities consist primarily of all of the VSC Group's operating liabilities. Capital expenditure comprises additions to fixed assets, investment properties, investment in associates and long-term investments, including those arising from acquisition of subsidiaries.

In respect of geographical segment reporting, turnover is based on the destination of delivery of goods or the location for the provision of services. Total assets and capital expenditure are classified where the assets are located.

(x) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

Notes to the Accounts

賬目附註

2. 與關連人士之交易

關連人士乃指其中一方可直接或間接控制另一方或對別一方之財務及營運決策行使重大影響力。受共同控制或受共同重大影響之人士亦被視為關連人士。

(a) 與關連人士之重大交易詳情如下：

關連人士名稱／交易性質

金屬物流管理有限公司(i)
 — 萬順昌集團所達成之銷售
 — 萬順昌集團收取之
 行政服務費
 — 萬順昌集團收取之利息
 — 萬順昌集團支付／
 應付之採購服務
 佣金

亞洲鋼鐵電子交易所
 (香港)有限公司(i)
 — 萬順昌集團收取之租金
 — 萬順昌集團收取之
 行政服務費

易達投資集團有限公司(ii)
 — 萬順昌集團收取之租金

註：

(i) 金屬物流管理有限公司及亞洲鋼鐵電子交易所(香港)有限公司均由亞鋼集團有限公司全資擁有。於二零零四年三月三十一日萬順昌集團擁有該公司18.9%股權(二零零三年：19.2%)。

(ii) 易達投資集團有限公司由萬順昌前非執行董事曾國泰先生實益擁有。曾國泰先生於二零零二年八月十七日辭任其非執行董事一職，而與易達投資集團有限公司之交易金額亦披露至該日期為止。

2. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Details of significant transactions with related parties were:

Name of related party/Nature of transaction

	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Metal Logistics Company Limited (i)		
— Sales made by the VSC Group	155,716	287,413
— Administrative service fees earned by the VSC Group	180	180
— Interest earned by the VSC Group	5,672	4,616
— Commission for procurement services paid/payable by the VSC Group	1,894	1,552
iSteelAsia (Hong Kong) Limited (i)		
— Rental earned by the VSC Group	198	600
— Administrative service fees earned by the VSC Group	180	180
EC Investment Services Limited (ii)		
— Rental earned by the VSC Group	—	383

Notes:

(i) Metal Logistics Company Limited and iSteelAsia (Hong Kong) Limited are wholly owned by iSteelAsia Holdings Limited, a company in which the VSC Group had a 18.9% equity interest as at 31st March 2004 (2003: 19.2%).

(ii) EC Investment Services Limited is beneficially owned by Mr. Tsang Kwok Tai, Moses, a former non-executive director of VSC, who resigned on 17th August 2002, and the amount of transactions with EC Investment Services Limited was disclosed up to that date.

Notes to the Accounts

賬目附註

2. 與關連人士之交易 (續)

- (b) 附註2(a)所述交易產生之應收一間關連公司款項列作應收賬款及票據。有關結餘詳情如下：

關連公司名稱	Name of related party	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	於年內 最高結餘 Maximum balance outstanding during the year 千港元 HK\$'000
金屬物流管理有限公司(i)	Metal Logistics Company Limited (i)	205,611	210,202	249,125

註：

- (i) 該結餘主要來自鋼材採購，並無抵押，按萬順昌集團貿易交易之正常信貸條款償還，且過期結餘按商業利率計算利息。

2. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) The amount due from a related company arising from the transactions described in Note 2(a) was included in accounts and bills receivable. Details of such balances are as follows:

Note:

- (i) The balance, arising mainly from purchases of steel, is unsecured, repayable according to the VSC Group's normal credit term for trading transactions and bore interest at commercial lending rates for overdue balances.

Notes to the Accounts

賬目附註

3. 營業額及收入

收入按以下確認：

製造工業產品
— 板材產品加工
— 系統設備外殼
買賣工業產品
— 工程塑膠樹脂及 注塑機
存銷與買賣建築材料
— 鋼材產品 — 鋼筋、 結構鋼及板材產品
— 潔具及廚櫃
— 安裝廚櫃之收入
租金收入
總營業額
利息收入
— 一項長期投資之股息收入
— 一間合營公司之回報 (i)
總收入

註：

- (i) 截至二零零四年三月三十一日止年度內，萬順昌集團收取一間合營公司之回報約4,344,000港元（二零零三年：6,615,000港元），該投資已於過往數年撇銷。

3. TURNOVER AND REVENUE

Revenues recognised are as follows:

	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Manufacturing of industrial products		
— Processing of rolled flat steel products	392,513	277,302
— Enclosure systems	109,463	39,986
Trading of industrial products		
— Engineering plastic resins and injection moulding machines	172,265	155,063
Stockholding and trading of construction materials		
— Steel products — steel rebars, structural steel and flat steel products	2,734,287	2,138,344
— Sanitary ware and kitchen cabinets	97,350	41,463
— Revenue from installation work of kitchen cabinets	41,387	99,795
Rental income	1,845	3,816
Total turnover	3,549,110	2,755,769
Interest income	6,310	4,887
Dividend income from a long-term investment	374	188
Return from a joint venture (i)	4,344	6,615
	11,028	11,690
Total revenue	3,560,138	2,767,459

Note:

- (i) During the year ended 31st March 2004, the VSC Group received a return of approximately HK\$4,344,000 (2003: HK\$6,615,000) from a joint venture, which was written off in prior years.

Notes to the Accounts

賬目附註

4. 其他收益／(支出)

投資物業之重估盈餘／
(虧絀)
出售一項投資物業之收益

4. OTHER INCOME/(EXPENSE)

Surplus/(Deficit) on revaluation
of investment properties
Gain on disposal of an investment
property

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
2,818	(1,500)
2,476	—
5,294	(1,500)

5. 經營溢利

經營溢利已扣除或計入下列各項：

5. OPERATING PROFIT

Operating profit is determined after charging or crediting the following items:

已扣除：

員工成本(包括董事酬金)
(見附註7)
物業之營業租約租金
呆壞應收賬款撥備／撇銷
存貨撥備及撇銷
固定資產之折舊
出售固定資產之虧損淨額
商譽攤銷
出售一項長期投資
之虧損
外匯兌換虧損淨額
核數師酬金

After charging:

Staff costs (including directors'
emoluments) (see Note 7) **68,681** 65,593
Operating lease rentals of premises **7,610** 11,804
Provision for/Write-off of bad and
doubtful accounts receivable **609** 2,839
Provision for and write-off of inventories **3,116** 2,963
Depreciation of fixed assets **16,791** 20,132
Net loss on disposal of fixed assets **5** —
Amortisation of goodwill **2,359** 1,850
Loss on disposal of a
long-term investment — 284
Net exchange loss — 393
Auditors' remuneration **880** 788

已計入：

來自下列項目之租金收入
— 關連公司(見附註2(a))
— 第三者
出售固定資產之收益淨額
外匯兌換收益淨額
來自下列項目之利息收入
— 銀行存款
— 其他存款
— 到期應收賬款
— 應收一間關連公司款項
(見附註2(a))
一項長期投資之股息收入

After crediting:

Rental income from
— related companies (see Note 2(a)) **198** 983
— third parties **1,647** 2,833
Net gain on disposal of fixed assets — 51
Net exchange gain **3,583** —
Interest income from
— bank deposits **406** 203
— other deposits — 1
— overdue accounts receivable **232** 67
— amounts due from a related
company (see Note 2(a)) **5,672** 4,616
Dividend income from a long-term
investment **374** 188

Notes to the Accounts

賬目附註

6. 財務費用

利息支出於
— 須於五年內全數償還之銀行貸款
— 須於五年內全數償還之其他短期借貸

6. FINANCE COSTS

Interest expense on
— bank loans wholly repayable within five years
— other short-term loans wholly repayable within five years

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
11,832	10,263
1,505	881
13,337	11,144

7. 員工成本 (包括董事酬金)

薪金及津貼
花紅
退休金成本
— 界定供款計劃 (見附註36)
— 沒收供款

7. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

Salaries and allowances
Bonuses
Pension costs
— defined contribution schemes (see Note 36)
— forfeited contributions

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
60,357	57,519
6,494	6,000
2,535	2,489
(705)	(415)
68,681	65,593

8. 董事及高級行政人員酬金

(a) 董事酬金

非執行董事之董事袍金
獨立非執行董事之董事袍金
執行董事之其他酬金
— 薪金及津貼
— 酌情花紅(i)
— 退休金供款

8. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Directors' emoluments

Fees for non-executive directors
Fees for independent non-executive directors
Other emoluments for executive directors
— Salaries and allowances
— Discretionary bonuses (i)
— Retirement contributions

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
80	519
347	—
3,213	3,658
2,100	2,500
77	72
5,817	6,749

Notes to the Accounts

賬目附註

8. 董事及高級行政人員酬金 (續)

(a) 董事酬金 (續)

註：

- (i) 執行董事可享有酌情花紅，此乃參照萬順昌集團之財務表現而釐定。

除上述酬金外，萬順昌集團為一位執行董事提供一間住宅單位（包括於土地及樓宇內）作其寓所，該單位於本年度之應課差餉租值約為931,000港元（二零零三年：1,038,000港元）。

本年度內，並無董事放棄任何酬金。本年度內，並無支付／應付任何酬金予董事以作為鼓勵加入萬順昌集團或離職補償。

董事酬金（包括用作董事寓所之單位之應課差餉租值）按董事人數及酬金範圍之分析如下：

執行董事
— 無至1,000,000港元
— 1,000,001港元至1,500,000港元
— 1,500,001港元至2,000,000港元
— 2,500,001港元至3,000,000港元
— 3,000,001港元至3,500,000港元
非執行董事
— 無至1,000,000港元
獨立非執行董事
— 無至1,000,000港元

8. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Cont'd)

(a) Directors' emoluments (Cont'd)

Note:

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

In addition to the above-mentioned emoluments, the VSC Group provided a residential apartment (included in land and buildings) to an executive director for his residence, and the annual rateable value of the apartment amounted to approximately HK\$931,000 (2003: HK\$1,038,000).

No director waived any emolument during the year. No incentive payment for joining the VSC Group or compensation for loss of office was paid/payable to any directors during the year.

