

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' Interests in Shares and Warrants" above and the heading "Share Option Scheme" below, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of VSC granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was VSC, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

A new share option scheme has been adopted by VSC since 12 November 2001 (the "New Share Option Scheme") to replace a share option scheme which had been adopted on 22 January 1994 (the "Old Share Option Scheme") to comply with the current statutory requirements. VSC may grant options to the participants as set out in the New Share Option Scheme. The terms of the New Share Option Scheme are contained in a circular sent to shareholders of VSC in October 2001.

The Old Share Option Scheme was terminated on 12 November 2001. Upon termination of the Old Share Option Scheme, no further options will be granted thereunder but in all other respects, the provisions of the Old Share Option Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. The employee share options outstanding under the Old Share Option Scheme and the New Share Option Scheme during the period were as follows:

Old Share Option Scheme

Name or category of participant	Date of grant	Exercise period	Subscription price per Share	Number of share options		
				Beginning of period '000	Lapsed/ exercised during the period '000	End of period '000
<i>Directors:-</i>						
Mr. Yao Cho Fai, Andrew	17 December 1994	15 January 1997 to 15 January 2004	HK\$1.1344	2,000	-	2,000
	18 January 1996	15 January 1997 to 15 January 2004	HK\$1.2528	2,000	-	2,000
	18 March 1996	1 May 1998 to 22 January 2004	HK\$1.3840	2,900	-	2,900
Ms. Yao Che Li, Miriam	17 December 1994	15 January 1997 to 15 January 2004	HK\$1.1344	2,000	-	2,000
Mr. Ho Sai Hou, Johnson	17 December 1994	15 January 1997 to 15 January 2004	HK\$1.1344	500	-	500
	18 March 1996	1 May 1998 to 22 January 2004	HK\$1.3840	400	-	400
Sub-total				9,800	-	9,800
<i>Employees:-</i>						
In aggregate	3 March 1994	1 April 1996 to 31 March 2003	HK\$0.9360	6,000	-	6,000
In aggregate	17 December 1994	15 January 1997 to 15 January 2004	HK\$1.1344	2,000	-	2,000
In aggregate	18 January 1996	15 January 1997 to 15 January 2004	HK\$1.2528	2,000	-	2,000
In aggregate	10 January 2000	1 February 2002 to 22 January 2004	HK\$1.6880	1,100	(200)	900
Sub-total				11,100	(200)	10,900
Total of Old Share Option Scheme				20,900	(200)	20,700

SHARE OPTION SCHEME (Continued)

New Share Option Scheme

Name or category of participant	Date of grant	Exercise period	Subscription price per Share	Closing price before grant*	Beginning of period '000	Number of share options		End of period '000
						Granted during the period '000	Lapsed/ exercised during the period '000	
<i>Employees:-</i>								
In aggregate	10 September 2002	10 September 2002 to 9 September 2012	HK\$0.400	HK\$0.305	-	4,000	-	4,000
In aggregate	30 September 2002	30 September 2002 to 29 September 2012	HK\$0.390	HK\$0.340	-	6,500	-	6,500
Sub-total					-	10,500	-	10,500
Total of New Share Option Scheme					-	10,500	-	10,500

* The closing price of the Shares on the Stock Exchange of the trading date immediately before the grant of the options.

For the share options held by the Directors as disclosed in above table, these interests were personal interests in VSC as described in Practice Note 5 of the Listing Rules.

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

The financial impact of share options granted is not recorded in VSC'S or the VSC Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting Shares issued are recorded by VSC as additional share capital at the nominal value of the Shares, and the excess of the exercise price per Share over the nominal value of the Shares is recorded by VSC in the share premium account.

The Directors consider that it is not appropriate to state the value of the share options granted pursuant to the New Share Option Scheme during the period to the employees. The Directors believe that any statement regarding the value of the options will not be meaningful to the shareholders, taking into account the diversified nature of the businesses of the VSC Group (i.e., ranging from (i) trading and stockholding of construction materials including steel products, sanitary ware and kitchen cabinets, and the installation of kitchen cabinets, (ii) manufacturing and trading of industrial products including rolled steel flat products, enclosure systems, engineering plastic resins and injection moulding machines to (iii) investment holding including property investment and finance business) and the fact that comparable data required for calculation of the value of the options and the weighing of each of such data may not be representative of the diversified nature of the businesses of the VSC Group.