

DIRECTOR'S RIGHT TO ACQUIRE SHARES

(i) The Company

Under the employee share option scheme of the Company adopted on 13 October 1997, the options are exercisable on or before 12 October 2007 at the respective initial subscription prices of HK\$1.28, HK\$0.80 and HK\$0.51 per share (subject to adjustment). The number of outstanding share options as at 30 June 2001 is as follows:

Directors	Number of share options		
	At beginning of period	Granted during the period	As at 30 June 2001
Cheung Choi Ngor, Christina	17,000,000	—	17,000,000
Ng Yuk Mui, Jessica	16,750,000	—	16,750,000
Cheung Wing Hung, Vincent	—	10,000,000	10,000,000

No share option was exercised by the directors to subscribe for a share in the Company during the period.

(ii) Intermediate holding company — South China Industries Limited (“South China Industries”)

Under the employee share option scheme of South China Industries adopted on 10 August 1992, the options are exercisable on or before 28 July 2002 at an initial subscription price of HK\$1.18 per share (subject to adjustment). The number of outstanding share options as at 30 June 2001 is as follows:

Directors	Number of share options		
	At beginning of period	Granted during the period	As at 30 June 2001
Ng Hung Sang, Robert	13,000,000	—	13,000,000
Richard Howard Gorges	13,000,000	—	13,000,000
Cheung Choi Ngor, Christina	13,000,000	—	13,000,000

No share option was exercised by the directors to subscribe for a share in South China Industries during the period.

(iii) Ultimate holding company — South China Holdings

Under the employee share option scheme of South China Holdings adopted on 29 July 1992, the options are exercisable on or before 28 July 2002 at the respective initial subscription prices of HK\$1.36 and HK\$0.88 per share (subject to adjustment). The number of outstanding share options as at 30 June 2001 is as follows:

Directors	Number of share options		
	At beginning of period	Granted during the period	As at 30 June 2001
Ng Hung Sang, Robert	4,199,000	—	4,199,000
Richard Howard Gorges	4,198,000	—	4,198,000
Cheung Choi Ngor, Christina	4,198,000	—	4,198,000

No share option was exercised by the directors to subscribe for a share in South China Holdings during the period.

(iv) Fellow subsidiary — South China Brokerage

Under the employee share option scheme of South China Brokerage adopted on 12 July 1993, the options are exercisable on or before 11 July 2003 at an initial subscription price of HK\$1.80 per share (subject to adjustment). The number of outstanding share options as at 30 June 2001 is as follows:

Directors	Number of share options		
	At beginning of period	Granted during the period	As at 30 June 2001
Ng Hung Sang, Robert	100,000,000	—	100,000,000
Richard Howard Gorges	50,000,000	—	50,000,000
Cheung Choi Ngor, Christina	100,000,000	—	100,000,000

No share option was exercised by the directors to subscribe for a share in South China Brokerage during the period.

Other than the share option schemes of the Company, its ultimate holding company and its fellow subsidiaries to subscribe for their own ordinary shares, at no time during the six months ended 30 June 2001 was the Company, its ultimate holding company, its fellow subsidiaries or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.