Analysis of directors' emoluments (including the rateable value of the apartment used as a director's residence) by number of directors and emolument ranges is as follows:

	二零零四年 2004	二零零三年 2003
Executive directors		
— Nil to HK\$1,000,000	1	4
— HK\$1,000,001 to HK\$1,500,000	—	1
— HK\$1,500,001 to HK\$2,000,000	2	1
— HK\$2,500,001 to HK\$3,000,000	—	1
— HK\$3,000,001 to HK\$3,500,000	1	—
	4	7
Non-executive directors		
— Nil to HK\$1,000,000	1	1
Independent non-executive directors		
— Nil to HK\$1,000,000	3	4
	8	12

Notes to the Accounts

賬目附註

8. 董事及高級行政人員酬金 (續)

(b) 五名最高薪人士 (續)

於年內，萬順昌集團中五位最高薪人士其中三位(二零零三年：三位)為董事，彼等之酬金分析已載於上文附註8.a。其餘二位(二零零三年：二位)人士之已付／應付酬金詳情為：

薪金及津貼
退休金供款

酬金按組別分析如下：

- 無至1,000,000港元
- 1,000,001港元至
1,500,000港元

9. 稅項

萬順昌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17.5%(二零零三年：16%)作出撥備。

於中國內地成立之附屬公司按稅率7.5%至33%(二零零三年：15%至33%)繳付中國企業所得稅。此外，從事製造業之附屬公司自首個獲利年度(經抵銷過往年度虧損)起計兩年內可豁免繳付中國企業所得稅，隨後三年則獲50%減免。

8. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Cont'd)

(b) Five highest paid individuals (Cont'd)

The five individuals whose emoluments were the highest in the VSC Group for the year include three (2003: three) directors whose emoluments are reflected in the analysis presented in Note 8(a) above. The emoluments paid/payable to the remaining two (2003: two) individuals were as follows:

Salaries and allowances
Retirement contributions

The emolument fell within the following band:

- Nil to HK\$1,000,000
- HK\$1,000,001 to
HK\$1,500,000

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
2,474	2,339
56	63
2,530	2,402
二零零四年 2004	二零零三年 2003
—	1
2	1
2	2

9. TAXATION

VSC is exempt from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 16%) on the estimated assessable profit arising in or derived from Hong Kong.

The subsidiaries established in Mainland China are subject to Mainland China enterprise income tax at rates ranging from 7.5% to 33% (2003: 15% to 33%). However, subsidiaries engaging in manufacturing are exempt from Mainland China enterprise income tax for two years starting from the first year of profitable operations after offsetting prior years' tax losses, followed by a 50% reduction for the next three years.

Notes to the Accounts

賬目附註

9. 稅項 (續)

於綜合損益表中扣除之稅項包括：

萬順昌及附屬公司 —
當期稅項
香港利得稅
— 本年度
— 過往數個年度之低估／
(高估)撥備
中國企業所得稅
短暫差異產生及撥回之
遞延稅項

萬順昌集團之除稅前溢利與按照於萬順昌集團所在國家之香港利得稅稅率計算之理論金額有所差異及對賬如下：

除稅前溢利
按香港利得稅稅率17.5%
(二零零三年：16%)計算
影響
— 其他司法權區不同稅率
— 無須課稅之收入
— 不可扣稅之支出
— 未確認之遞延稅項資產
— 撥回以前未確認之遞延
稅項資產
— 過往年度之低估／(高估)撥備
扣除之稅項

9. TAXATION (Cont'd)

The amount of taxation charged to the consolidated profit and loss account represents:

	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
VSC and subsidiaries —		
Current taxation		
Hong Kong profits tax		
— Current year	5,165	4,080
— Under/(Over) provision	25	(5,097)
in prior years		
Mainland China enterprise		
income tax	6,464	3,181
Deferred taxation relating to		
the origination and reversal		
of temporary differences	(593)	—
	11,061	2,164

The taxation on the VSC Group's profit before taxation differs from the theoretical amount that would arise using the profits tax rate of Hong Kong, the home country of the VSC Group, and the reconciliation was as follows:

	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Profit before taxation	96,455	65,905
Calculated at Hong Kong profits tax		
rate of 17.5% (2003: 16%)	16,880	10,545
Effect of		
— different tax rates in other		
jurisdictions	(2,639)	(3,348)
— income not subject to taxation	(458)	(482)
— expenses not deductible		
for income tax purposes	175	401
— deferred tax assets not recognised	85	676
— reversal of previously		
unrecognised deferred tax assets	(3,007)	(531)
— Under/(over) provision of taxation		
in prior years	25	(5,097)
Taxation charge	11,061	2,164

Notes to the Accounts

賬目附註

10. 股東應佔溢利

股東應佔綜合溢利包括撥入萬順昌賬目之溢利約35,892,000港元(二零零三年:71,912,000港元)。

11. 股息

中期股息每股普通股
3.1港仙
(二零零三年:無)
建議末期股息每股普通股
2.8港仙(二零零三年:
5.8港仙)

12. 每股盈利

截至二零零四年三月三十一日止年度之每股基本盈利乃根據股東應佔綜合溢利約81,063,000港元(二零零三年:60,412,000港元)及年內已發行股份之加權平均數約329,088,000普通股(二零零三年:347,859,000普通股)計算。

截至二零零四年三月三十一日止年度之每股攤薄後盈利乃根據股東應佔綜合溢利約81,063,000港元(二零零三年:60,412,000港元)及已發行股份之攤薄後加權平均數約344,131,000普通股(二零零三年:348,324,000普通股)計算,並已就具潛在攤薄作用之尚未行使的認股權證及購股權作出調整。

10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit attributable to shareholders includes a profit of approximately HK\$35,892,000 (2003: HK\$71,912,000) dealt with in the accounts of VSC.

11. DIVIDENDS

Interim dividend of HK3.1 cents
(2003: Nil) per ordinary share

Proposed final dividend of
HK2.8 cents (2003: HK5.8 cents)
per ordinary share

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
10,882	—
10,298	18,111
21,180	18,111

12. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31st March 2004 is based on the consolidated profit attributable to shareholders of approximately HK\$81,063,000 (2003: HK\$60,412,000) and the weighted average number of approximately 329,088,000 ordinary shares (2003: 347,859,000 ordinary shares) in issue during the year.

The calculation of diluted earnings per share for the year ended 31st March 2004 is based on the consolidated profit attributable to shareholders of approximately HK\$81,063,000 (2003: HK\$60,412,000) and the diluted weighted average number of approximately 344,131,000 ordinary shares (2003: 348,324,000 ordinary shares) in issue after adjusting for the potential dilutive effect in respect of outstanding warrants and share options.

Notes to the Accounts

賬目附註

13. 固定資產

變動為：

13. FIXED ASSETS

Movements were:

		綜合 Consolidated 二零零四年 2004					
		土地及樓宇 Land and buildings 千港元 HK\$'000	租賃物業裝修、 傢俬及設備 Leasehold improvements, furniture and equipment 千港元 HK\$'000	機器 Machinery 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總額 Total 千港元 HK\$'000
成本	Cost						
年初	Beginning of year	73,773	47,907	53,511	6,481	6,152	187,824
添置	Additions	124	11,123	7,200	796	1,525	20,768
收購附屬公司而產生	Attributable to acquisition of subsidiaries	21,133	140	9,089	262	—	30,624
出售	Disposals	(813)	(11,094)	(1,471)	(499)	—	(13,877)
轉撥	Transfer	7,677	—	—	—	(7,677)	—
年終	End of year	101,894	48,076	68,329	7,040	—	225,339
累計折舊	Accumulated depreciation						
年初	Beginning of year	13,213	26,585	19,366	2,871	—	62,035
本年度折舊	Charge for the year	2,949	8,047	4,659	1,136	—	16,791
出售	Disposals	(50)	(11,051)	(1,471)	(281)	—	(12,853)
年終	End of year	16,112	23,581	22,554	3,726	—	65,973
賬面淨值	Net book value						
年終	End of year	85,782	24,495	45,775	3,314	—	159,366
年初	Beginning of year	60,560	21,322	34,145	3,610	6,152	125,789

Notes to the Accounts

賬目附註

13. 固定資產 (續)

土地及樓宇之地理位置及業權租賃期詳情為：

香港
— 10至50年租約
— 超逾50年租約
中國內地
— 10至50年之土地使用權

於二零零四年三月三十一日，作為萬順昌集團短期銀行貸款抵押品之土地及樓宇賬面淨值合共約8,523,000港元(二零零三年：無)(見附註37)。

14. 投資物業

變動為：

年初
添置投資物業
出售一項投資物業
重估盈餘／(虧絀)
年終

投資物業之地理位置及業權租賃期詳情為：

香港
— 10至50年租約
— 超逾50年租約
中國內地
— 10至50年之土地使用權

13. FIXED ASSETS (Cont'd)

Details of the geographical locations and tenure of land and buildings were:

Hong Kong
— leases of between 10 to 50 years
— leases of over 50 years
Mainland China
— land use right of between 10 to 50 years

At 31st March 2004, land and buildings with net book value of approximately HK\$8,523,000 (2003: Nil) were pledged as collateral for certain of the VSC Group's short-term bank loans (see Note 37).

14. INVESTMENT PROPERTIES

Movements were:

Beginning of year
Purchase of investment properties
Disposal of an investment property
Surplus/(Deficit) on revaluation
End of year

Details of the geographical locations and tenure of investment properties were:

Hong Kong
— leases of between 10 to 50 years
— leases of over 50 years
Mainland China
— land use right over 50 years

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
15,477	15,845
28,153	29,162
42,152	15,553
85,782	60,560

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
31,000	32,500
7,430	—
(4,800)	—
2,818	(1,500)
36,448	31,000

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
18,500	15,500
11,900	10,700
6,048	4,800
36,448	31,000

Notes to the Accounts

賬目附註

14. 投資物業 (續)

投資物業約30,400,000港元按獨立合資格估值師晉高測量師有限公司所釐定於二零零四年三月三十一日之公開市值列賬。惟剩餘結餘約6,048,000港元以二零零四年四月出售之金額列賬。

萬順昌集團訂立營運租約租出若干投資物業，初步訂立為期1至2年，並有選擇權於再協商下續約。並無租約為或然租約。截至二零零四年三月三十一日止年度內，由投資物業帶來之租金收入總額約為1,433,000港元（二零零三年：2,143,000港元）。於二零零四年三月三十一日，萬順昌集團訂立不可撤回之營運租約之未來租金收入如下：

未逾1年
逾1年及未逾5年

14. INVESTMENT PROPERTIES (Cont'd)

Investment properties of approximately HK\$30,400,000 were stated at open market value as at 31st March 2004 as determined by Jointgoal Surveyors Limited, independent qualified valuers, while the remaining balance of approximately HK\$6,048,000 was stated at the amount of disposal in April 2004.

The VSC Group leases out certain investment properties under operating leases, for an initial period of one to two years, with an option to renew on renegotiated terms. None of the leases includes contingent rentals. During the year ended 31st March 2004, the gross rental income from investment properties amounted to approximately HK\$1,433,000 (2003: HK\$2,143,000). As at 31st March 2004, the VSC Group's future rental income under non-cancellable operating leases was as follows:

Not later than one year
Later than one year and not later than five years

綜合 Consolidated

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
834	1,347
1,208	48
2,042	1,395

15. 於附屬公司之投資

非上市股份，按成本值
應收附屬公司

應收附屬公司之款項約428,666,000港元（二零零三年：280,400,000港元）並無抵押及不計利息。流動資產中的應收附屬公司之款項12,000,000港元（二零零三年：72,000,000港元）並無抵押，不計利息及無特定償還條款。

15. INVESTMENT IN SUBSIDIARIES

Unlisted shares, at cost
Due from subsidiaries

Approximately HK\$428,666,000 (2003: HK\$280,400,000) of the amounts due from subsidiaries are unsecured and non-interest bearing. The amounts due from a subsidiary of HK\$12,000,000 (2003: HK\$72,000,000), classified under current assets, is unsecured, non-interest bearing and has no pre-determined repayment terms.

本公司 Company

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
71,746	71,746
428,666	280,400
500,412	352,146

Notes to the Accounts

賬目附註

15. 於附屬公司之投資 (續)

於二零零四年三月三十一日主要附屬公司之詳情為：

15. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the principal subsidiaries as at 31st March 2004 were:

名稱 Name	註冊成立及經營地點 Place of incorporation and operations	已發行及繳足股本 ／註冊資本 Issued and fully paid share capital/ registered capital	萬順昌集團應佔之 股本權益百分比(i) Percentage of equity interest attributable to the VSC Group (i)	主要業務 Principal activities
東莞萬順昌鋼鐵制品有限公司(iii) Dongguan Van Shung Chong Steel Products Co., Ltd. (iii)	中國內地 Mainland China	23,000,000港元 HK\$23,000,000	100%	板材產品加工 Processing of rolled flat steel products
利尚派國際貿易(上海) 有限公司(iii) Leisure Plus International Trading (Shanghai) Co., Ltd. (iii)	中國內地 Mainland China	200,000美元 US\$200,000	100%	買賣潔具 Trading of sanitary ware
Pulsar Enterprises Ltd.	英屬處女群島／香港 British Virgin Islands/ Hong Kong	2美元 US\$2	100%	持有物業 Property holding
先滿發展有限公司 Senior Rich Development Limited	香港 Hong Kong	380港元普通股 10,000港元 無投票權遞延股(ii) HK\$380 ordinary HK\$10,000 non-voting deferred (ii)	100%	持有物業 Property holding
上海寶順昌國際貿易有限公司(iii) Shanghai Bao Shun Chang International Trading Co., Ltd. (iii)	中國內地 Mainland China	600,000美元 US\$600,000	66.7%	買賣及存銷鋼材 Trading and stockholding of steel
Shun Bao International Enterprise Limited	英屬處女群島／香港 British Virgin Islands/ Hong Kong	2美元 US\$2	100%	持有物業 Property holding
廣州瓊華實業有限公司(iii) SMC Industries Ltd. (iii)	中國內地 Mainland China	34,875,798港元 HK\$34,875,798	70%	板材產品加工 Processing of rolled flat steel products
天津萬順昌金屬制品有限公司(iii) Tianjin Van Shung Chong Metal Products Co., Ltd (iii)	中國內地 Mainland China	11,700,000港元 HK\$11,700,000	100%	板材產品加工 Processing of rolled flat steel products

Notes to the Accounts

賬目附註

15. 於附屬公司之投資 (續)

15. INVESTMENT IN SUBSIDIARIES (Cont'd)

名稱 Name	註冊成立及經營地點 Place of incorporation and operations	已發行及繳足股本 ／註冊資本 Issued and fully paid share capital/ registered capital	萬順昌集團應佔之 股本權益百分比(i) Percentage of equity interest attributable to the VSC Group (i)	主要業務 Principal activities
東誠企業(香港)有限公司 Tomahawk Capital Limited	香港 Hong Kong	10,000港元 HK\$10,000	100%	財務業務 Finance business
Van Shung Chong (B.V.I.) Limited	英屬處女群島 British Virgin Islands	6美元 US\$6	100%	投資控股 Investment holding
萬順昌行有限公司 Van Shung Chong Hong Limited	香港 Hong Kong	2,000港元普通股 10,000,000港元 無投票權遞延股(ii) HK\$2,000 ordinary HK\$10,000,000 non-voting deferred (ii)	100%	買賣鋼材及提供 管理服務 Trading of steel and provision of management services
順發貨倉有限公司 Vantage Godown Company Limited	香港 Hong Kong	200,000港元 HK\$200,000	100%	提供倉庫服務 Provision of warehousing services
萬嘉源通訊設備(深圳) 有限公司(iii) VJY Telecommunication Equipment (Shenzhen) Company Limited (iii)	中國內地 Mainland China	15,000,000港元 HK\$15,000,000	100%	製造系統設備外殼 Manufacture of enclosure systems
VSC (Beijing) Investment Ltd.	英屬處女群島 British Virgin Islands	2美元 US\$2	100%	投資控股 Investment holding
萬順昌建築材料有限公司 VSC Building Products Company Limited	香港 Hong Kong	2港元 HK\$2	100%	買賣潔具及廚櫃與及 安裝廚櫃 Trading of sanitary ware and kitchen cabinets and kitchen cabinet installation
萬順昌塑膠有限公司 VSC Plastics Company Limited	香港 Hong Kong	2港元 HK\$2	100%	買賣塑膠 及注塑機 Trading of plastics and injection moulding machines

Notes to the Accounts

賬目附註

15. 於附屬公司之投資 (續)

15. INVESTMENT IN SUBSIDIARIES (Cont'd)

名稱 Name	註冊成立及經營地點 Place of incorporation and operations	已發行及繳足股本 ／註冊資本 Issued and fully paid share capital/ registered capital	萬順昌集團應佔之 股本權益百分比(i) Percentage of equity interest attributable to the VSC Group (i)	主要業務 Principal activities
萬順昌神商有限公司 (前稱錫殼－神商有限公司) VSC Shinsho Company Limited (formerly known as Shell & Shinsho Company Limited)	香港 Hong Kong	9,646,200美元 US\$9,646,200	70%	買賣加工板材產品 Trading of processed rolled flat steel products
萬順昌鋼鐵有限公司 VSC Steel Company Limited	香港 Hong Kong	38,000港元普通股 20,000,000港元 無投票權遞延股(ii) HK\$38,000 ordinary HK\$20,000,000 non-voting deferred (ii)	100%	買賣及存銷鋼材 Trading and stockholding of steel
萬順昌鋼鐵制品有限公司 VSC Steel Products Company Limited	香港 Hong Kong	2港元 HK\$2	100%	買賣加工板材產品 Trading of processed rolled flat steel products
亞萬鋼國際貿易(上海)有限公司 VSC Steel (Shanghai) Co., Ltd. (iii)	中國內地 Mainland China	200,000美元 US\$200,000	100%	買賣及存銷鋼材 Trading and stockholding of steel

註：

- (i) Van Shung Chong (B.V.I) Limited之股份由萬順昌直接持有。其他附屬公司之股份則屬間接持有。
- (ii) 此等無投票權遞延股份由萬順昌集團擁有。無投票權遞延股份並無投票權，亦無權於清盆時分享股息及除非萬順昌行有限公司普通股持有人已獲分派每股普通股2,000,000,000港元之款額或萬順昌鋼鐵有限公司及先滿發展有限公司之普通股持有人已獲分派100,000,000,000,000港元之款額外。

Notes:

- (i) The shares of Van Shung Chong (B.V.I.) Limited are held directly by VSC. The shares of other subsidiaries are held indirectly.
- (ii) These non-voting deferred shares are owned by the VSC Group. The non-voting deferred shares have no voting rights, are not entitled to any distributions upon winding up unless a sum of HK\$2,000,000,000 per share has been distributed to the holders of ordinary shares for Van Shung Chong Hong Limited or a sum of HK\$100,000,000,000,000 has been distributed to the holders of ordinary shares for VSC Steel Company Limited and Senior Rich Development Limited.

Notes to the Accounts

賬目附註

15. 於附屬公司之投資 (續)

註：(續)

(iii) 東莞萬順昌鋼鐵制品有限公司乃一間於中國內地成立之中外合營企業，經營期為12年，至二零零七年止。利尚派國際貿易(上海)有限公司及亞萬鋼國際貿易(上海)有限公司乃於中國內地成立之外資企業，經營期為20年，至二零二三年止。上海寶順昌國際貿易有限公司乃一間於中國內地成立之合資合營企業，經營期為20年，至二零一四年止。廣州蜆華實業有限公司乃一間於中國內地成立之中外合作企業，經營期為50年，至二零四三年止。天津萬順昌金屬制品有限公司乃一間於中國內地成立之外資企業，經營期為50年，至二零五二年止。萬嘉源通訊設備(深圳)有限公司乃一間於中國內地成立之外資企業，經營期為15年，至二零一六年止。

上述概要列出主要影響萬順昌集團之業績或組成萬順昌集團資產淨值之大部份主要附屬公司。萬順昌之董事及萬順昌集團之管理層認為提供其他附屬公司之詳情將使篇幅過於冗長。

於截至二零零四年三月三十一日止年度之任何時間內，各附屬公司概無任何已發行借貸資本。

15. INVESTMENT IN SUBSIDIARIES (Cont'd)

Notes: (Cont'd)

(iii) Dongguan Van Shung Chong Steel Products Co., Ltd. is a contractual joint venture established in Mainland China with an operating period of 12 years to 2007. Leisure Plus International Trading (Shanghai) Co., Ltd. and VSC Steel (Shanghai) Co., Ltd. are wholly foreign owned enterprises established in Mainland China with an operating period of 20 years to 2023. Shanghai Bao Shun Chang International Trading Co., Ltd. is an equity joint venture established in Mainland China with an operating period of 20 years to 2014. SMC Industries Ltd. is a co-operative joint venture established in Mainland China with an operating period of 50 years to 2043. Tianjin Van Shung Chong Metal Products Co., Ltd. is a wholly foreign owned enterprise established in Mainland China with an operating period of 50 years to 2052. VJY Telecommunication Equipment (Shenzhen) Company Limited is a wholly foreign owned enterprise established in Mainland China with an operating period of 15 years to 2016.

The above summary lists the principal subsidiaries which principally affected the results or formed a substantial portion of the net assets of the VSC Group. To give details of other subsidiaries would, in the opinion of VSC's Directors and the VSC Group's management, result in particulars of excessive length.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31st March 2004.

Notes to the Accounts

賬目附註

16. 於聯營公司之投資

借予一間聯營公司之墊款
減：應收呆賬撥備

借予一間聯營公司之墊款並無抵押及不計利息。

於二零零四年三月三十一日聯營公司之詳情為：

名稱 Name	註冊成立及 經營地點 Place of incorporation and operations	已發行及 繳足股本 Issued and fully paid share capital	間接持有股本 權益百分比 Percentage of equity interest held indirectly	主要業務 Principal activity
東莞聯通港口 碼頭有限公司 (i) Dongguan Luen Tung Harbour & Dock Co., Ltd. (i)	中國內地 Mainland China	20,418,128港元 HK\$20,418,128	30%	提供碼頭服務 Provision of pier services
廣順聯合有限公司 Steel Supreme Limited	英屬處女群島／ 中國內地 British Virgin Islands/ Mainland China	100美元 US\$100	30%	提供碼頭服務 Provision of pier services

註：

- (i) 東莞聯通港口碼頭有限公司乃一間於中國內地成立之合約合營企業，合營期至二零一五年止，為期20年。

16. INVESTMENT IN ASSOCIATES

Advance to an associate
Less: Provision for doubtful
receivables

The advance to an associate is unsecured and non-interest bearing.

Details of the associates as at 31st March 2004 were:

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
12,534	12,534
(12,532)	(12,532)
2	2

Note:

- (i) Dongguan Luen Tung Harbour & Dock Co., Ltd. is a contractual joint venture established in Mainland China with an operating period of 20 years to 2015.

Notes to the Accounts

賬目附註

17. 長期投資

於香港上市股份之投資

按成本值
公平價值變動

非上市投資

按成本值
累計減值虧損

於二零零四年三月三十一日，於香港上市股份之投資代表亞鋼集團有限公司約18.9%（二零零三年：19.2%）股權（該公司乃於百慕達註冊成立及其股份於香港聯合交易所有限公司創業板上市）。該項投資以其於二零零四年三月三十一日之所述市值於資產負債表列賬。

17. LONG-TERM INVESTMENTS

Investment in shares listed
in Hong Kong

At cost
Change in fair value

Unlisted investments

At cost
Accumulated impairment loss

As at 31st March 2004, the investment in shares listed in Hong Kong represents approximately 18.9% (2003: 19.2%) equity interests in iSteelAsia Holdings Limited, a company incorporated in Bermuda and whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. This investment was stated in the balance sheet at its quoted market value as at 31st March 2004.

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
42,438	42,438
(20,705)	(27,206)
21,733	15,232
38,376	30,576
(97)	(97)
38,279	30,479
60,012	45,711

Notes to the Accounts

賬目附註

18. 商譽

變動為：

成本

年初
收購附屬公司
(見附註32(b))
調整以往年度收購
一項業務之代價

年終

累計攤銷

年初
年度內攤銷

年終

賬面淨值

年終

年初

19. 存貨

存貨包括作貿易用途之鋼筋、工字鋼、水閘板、板材產品、系統設備外殼、潔具、廚櫃、工程塑膠樹脂及機器零件。

存貨總值
減：陳舊及滯銷存貨撥備

18. GOODWILL

Movements were:

Cost

Beginning of year
Acquisition of subsidiaries
(see Note 32(b))
Adjustment to purchase
consideration for a business
acquired in prior year

End of year

Accumulated amortisation

Beginning of year
Amortisation for the year

End of year

Net book value

End of year

Beginning of year

19. INVENTORIES

Inventories consisted of steel rebars, H-piles, sheet piles, rolled flat steel products, enclosure systems, sanitary ware, kitchen cabinets, engineering plastic resins and machinery spare parts for trading purposes.

Gross inventories
Less: Provision for obsolete and
slow-moving inventories

綜合
Consolidated

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
67,454	67,454
3,979	—
2,046	—
73,479	67,454
62,830	60,980
2,359	1,850
65,189	62,830
8,290	4,624
4,624	6,474

綜合
Consolidated

二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
701,071	385,466
(5,130)	(3,989)
695,941	381,477

Notes to the Accounts

賬目附註

19. 存貨 (續)

於二零零四年三月三十一日，約15,399,000港元(二零零三年：58,486,000港元)之存貨以可變現淨值列賬。

於二零零四年三月三十一日，一間附屬公司約14,950,000港元(二零零三年：14,950,000港元)之存貨作萬順昌集團短期銀行貸款之抵押用途及若干存貨根據信託收據銀行貸款安排而持有(見附註37)。

20. 應收／應付客戶安裝合約工程

應收客戶安裝合約工程包括：

成本加已確認之溢利
減可預見虧損
減：已收及應收之進度款項

應付客戶安裝合約工程包括：

成本加已確認之溢利
減可預見虧損
減：已收及應收之進度款項

19. INVENTORIES (Cont'd)

As at 31st March 2004, inventories of approximately HK\$15,399,000 (2003: HK\$58,486,000) were stated at net realisable value.

As at 31st March 2004, inventories of a subsidiary amounting to approximately HK\$14,950,000 (2003: HK\$14,950,000) were pledged as collaterals for certain of the VSC Group's short-term bank loans and certain inventories were held under trust receipts bank loan arrangements (see Note 37).

20. DUE FROM/TO CUSTOMERS ON INSTALLATION CONTRACT WORK

Due from customers on installation contract work consisted of:

		綜合 Consolidated	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Costs plus recognised profits less foreseeable losses		144,701	98,010
Less: Progress billings received and receivable		(133,251)	(78,976)
		11,450	19,034

Due to customers on installation contract work consisted of:

		綜合 Consolidated	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Costs plus recognised profits less foreseeable losses		15,328	21,539
Less: Progress billings received and receivable		(15,485)	(26,129)
		(157)	(4,590)

Notes to the Accounts

賬目附註

21. 應收賬款及票據

萬順昌集團之營業額大多以記賬方式進行，信貸期一般介乎30至90日不等。

應收賬款及票據之賬齡分析如下：

0至60日
61至120日
121至180日
181至365日
超過365日

減：呆壞賬撥備

於二零零四年三月三十一日，包括在應收賬款及票據內約5,355,000港元(二零零三年：5,265,000港元)為安裝合約工程之保留金，該等款項將直至達成合約所指明之條款後才可收回。

22. 應收貸款

成本
減：應收貸款呆賬撥備

21. ACCOUNTS AND BILLS RECEIVABLE

A major portion of the VSC Group's turnover are transacted on an open account basis, with credit periods generally ranging from 30 to 90 days.

Ageing analysis of accounts and bills receivable was as follows:

0 to 60 days
61 to 120 days
121 to 180 days
181 to 365 days
Over 365 days

Less: Provision for bad and doubtful receivables

Included in accounts and bills receivable as at 31st March 2004 were retentions from installation contract work of approximately HK\$5,355,000 (2003: HK\$5,265,000), which were not receivable until satisfaction of the conditions specified in the underlying contracts.

22. LOANS RECEIVABLE

Cost
Less: Provision for doubtful loans receivable

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
489,809	416,753
120,418	151,048
41,907	42,336
135,342	43,175
61,656	16,289
849,132	669,601
(12,775)	(14,576)
836,357	655,025

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
6,891	32,939
—	(26,048)
6,891	6,891

Notes to the Accounts

賬目附註

23. 現金及銀行存款

於二零零四年三月三十一日，作為萬順昌集團銀行信貸抵押品之銀行存款約8,374,000港元(二零零三年：7,957,000港元)(見附註37)。

於二零零四年三月三十一日，萬順昌集團之現金及銀行存款約31,799,000港元(二零零三年：32,423,000港元)為中國人民幣，該貨幣不能在國際市場自由兌換之貨幣，其匯率由中國人民銀行釐定。

24. 短期借貸

銀行貸款
 — 信託收據銀行貸款
 — 短期銀行貸款
 — 長期銀行貸款、
 當期部份(見附註26)

其他貸款
 — 一間附屬公司之一位
 少數股東
 — 其他

萬順昌集團銀行融資之詳情已載列於附註37。

其他貸款無抵押及不計利息(二零零三年：須付年息為5.0%至5.5%)。

23. CASH AND BANK DEPOSITS

As at 31st March 2004, bank deposits of approximately HK\$8,374,000 (2003: HK\$7,957,000) were pledged as collateral for the VSC Group's banking facilities (see Note 37).

As at 31st March 2004, cash and bank deposits of approximately HK\$31,799,000 (2003: HK\$32,423,000) were denominated in Chinese Renminbi, which is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China.

24. SHORT-TERM BORROWINGS

	綜合 Consolidated	
	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Bank loans		
— Trust receipts bank loans	661,159	490,879
— Short-term bank loans	65,205	59,063
— Long-term bank loan, current portion (see Note 26)	27,778	2,925
	754,142	552,867
Other loans		
— A minority shareholder of a subsidiary	11,700	37,800
— Others	32,768	—
	798,610	590,667

Details of the VSC Group's banking facilities are set out in Note 37.

Other loans are unsecured and non-interest bearing (2003: bore interest at 5.0% to 5.5% per annum).

Notes to the Accounts

賬目附註

25. 應付賬款及票據

應付賬款及票據之賬齡分析如下：

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

於二零零四年三月三十一日，包括在應付賬款及票據內約30,902,000港元（二零零三年：無）為貿易活動而產生之應付一間附屬公司之一位少數股東之金額，該款項屬無抵押、按正常信貸條款償還，且按商業利率計算利息。

26. 長期銀行貸款

償還數額
— 1年內
— 第2年
— 第3年至第5年

減：於流動負債內需1年內償還數額（見附註24）

25. ACCOUNTS AND BILLS PAYABLE

Ageing analysis of accounts and bills payable was as follows:

		綜合 Consolidated	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
0 to 60 days		312,090	196,722
61 to 120 days		22,712	6,042
121 to 180 days		11,342	2,235
181 to 365 days		2,986	1,982
Over 365 days		1,499	5,039
		350,629	212,020

Included in accounts and bills payable as at 31st March 2004 was an amount due to a minority shareholder of a subsidiary of approximately HK\$30,902,000 (2003: Nil) arising from trading activities, which is unsecured, repayable according to normal credit terms and bore interest at commercial lending rates.

26. LONG-TERM BANK LOAN

		綜合 Consolidated	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Amounts repayable			
— within one year		27,778	2,925
— in the second year		55,556	11,700
— in the third to fifth year		41,666	8,775
		125,000	23,400
Less: Amount due within one year included under current liabilities (see Note 24)		(27,778)	(2,925)
		97,222	20,475

萬順昌集團銀行融資詳情已載列於附註37。

Details of the VSC Group's banking facilities are set out in Note 37.

Notes to the Accounts

賬目附註

27. 遞延稅項

遞延稅項乃利用負債法按主要稅率17.5% (二零零三年：16%)之負債法就短暫時差作全數撥備。

遞延稅項資產／(負債)之變動如下：

於二零零二年及
二零零三年四月一日
於損益表計入之遞延稅項

於二零零四年三月三十一日

於二零零四年三月三十一日，萬順昌集團有未撥備之遞延稅項資產約5,133,000港元(二零零三年：8,416,000港元)，主要來自累計稅項虧損(須受有關稅務機構同意)之稅項影響，該金額可以無限期結轉後期。

遞延稅項資產／(負債)之變動(與同一實體及徵稅地區之結餘抵銷前)如下：

於二零零二年及
二零零三年四月一日
於損益表計入／(扣除)

於二零零四年三月三十一日

27. DEFERRED TAXATION

Deferred taxation are calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2003: 16%).

The movement on the deferred tax assets/(liabilities) is as follows:

At 1st April 2002
and 2003

Deferred taxation
credited to profit
and loss account

At 31st March 2004

As at 31st March 2004, the VSC Group had an unprovided deferred tax assets of approximately HK\$5,133,000 (2003: HK\$8,416,000), primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities) which can be carried forward indefinitely.

The movement in deferred tax assets/(liabilities) prior to offsetting of balances within the same entity and same taxation jurisdiction is as follows:

	綜合 Consolidated			
	遞延稅項 資產 Deferred tax assets 千港元 HK\$'000	遞延稅項 負債 Deferred tax liabilities 千港元 HK\$'000	遞延 稅項淨額 Net deferred taxation 千港元 HK\$'000	
於二零零二年及 二零零三年四月一日 於損益表計入之遞延稅項	—	(250)	(250)	
於二零零四年三月三十一日	447	146	593	
於二零零四年三月三十一日	447	(104)	343	

	綜合 Consolidated			
	存貨 撥備 Provision for inventories 千港元 HK\$'000	累計 稅項虧損 Cumulative tax losses 千港元 HK\$'000	加速 折舊 Accelerated depreciation 千港元 HK\$'000	遞延 稅項淨額 Net deferred taxation 千港元 HK\$'000
於二零零二年及 二零零三年四月一日 於損益表計入／(扣除)	—	—	(250)	(250)
於二零零四年三月三十一日	318	870	(595)	593
於二零零四年三月三十一日	318	870	(845)	343

Notes to the Accounts

賬目附註

28. 股本

28. SHARE CAPITAL

		二零零四年 2004		二零零三年 2003	
		股份數目 Number of shares 千股 '000	面值 Nominal value 千港元 HK\$'000	股份數目 Number of shares 千股 '000	面值 Nominal value 千港元 HK\$'000
法定(每股面值 0.10港元之 普通股)	Authorised (Ordinary shares of HK\$0.10 each)	1,000,000	100,000	1,000,000	100,000
已發行及繳足 (每股面值0.10 港元之普通股) :	Issued and fully paid (Ordinary shares of HK\$0.10 each):				
年初	Beginning of year	312,257	31,226	354,979	35,498
透過配售發行 股份(i)	Issue of shares through placement (i)	33,000	3,300	—	—
因行使認股權證 而發行股份 (見附註29)	Issue of shares upon exercise of warrants (see Note 29)	8,443	844	—	—
因行使購股權 而發行股份 (見附註30)	Issue of shares upon exercise of share options (see Note 30)	15,100	1,510	10,500	1,050
回購股份(ii)	Repurchase of shares (ii)	(1,016)	(102)	(53,222)	(5,322)
年終	End of year	367,784	36,778	312,257	31,226

Notes to the Accounts

賬目附註

28. 股本 (續)

註：

- (i) 於二零零三年十一月，以每股1.8港元透過配售發行33,000,000每股面值0.10港元之普通股。
- (ii) 於截至二零零四年三月三十一日止年度內，萬順昌以總代價約968,000港元(二零零三年：53,117,000港元)(包括交易成本)回購1,016,000股股份(二零零三年：53,222,263股股份)。此等股份乃於其後註銷。回購股份之總代價乃自保留溢利轉撥至資本贖回儲備。該等於截至二零零四年三月三十一日止年度內回購之詳情如下：

28. SHARE CAPITAL (Cont'd)

Notes:

- (i) In November 2003, 33,000,000 ordinary shares of HK\$0.10 each were issued at HK\$1.80 each through a placement.
- (ii) During the year ended 31st March 2004, VSC repurchased 1,016,000 shares (2003: 53,222,263 shares) for an aggregate consideration of approximately HK\$968,000 (2003: HK\$53,117,000), including transaction costs. These shares were subsequently cancelled. The aggregate cost for the repurchase of shares was transferred from retained profit to capital redemption reserve. Details of such repurchases during the year ended 31st March 2004 were as follows:

回購月份 Month of repurchase	回購股份數目 Number of shares repurchased 千股 '000	每股價格 Price per share		已付價格 Amount paid 千港元 HK\$'000
		最高 Highest 港元 HK\$	最低 Lowest 港元 HK\$	
二零零三年四月 April 2003	1,016	0.95	0.93	968

29. 認股權證

變動為：

29. WARRANTS

Movements were:

發行日期 Date of issue	行使期 Exercise period	每股行使價 Subscription price per share 港元 HK\$	認股權證數目 Number of warrants		
			年初 Beginning of year 千份 '000	行使(i) Exercised (i) 千份 '000	年終 End of year 千份 '000
二零零一年 十一月十二日 12th November 2001	二零零一年十一月十九日至 二零零四年十一月十八日 19th November 2001 to 18th November 2004	1.18	35,497	(8,443)	27,054

Notes to the Accounts

賬目附註

29. 認股權證 (續)

於截至二零零四年三月三十一日止年度內，約8,443,000份認股權證(二零零三年：120份認股權證)已獲行使以認購萬順昌約8,443,000股股份(二零零三年：120股股份)，代價約為9,962,000港元(二零零三年：142港元)。

30. 購股權

根據萬順昌之購股權計劃(「新購股權計劃」)，萬順昌可授予萬順昌集團之任何僱員、代理人、顧問或代表(包括任何執行董事及非執行董事)以認購萬順昌之股份，而不得超過不時已發行萬順昌股份面值之30%(行使購股權所發行股份除外)。行使價將由萬順昌董事會釐定及最少將按以下列中最高者為準：(i)萬順昌股份於提出授予購股權當日香港聯合交易所有限公司所列之收市價；(ii)萬順昌股份於緊接提出授予購股權日期前五個交易日在香港聯合交易所有限公司所列之平均收市價；及(iii)萬順昌股份面值每股0.10港元。新購股權計劃已採納以取替一項舊購股權計劃，而所有舊購股權計劃授予之購股權可按舊有條款而行使。

29. WARRANTS (Cont'd)

During the year ended 31st March 2004, approximately 8,443,000 warrants (2003: 120 warrants) were exercised to subscribe for approximately 8,443,000 shares (2003: 120 shares) of VSC at a consideration of approximately HK\$9,962,000 (2003: HK\$142).

30. SHARE OPTIONS

VSC has a share option scheme (the "New Share Option Scheme"), under which it may grant options to any person being an employee, agent, consultant or representative (including executive directors and non-executive directors) of the VSC Group to subscribe for shares in VSC, subject to a maximum of 30% of the nominal value of the issued share capital of VSC from time to time, excluding for this purpose shares issued on the exercise of options. The exercise price will be determined by VSC's board of directors and shall be the highest of (i) the closing price of VSC's shares quoted on The Stock Exchange of Hong Kong Limited on the date of grant of the options, (ii) the average closing prices of VSC's shares quoted on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of grant of the options, and (iii) the nominal value of VSC's shares of HK\$0.10 each. This New Share Option Scheme was adopted to replace an old share option scheme, with all options granted under the old share option scheme continue to be exercisable in accordance with the old terms.

Notes to the Accounts

賬目附註

30. 購股權 (續)

購股權變動如下：

30. SHARE OPTIONS (Cont'd)

Movements of share options were:

授予日期 Date of grant	行使期 Exercise period	每股行使價 Subscription price per share 港元 HK\$	年初 Beginning of year 千份 '000	授予 Granted 千份 '000	行使(i) Exercised (i) 千份 '000	失效 Lapsed 千份 '000	年終 End of year 千份 '000
<i>舊購股權計劃</i> <i>Old Share Option Scheme</i>							
一九九四年十二月十七日 17th December 1994	一九九七年一月十五日至 二零零四年一月十五日 15th January 1997 to 15th January 2004	1.1344	6,500	—	(6,500)	—	—
一九九六年一月十八日 18th January 1996	一九九七年一月十五日至 二零零四年一月十五日 15th January 1997 to 15th January 2004	1.2528	4,000	—	(2,000)	(2,000)	—
一九九六年三月十八日 18th March 1996	一九九八年五月一日至 二零零四年一月二十二日 1st May 1998 to 22nd January 2004	1.3840	3,300	—	(3,300)	—	—
二零零零年一月十日 10th January 2000	二零零二年二月一日至 二零零四年一月二十二日 1st February 2002 to 22nd January 2004	1.6880	900	—	(400)	(500)	—
<i>新購股權計劃</i> <i>New Share Option Scheme</i>							
二零零三年九月十九日 19th September 2003	二零零五年九月十九日至 二零一三年九月十八日 19th September 2005 to 18th September 2013	1.4180	—	2,300	—	—	2,300
二零零三年五月二日 2nd May 2003	二零零三年五月二日至 二零一三年五月一日 2nd May 2003 to 1st May 2013	0.9800	—	10,150	(2,900)	—	7,250
二零零三年五月七日 7th May 2003	二零零五年五月七日至 二零一三年五月六日 7th May 2005 to 6th May 2013	0.9700	—	7,595	—	(1,150)	6,445
			14,700	20,045	(15,100)	(3,650)	15,995

註：

(i) 因行使該購股權而發行股份之公平價值由每股1.40港元至1.98港元。

Note:

(i) The fair value of the shares issued upon exercise of these share options ranges from HK\$1.40 to HK\$1.98 each.

Notes to the Accounts

賬目附註

31. 儲備

31. RESERVES

		綜合 Consolidated									
		股份溢價 Share Premium 千港元 HK\$'000	資本贖回 儲備 Capital redemption reserve 千港元 HK\$'000	法定 儲備(i) Statutory reserves (j) 千港元 HK\$'000	資本 儲備 Capital reserve 千港元 HK\$'000	投資重估 儲備 Investment revaluation reserve 千港元 HK\$'000	其他儲備 reserves 千港元 HK\$'000	累計外幣 匯兌調整 Cumulative foreign currency adjustments 千港元 HK\$'000	保留溢利 Retained profit 千港元 HK\$'000	建議股息 Proposed dividends 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零二年四月一日	As at 1st April 2002	281,295	23,118	—	58,355	(1,072)	301	(2,686)	125,661	2,840	487,812
股東應佔溢利	Profit attributable to shareholders	—	—	—	—	—	—	—	60,412	—	60,412
因發行股份所產生之溢價 行使購股權(見附註30)	Premium arising from issue of shares upon exercise of share options (see Note 30)	3,085	—	—	—	—	—	—	—	—	3,085
回購股份(見附註28)	Repurchase of shares (see Note 28)	(47,795)	53,117	—	—	—	—	—	(53,117)	—	(47,795)
長期投資公平價值變動	Change in fair value of long-term investments	—	—	—	—	(12,089)	—	—	—	—	(12,089)
出售一項長期投資	Release upon disposal of a long-term investment	—	—	—	—	563	—	—	—	—	563
已付股息	Dividends paid	—	—	—	—	—	—	—	—	(2,840)	(2,840)
建議末期股息	Proposed final dividend	—	—	—	—	—	—	—	(18,111)	18,111	—
滙兌調整	Translation adjustments	—	—	—	—	—	—	30	—	—	30
於二零零三年三月三十一日	As at 31st March 2003	236,585	76,235	—	58,355	(12,598)	301	(2,656)	114,845	18,111	489,178

Notes to the Accounts

賬目附註

31. 儲備 (續)

31 RESERVES (Cont'd)

		綜合 Consolidated									
		股份溢價 Share Premium 千港元 HK\$'000	資本贖回 儲備 Capital redemption reserve 千港元 HK\$'000	法定 儲備(i) Statutory reserves (i) 千港元 HK\$'000	資本 儲備 Capital reserve 千港元 HK\$'000	投資重估 儲備 Investment revaluation reserve 千港元 HK\$'000	其他儲備 Other reserves 千港元 HK\$'000	累計外幣 匯兌調整 Cumulative foreign currency adjustments 千港元 HK\$'000	保留溢利 Retained profit 千港元 HK\$'000	建議股息 Proposed dividends 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零三年四月一日	As at 1st April 2003	236,585	76,235	—	58,355	(12,598)	301	(2,656)	114,845	18,111	489,178
股東應佔溢利	Profit attributable to shareholders	—	—	—	—	—	—	—	81,063	—	81,063
轉撥至保留溢利	Transfer from retained profit	—	—	5,231	—	—	—	—	(5,231)	—	—
因發行股份所產生之溢價	Premium arising from issue of shares upon										
— 配售(見附註28)	— placement (see Note 28)	56,100	—	—	—	—	—	—	—	—	56,100
— 行使認股權證(見附註29)	— exercise of warrants (see Note 29)	9,118	—	—	—	—	—	—	—	—	9,118
— 行使購股權(見附註30)	— exercise of share options (see Note 30)	16,454	—	—	—	—	—	—	—	—	16,454
配售之股份發行支出	Share issue expenses for placement	(4,679)	—	—	—	—	—	—	—	—	(4,679)
回購股份(見附註28)	Repurchase of shares (see Note 28)	(866)	968	—	—	—	—	—	(968)	—	(866)
長期投資公平價值變動	Change in fair value of long-term investments	—	—	—	—	6,501	—	—	—	—	6,501
建議股息	Proposed dividends	—	—	—	—	—	—	—	(21,180)	21,180	—
已付股息	Dividends paid	—	—	—	—	—	—	—	—	(28,993)	(28,993)
滙兌調整	Translation adjustments	—	—	—	—	—	—	(96)	—	—	(96)
於二零零四年三月三十一日	As at 31st March 2004	312,712	77,203	5,231	58,355	(6,097)	301	(2,752)	168,529	10,298	623,780

Notes to the Accounts

賬目附註

31. 儲備 (續)

31. RESERVES (Cont'd)

		本公司 Company					
		股份溢價 Share premium 千港元 HK\$'000	資本贖回 儲備 Capital redemption reserve 千港元 HK\$'000	繳入盈餘(ii) Contributed surplus (ii) 千港元 HK\$'000	保留溢利 Retained profit 千港元 HK\$'000	建議股息 Proposed dividends 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零二年四月一日	As at 1st April 2002	281,295	23,118	53,986	7,102	2,840	368,341
年度溢利	Profit for the year	—	—	—	71,912	—	71,912
因發行股份所產生之溢價 行使購股權 (見附註30)	Premium arising from issue of shares upon exercise of share options (see Note 30)	3,085	—	—	—	—	3,085
回購股份 (見附註28)	Repurchase of shares (see Note 28)	(47,795)	53,117	—	(53,117)	—	(47,795)
已付股息	Dividends paid	—	—	—	—	(2,840)	(2,840)
建議末期股息	Proposed final dividend	—	—	—	(18,111)	18,111	—
於二零零三年三月三十一日	As at 31st March 2003	236,585	76,235	53,986	7,786	18,111	392,703
於二零零三年四月一日	As at 1st April 2003	236,585	76,235	53,986	7,786	18,111	392,703
年度溢利	Profit for the year	—	—	—	35,892	—	35,892
因發行股份所產生 之溢價 — 配售 (見附註28)	Premium arising from issue of shares upon — placement (see Note 28)	56,100	—	—	—	—	56,100
— 行使認股權證 (見附註29)	— exercise of warrants (see Note 29)	9,118	—	—	—	—	9,118
— 行使購股權 (見附註30)	— exercise of share options (see Note 30)	16,454	—	—	—	—	16,454
配售之股份發行支出	Share issue expenses for placement	(4,679)	—	—	—	—	(4,679)
回購股份 (見附註28)	Repurchase of shares (see Note 28)	(866)	968	—	(968)	—	(866)
建議股息	Proposed dividends	—	—	—	(21,180)	21,180	—
已付股息	Dividends paid	—	—	—	—	(28,993)	(28,993)
於二零零四年三月三十一日	As at 31st March 2004	312,712	77,203	53,986	21,530	10,298	475,729

Notes to the Accounts

賬目附註

31. 儲備 (續)

保留溢利包括：

萬順昌
附屬公司
聯營公司

31. RESERVES (Cont'd)

Retained profit consisted of:

VSC
Subsidiaries
Associates

綜合 Consolidated	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
21,530	7,786
148,475	108,535
(1,476)	(1,476)
168,529	114,845

註：

- (i) 法定儲備乃按中國內地若干附屬公司之企業發展儲備基金及一般儲備基金所設立。按照中國內地法規訂明，於中國內地成立及經營之附屬公司須於其除稅後溢利(經抵銷過往年度虧損)中撥出部份至企業發展儲備基金及一般儲備基金，比率乃由各自董事會釐定。一般儲備基金可用作抵銷虧損及增加股本，而企業發展儲備基金可用作增加股本。
- (ii) 根據百慕達一九八一年公司法，繳入盈餘可分派予股東，惟倘萬順昌在宣派或支付股息或從繳入盈餘作出分派後，(i)萬順昌不能在作出支付後將不能支付到期債項，或(ii)其資產之可變現價值將會因而少於其債項及其已發行股本及股份溢價賬目的合計總額，則萬順昌不可作出上述的宣派、支付或分派。

Notes:

- (i) Statutory reserves represent enterprise expansion reserve fund and general reserve fund set up by certain subsidiaries in Mainland China. As stipulated by regulations in Mainland China, the subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years losses) to the enterprise expansion reserve fund and general reserve fund, at rates determined by their respective boards of directors. The general reserve fund may be used for making up losses and increasing capital while the enterprise expansion reserve fund may be used for increasing capital.
- (ii) Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders subject to the condition that VSC cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

Notes to the Accounts

賬目附註

32. 綜合現金流量表附註

- (a) 除稅前溢利與經營產生之現金流出淨額對賬如下：

除稅前溢利
利息收入
利息支出
一項長期投資之 股息收入
一間合營公司之回報
固定資產之折舊
出售固定資產淨虧損／(收益)
出售一項投資物業 之淨收益
出售一項長期 投資虧損
商譽攤銷
投資物業之重估 (盈餘)／虧絀
營運資金變動前之 經營溢利
存貨增加
應收客戶安裝合約 工程減少／(增加)
預付款項、按金及其他 應收賬款減少／(增加)
應收賬款及票據增加
應收貸款減少
應付賬款及票據增加
預收款項增加
應計負債及其他應付 款項增加／(減少)
應付客戶安裝合約工程 (減少)／增加
經營產生之現金 流出淨額

32. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

- (a) Reconciliation of profit before taxation to net cash outflow absorbed by operations was as follows:

	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Profit before taxation	96,455	65,905
Interest income	(6,310)	(4,887)
Interest expense	13,337	11,144
Dividend income from a long-term investment	(374)	(188)
Return from a joint venture	(4,344)	(6,615)
Depreciation of fixed assets	16,791	20,132
Net loss/(gain) on disposal of fixed assets	5	(51)
Net gain on disposal of an investment property	(2,476)	—
Loss on disposal of a long-term investment	—	284
Amortisation of goodwill	2,359	1,850
(Surplus)/Deficit on revaluation of investment properties	(2,818)	1,500
Operating profit before working capital changes	112,625	89,074
Increase in inventories	(280,650)	(164,778)
Decrease/(Increase) in due from customers on installation contract work	7,584	(17,143)
Decrease/(Increase) in prepayments, deposits and other receivables	7,077	(42,949)
Increase in accounts and bills receivable	(152,999)	(186,362)
Decrease in loans receivable	—	3,952
Increase in accounts and bills payable	101,793	59,547
Increase in receipts in advance	3,919	23,707
Increase/(Decrease) in accrued liabilities and other payables	15,657	(6,042)
(Decrease)/Increase in due to customers on installation contract work	(4,433)	4,590
Net cash outflow absorbed by operations	(189,427)	(236,404)

Notes to the Accounts

賬目附註

32. 綜合現金流量表附註 (續)

- (b) 於截至二零零四年三月三十一日止年度，萬順昌集團收購若干附屬公司之權益，作價約為30,507,000港元。於收購日附屬公司之淨資產詳情為：

固定資產
存貨
預付款項、按金
及其他
應收賬款
應收賬款
已抵押銀行存款
現金及其他銀行存款
短期借貸
應付賬款及票據
預收款項
應計負債及其他
應付款項
少數股東權益

所收購之淨資產
商譽

收購之作價

因應收購附屬公司之現金流出淨額分析如下：

收購之作價
減：
於二零零四年三月三十一日
之應付作價
所收購之現金及其他
銀行存款

現金流出淨額

32. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

- (b) During the year ended 31st March 2004, the VSC Group acquired several subsidiaries for a consideration of approximately HK\$30,507,000. Details of the net assets of the subsidiaries as at the date of acquisition were:

	千港元 HK\$'000
Fixed assets	30,624
Inventories	33,814
Prepayments, deposits and other receivables	1,638
Accounts receivable	30,379
Pledged bank deposits	4,424
Cash and other bank deposits	22,287
Short-term borrowings	(44,468)
Accounts and bills payable	(36,816)
Receipts in advance	(467)
Accrued liabilities and other payables	(1,329)
Minority interest	(13,558)
Net assets acquired	26,528
Goodwill	3,979
Consideration for the acquisition	30,507

Analysis of net cash outflow in respect of acquisition of the subsidiaries was as follows:

	千港元 HK\$'000
Consideration for the acquisition	30,507
Less:	
Consideration payable as at 31st March 2004	(1,233)
Cash and other bank deposits acquired	(22,287)
Net cash outflow	6,987

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32. 綜合現金流量表附註 (續)

於年內所收購附屬公司於經營活動之現金流入約為3,260,000港元，投資活動之現金流出約為136,000港元及融資活動之現金流入約為4,000港元。

(c) 融資變動分析為：

		股本及 股份溢價 Share capital and share premium 千港元 HK\$'000	信託收據 銀行貸款 Trust receipts bank loans 千港元 HK\$'000	銀行貸款 Bank loans 千港元 HK\$'000	其他 短期貸款 Other short-term loans 千港元 HK\$'000	少數 股東權益 Minority interests 千港元 HK\$'000
於二零零二年四月一日	As at 1st April 2002	316,793	225,182	37,800	—	4,573
發行股份	Issue of shares					
一購股權 (見附註30)	— share options (see Note 30)	4,135	—	—	—	—
回購股份	Repurchase of shares	(53,117)	—	—	—	—
信託收據銀行貸款 之淨增加	Net increase in trust receipts bank loans	—	265,697	—	—	—
新增貸款	New loans	—	—	47,025	37,800	—
償還貸款	Repayment of loans	—	—	(2,362)	—	—
附屬公司之少數 股東所佔溢利	Share of profit by minority shareholders of subsidiaries	—	—	—	—	3,329
已付一間附屬公司之 一名少數股東股息	Dividends paid to a minority shareholder of a subsidiary	—	—	—	—	(258)
一間附屬公司之 少數股東之 資本投入	Capital contribution by minority shareholders of a subsidiary	—	—	—	—	3,583
收購一間附屬公司 之額外權益	Acquisition of additional interests in a subsidiary	—	—	—	—	(1,890)
出售一間附屬公司	Disposal of a subsidiary	—	—	—	—	(2,835)
於二零零三年三月 三十一日	As at 31st March 2003	267,811	490,879	82,463	37,800	6,502

32. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

The subsidiaries acquired during the year contributed approximately HK\$3,260,000 cash inflow from operating activities, approximately HK\$136,000 cash outflow from investing activities and approximately HK\$4,000 cash inflow from financing activities.

(c) Analysis of changes in financing:

		股本及 股份溢價 Share capital and share premium 千港元 HK\$'000	信託收據 銀行貸款 Trust receipts bank loans 千港元 HK\$'000	銀行貸款 Bank loans 千港元 HK\$'000	其他 短期貸款 Other short-term loans 千港元 HK\$'000	少數 股東權益 Minority interests 千港元 HK\$'000
於二零零二年四月一日	As at 1st April 2002	316,793	225,182	37,800	—	4,573
發行股份	Issue of shares					
一購股權 (見附註30)	— share options (see Note 30)	4,135	—	—	—	—
回購股份	Repurchase of shares	(53,117)	—	—	—	—
信託收據銀行貸款 之淨增加	Net increase in trust receipts bank loans	—	265,697	—	—	—
新增貸款	New loans	—	—	47,025	37,800	—
償還貸款	Repayment of loans	—	—	(2,362)	—	—
附屬公司之少數 股東所佔溢利	Share of profit by minority shareholders of subsidiaries	—	—	—	—	3,329
已付一間附屬公司之 一名少數股東股息	Dividends paid to a minority shareholder of a subsidiary	—	—	—	—	(258)
一間附屬公司之 少數股東之 資本投入	Capital contribution by minority shareholders of a subsidiary	—	—	—	—	3,583
收購一間附屬公司 之額外權益	Acquisition of additional interests in a subsidiary	—	—	—	—	(1,890)
出售一間附屬公司	Disposal of a subsidiary	—	—	—	—	(2,835)
於二零零三年三月 三十一日	As at 31st March 2003	267,811	490,879	82,463	37,800	6,502

Notes to the Accounts

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32. 綜合現金流量表附註 (續)

(c) 融資變動分析為：(續)

		股本及 股份溢價 Share capital and share premium 千港元 HK\$'000	信託收據 銀行貸款 Trust receipts bank loans 千港元 HK\$'000	銀行貸款 Bank loans 千港元 HK\$'000	其他 短期貸款 Other short-term loans 千港元 HK\$'000	少數 股東權益 Minority interests 千港元 HK\$'000
於二零零三年四月一日	As at 1st April 2003	267,811	490,879	82,463	37,800	6,502
發行股份	Issue of shares					
— 配售 (見附註28)	— placement (see Note 28)	59,400	—	—	—	—
— 認股權證 (見附註29)	— warrants (see Note 29)	9,962	—	—	—	—
— 購股權 (見附註30)	— share options (see Note 30)	17,964	—	—	—	—
發行股份支出	Share issue expenses	(4,679)	—	—	—	—
回購股份	Repurchase of shares	(968)	—	—	—	—
信託收據銀行貸款 之增加淨額	Net increase in trust receipts bank loans	—	170,280	—	—	—
新增貸款	New loans	—	—	156,175	—	—
償還貸款	Repayment of loans	—	—	(48,433)	(37,800)	—
附屬公司之少數 股東所佔溢利	Share of profit by minority shareholders of subsidiaries	—	—	—	—	4,331
已付一間附屬公司 之一名少數 股東股息	Dividends paid to a minority shareholder of a subsidiary	—	—	—	—	(225)
收購附屬公司	Acquisition of subsidiaries	—	—	—	44,468	13,558
於二零零四年 三月三十一日	As at 31st March 2004	349,490	661,159	190,205	44,468	24,166

(d) 現金及現金等值項目之分析：

於二零零四年三月三十一日，現金及現金等值項目代表現金及其他銀行存款約109,465,000港元(二零零三年：61,674,000港元)。

32. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

(c) Analysis of changes in financing: (Cont'd)

		股本及 股份溢價 Share capital and share premium 千港元 HK\$'000	信託收據 銀行貸款 Trust receipts bank loans 千港元 HK\$'000	銀行貸款 Bank loans 千港元 HK\$'000	其他 短期貸款 Other short-term loans 千港元 HK\$'000	少數 股東權益 Minority interests 千港元 HK\$'000
於二零零三年四月一日	As at 1st April 2003	267,811	490,879	82,463	37,800	6,502
發行股份	Issue of shares					
— 配售 (見附註28)	— placement (see Note 28)	59,400	—	—	—	—
— 認股權證 (見附註29)	— warrants (see Note 29)	9,962	—	—	—	—
— 購股權 (見附註30)	— share options (see Note 30)	17,964	—	—	—	—
發行股份支出	Share issue expenses	(4,679)	—	—	—	—
回購股份	Repurchase of shares	(968)	—	—	—	—
信託收據銀行貸款 之增加淨額	Net increase in trust receipts bank loans	—	170,280	—	—	—
新增貸款	New loans	—	—	156,175	—	—
償還貸款	Repayment of loans	—	—	(48,433)	(37,800)	—
附屬公司之少數 股東所佔溢利	Share of profit by minority shareholders of subsidiaries	—	—	—	—	4,331
已付一間附屬公司 之一名少數 股東股息	Dividends paid to a minority shareholder of a subsidiary	—	—	—	—	(225)
收購附屬公司	Acquisition of subsidiaries	—	—	—	44,468	13,558
於二零零四年 三月三十一日	As at 31st March 2004	349,490	661,159	190,205	44,468	24,166

(d) Analysis of cash and cash equivalents:

Cash and cash equivalents represent cash and other bank deposits of approximately HK\$109,465,000 as at 31st March 2004 (2003: HK\$61,674,000).

Notes to the Accounts

賬目附註

33. 分類資料

萬順昌集團主要於香港和中國內地經營兩個業務—(i)中國先進材料加工包括製造工業產品例如板材產品及系統設備外殼與及買賣工業產品例如工程塑膠樹脂及注塑機，及(ii)建築材料包括買賣與存銷建築材料例如鋼材產品、潔具及廚櫃與及廚櫃安裝。

(a) 主要分類

萬順昌集團之業績按業務分類之分析如下：

33. SEGMENT INFORMATION

The VSC Group operates predominantly in Hong Kong and Mainland China and in two business segments — (i) China Advanced Materials Processing including manufacturing of industrial products such as rolled flat steel products and enclosure systems, and trading of industrial products such as engineering plastic resins and injection moulding machines, and (ii) Construction Materials Group including trading and stockholding of construction materials such as steel products, sanitary ware and kitchen cabinets and the installation work of kitchen cabinets.

(a) Primary segment

Analysis of the VSC Group's results by business segment was as follows:

		二零零四年 2004			
	中國先進 材料加工 China Advanced Materials Processing 千港元 HK\$'000	建築材料 Construction Materials Group 千港元 HK\$'000	其他業務 Other operations 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
營業額 — 對外 客戶銷售	Turnover — sales to external customers	674,241	2,873,024	1,845	3,549,110
分類業績	Segment results	69,934	67,698	(644)	136,988
其他收入	Other revenue	516	456	10,056	11,028
其他收益	Other income	—	—	5,294	5,294
未分配企業 開支	Unallocated corporate expenses				(43,518)
經營溢利	Operating profit				109,792
財務費用	Finance costs				(13,337)
稅項	Taxation				(11,061)
除稅後但未 計少數股東 權益前溢利	Profit after taxation but before minority interests				85,394
資產	Assets	615,719	1,271,260	134,295	2,021,274
負債	Liabilities	181,620	1,025,569	129,361	1,336,550
資本支出	Capital expenditure	44,869	6,201	15,552	66,622
折舊及攤銷	Depreciation and amortisation	10,494	7,681	975	19,150

Notes to the Accounts

賬目附註

33. 分類資料 (續)

(a) 主要分類 (續)

33. SEGMENT INFORMATION (Cont'd)

(a) Primary segment (Cont'd)

		二零零三年 2003			
		中國先進 材料加工 China Advanced Materials Processing 千港元 HK\$'000	建築材料 Construction Materials Group 千港元 HK\$'000	其他業務 Other operations 千港元 HK\$'000	總額 Total 千港元 HK\$'000
營業額 — 對外 客戶銷售	Turnover — sales to external customers	472,351	2,279,602	3,816	2,755,769
分類業績	Segment results	59,251	65,644	329	125,224
其他收入	Other revenue	384	90	11,216	11,690
其他支出	Other expense	—	—	(1,500)	(1,500)
未分配企業 開支	Unallocated corporate expenses				(58,365)
經營溢利	Operating profit				77,049
財務費用	Finance costs				(11,144)
稅項	Taxation				(2,164)
除稅後但 未計少數 股東權益 前溢利	Profit after taxation but before minority interests				63,741
資產	Assets	426,479	890,340	101,885	1,418,704
負債	Liabilities	60,067	826,273	5,458	891,798
資本支出	Capital expenditure	18,288	5,053	24,978	48,319
折舊及攤銷	Depreciation and amortisation	6,359	14,655	968	21,982

Notes to the Accounts

賬目附註

33. 分類資料 (續)

(b) 次要分類

萬順昌集團之業績按地區分類之分析如下：

33. SEGMENT INFORMATION (Cont'd)

(b) Secondary segment

Analysis of the VSC Group's results by geographical segment was as follows:

		二零零四年 2004		
		香港 Hong Kong 千港元 HK\$'000	中國內地 Mainland China 千港元 HK\$'000	總額 Total 千港元 HK\$'000
營業額 — 對外 客戶銷售	Turnover — sales to external customers	1,171,303	2,377,807	3,549,110
分類業績	Segment results	43,641	93,347	136,988
其他收入	Other revenue	5,724	5,304	11,028
其他收益	Other income	—	5,294	5,294
未分配企業 開支	Unallocated corporate expenses			(43,518)
經營溢利	Operating profit			109,792
資產	Assets	982,069	1,039,205	2,021,274
資本支出	Capital expenditure	10,609	56,013	66,622
		二零零三年 2003		
		香港 Hong Kong 千港元 HK\$'000	中國內地 Mainland China 千港元 HK\$'000	總額 Total 千港元 HK\$'000
營業額 — 對外 客戶銷售	Turnover — sales to external customers	1,278,915	1,476,854	2,755,769
分類業績	Segment results	52,270	72,954	125,224
其他收入	Other revenue	4,610	7,080	11,690
其他支出	Other expense	(1,500)	—	(1,500)
未分配企業 開支	Unallocated corporate expenses			(58,365)
經營溢利	Operating profit			77,049
資產	Assets	564,458	854,246	1,418,704
資本支出	Capital expenditure	4,553	43,766	48,319

Notes to the Accounts

賬目附註

34. 承擔

(a) 營業租約承擔

根據租用物業之若干不可撤銷營業租約應付之承擔總額分析如下：

未逾1年
逾1年及未逾5年

(b) 遠期外匯貨幣合約承擔

於二零零四年三月三十一日，萬順昌集團尚有未行使之遠期外匯貨幣合約約為357,536,000港元（二零零三年：無）用作約45,509,000美元及約620,000歐元之採購，目標為萬順昌集團於貿易活動有關之承諾作出對沖。

34. COMMITMENTS

(a) Commitments under operating lease

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

	綜合 Consolidated	
	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
Not later than one year	6,059	5,980
Later than one year and not later than five years	3,651	6,024
	9,710	12,004

(b) Commitments under forward foreign currency contracts

As at 31st March 2004, the VSC Group had outstanding forward foreign currency contracts to purchase approximately US\$45,509,000 and approximately Euro620,000 for approximately HK\$357,536,000 (2003: Nil), for the purpose of hedging against the VSC Group's commitments arising from its trading activities.

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35. 或然負債

未有於賬目撥備之或然負債為：

就一項物業之租金按金而提供之擔保	Guarantee in lieu of rental deposit of a premise		
履約擔保書	Performance bonds	16,283	13,630
就一間投資之公司所獲一項銀行貸款而提供之擔保	Guarantee relating to a bank loan granted to an investee company	2,340	2,340
萬順昌就其附屬公司所獲銀行融資而提供之擔保 (見附註37)	Guarantees provided by VSC in respect of banking facilities of its subsidiaries (see Note 37)	—	—

萬順昌之董事及萬順昌集團之管理層預期不會因上述銀行及其他擔保(來自日常業務)而產生重大負債。

36. 退休金計劃

萬順昌集團安排其香港僱員參與一項由獨立受託人管理之強制性公積金計劃(「強積金計劃」)，該計劃為一項界定供款計劃。根據強積金計劃，萬順昌集團及其僱員各自每月按僱員薪酬(定義見強制性公積金條例)之一般為5%供款。

根據中國內地法規，萬順昌集團須為其設立於中國內地之附屬公司之僱員對國家資助退休計劃供款。僱員供款最高達其基本薪金之8%，萬順昌集團按該等薪金約14%至20%供款，除每年供款外，毋須支付任何實際退休金或退休後福利。該等國家資助退休計劃須負責向退休僱員支付全部退休金。

於截至二零零四年三月三十一日止年度，萬順昌集團對上述退休金計劃之供款總額約為2,535,000港元(二零零三年：2,489,000港元)。

35. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the accounts were:

綜合 Consolidated		本公司 Company	
二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
—	2,744	—	—
16,283	13,630	—	—
2,340	2,340	—	—
—	—	1,569,529	1,454,131
18,623	18,714	1,569,529	1,454,131

The VSC's Directors and the VSC Group's management anticipate that no material liabilities will arise from the above banks and other guarantees which arose in the ordinary course of business.

36. PENSION SCHEMES

The VSC Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the VSC Group and its employees make monthly contributions to the scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation.

As stipulated by rules and regulations in Mainland China, the VSC Group contributes to state-sponsored retirement plans for employees of its subsidiaries established in Mainland China. The employees contribute up to 8% of their basic salaries, while the VSC Group contributes approximately 14% to 20% of such salaries and has no further obligations for the actual payment of pensions or post-retirement benefits beyond these contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year ended 31st March 2004, the aggregate amount of the VSC Group's contributions to the aforementioned pension schemes was approximately HK\$2,535,000 (2003: HK\$2,489,000).

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37. 銀行融資及資產抵押

於二零零四年三月三十一日，萬順昌集團取得合共約1,837,879,000港元（二零零三年：1,533,416,000港元）之銀行融資，包括透支、貸款及貿易融資。此等授信額度以下列方式作抵押：

- (i) 萬順昌集團之已抵押銀行存款約8,374,000港元（二零零三年：7,957,000港元）（見附註23）；
- (ii) 一間萬順昌集團附屬公司之存貨約14,950,000港元（二零零三年：14,950,000港元）及萬順昌集團根據信託收據銀行貸款安排持有之存貨（見附註19）；
- (iii) 萬順昌集團已抵押土地及樓宇約8,523,000港元（二零零三年：無）（見附註13）；及
- (iv) 由萬順昌提供之擔保（見附註35）。

38. 賬目批准

賬目於二零零四年六月一日獲董事會批准。

37. BANKING FACILITIES AND PLEDGE OF ASSETS

As at 31st March 2004, the VSC Group had aggregate banking facilities of approximately HK\$1,837,879,000 (2003: HK\$1,533,416,000) for overdrafts, loans, and trade financing. These facilities were secured by:

- (i) pledge of the VSC Group's bank deposits of approximately HK\$8,374,000 (2003: HK\$7,957,000) (see Note 23);
- (ii) pledge of inventories of a subsidiary of the VSC Group amounting to approximately HK\$14,950,000 (2003: HK\$14,950,000) and the VSC Group's inventories held under trust receipts bank loan arrangements (see Note 19);
- (iii) pledge of land and buildings of the VSC Group of approximately HK\$8,523,000 (2003: Nil) (see Note 13); and
- (iv) guarantees provided by VSC (see Note 35).

38. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 1st June 2004.