

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 March 2004.

1. Directors

The directors of the Company in office at the date of this report are:

Executive:

Andrew Ng Sung On, Chairman and Chief Executive

Richard Ku Yuk Hing, Vice Chairman

Hui Wing Sun

Lu Tse Wan

Tsang Kwan Lung

Raymond Wong Wai Kan

Non-executive:

Cheng Wai Keung

Phua Bah Lee

Harald E Kading

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except for the Company's share option schemes as disclosed in paragraph 5 of this report.

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2003	At 31 March 2004	At 21 April 2004	At 1 April 2003	At 31 March 2004	At 21 April 2004
Ordinary shares of S\$0.80 each of the Company						
Andrew Ng Sung On	80,000	80,000	80,000	533,332	533,332	533,332
Richard Ku Yuk Hing	50,000	200,000	200,000	-	-	-
Hui Wing Sun	90,028	250,028	250,028	-	-	-
Lu Tse Wan	24,000	24,000	60,000	-	-	-
Tsang Kwan Lung	10,000	260,000	260,000	-	-	-
Raymond Wong Wai Kan	4,000	254,000	254,000	-	-	-
Cheng Wai Keung	10,000	10,000	10,000	-	-	-
Phua Bah Lee	-	40,000	40,000	-	-	-
Harald E Kading	-	30,000	-	-	-	-

REPORT OF THE DIRECTORS (cont'd)

3. Directors' interests in shares and debentures (cont'd)

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
	At 1 April 2003	At 31 March 2004	At 21 April 2004	At 1 April 2003	At 31 March 2004	At 21 April 2004
Options to subscribe for ordinary shares of S\$0.80 each of the Company						
Andrew Ng Sung On	810,000	1,000,000	1,000,000	-	-	-
Richard Ku Yuk Hing	730,000	540,000	540,000	-	-	-
Hui Wing Sun	630,000	620,000	620,000	-	-	-
Lu Tse Wan	630,000	780,000	720,000	-	-	-
Tsang Kwan Lung	490,000	240,000	240,000	-	-	-
Raymond Wong Wai Kan	490,000	360,000	360,000	-	-	-
Cheng Wai Keung	60,000	90,000	90,000	-	-	-
Phua Bah Lee	80,000	80,000	80,000	-	-	-
Harald E Kading	60,000	60,000	60,000	-	-	-
Ordinary shares of NT\$10 each of Gold Peak Industries (Taiwan) Limited						
Andrew Ng Sung On	500,000	500,000	500,000	-	-	-
Richard Ku Yuk Hing	200,000	200,000	200,000	-	-	-
Hui Wing Sun	200,000	200,000	200,000	-	-	-
Lu Tse Wan	200,000	200,000	200,000	-	-	-
Tsang Kwan Lung	100,000	100,000	100,000	-	-	-
Raymond Wong Wai Kan	100,000	100,000	100,000	-	-	-

4. Directors' receipt of and entitlement to contractual benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

REPORT OF THE DIRECTORS (cont'd)

5. Share options

i) The Company's Executives' Share Option Scheme which was approved on 13 August 1992 (the "1992 Scheme") was discontinued on 20 December 1999. This has since been replaced by a new Share Option Scheme (the "1999 Scheme") which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 December 1999. Options granted under the 1992 Scheme which have not been exercised at the time of discontinuation of the 1992 Scheme shall remain valid until such a time where the options have been exercised or have lapsed and will continue to be administered under the rules of the 1992 Scheme as amended and approved on 20 December 1999.

ii) During the financial year,

a) options to subscribe for 2,500,000 unissued ordinary shares of S\$0.80 each of the Company were granted at an exercise price of S\$2.50 per share pursuant to the 1999 Scheme. These options are granted at a discount of 4.9% to the market price. Details of the options granted are as follows:

	Number of grantees	Total number of ordinary shares of S\$0.80 each under options granted
Executive directors ⁽¹⁾	6	900,000
Non-executive directors ⁽²⁾	3	100,000
Executives ⁽¹⁾	261	1,500,000
	270	2,500,000

⁽¹⁾ These options are exercisable from 25 June 2005 to 24 June 2013.

⁽²⁾ These options are exercisable from 25 June 2005 to 24 June 2008.

b) except for the issue of 3,255,000 new ordinary shares pursuant to the exercise of share options by option holders as described in Note 27 to the financial statements, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

REPORT OF THE DIRECTORS (cont'd)

5. Share options (cont'd)

iii) Movements of the options granted to directors were as follows:

Under the 1992 Scheme

Name of directors	Aggregate options granted since commencement of the scheme to 20 December 1999	Aggregate options exercised since commencement of the scheme to 31 March 2004	Aggregate options lapsed since commencement of the scheme to 31 March 2004	Aggregate options outstanding as at 31 March 2004
Andrew Ng Sung On	665,000	(80,000)	(365,000)	220,000
Richard Ku Yuk Hing	520,000	(40,000)	(280,000)	200,000
Hui Wing Sun	480,000	(40,000)	(280,000)	160,000
Lu Tse Wan	409,000	(24,000)	(225,000)	160,000
Tsang Kwan Lung	305,000	(175,000)	(130,000)	-
Raymond Wong Wai Kan	215,000	-	(95,000)	120,000

All options granted under the 1992 Scheme are for the subscription of unissued ordinary shares of S\$0.80 each of the Company.

Under the 1999 Scheme

Name of directors	Options granted during the financial year	Aggregate options granted since commencement of the scheme to 31 March 2004	Aggregate options exercised since commencement of the scheme to 31 March 2004	Aggregate options lapsed since commencement of the scheme to 31 March 2004	Aggregate options outstanding as at 31 March 2004
Andrew Ng Sung On	190,000 ⁽¹⁾	780,000	-	-	780,000
Richard Ku Yuk Hing	170,000 ⁽¹⁾	700,000	(360,000)	-	340,000
Hui Wing Sun	150,000 ⁽¹⁾	620,000	(160,000)	-	460,000
Lu Tse Wan	150,000 ⁽¹⁾	620,000	-	-	620,000
Tsang Kwan Lung	120,000 ⁽¹⁾	490,000	(250,000)	-	240,000
Raymond Wong Wai Kan	120,000 ⁽¹⁾	490,000	(250,000)	-	240,000
Cheng Wai Keung	30,000 ⁽²⁾	90,000	-	-	90,000
Phua Bah Lee	40,000 ⁽²⁾	120,000	(40,000)	-	80,000
Harald E Kading	30,000 ⁽²⁾	90,000	(30,000)	-	60,000

⁽¹⁾ These options are exercisable from 25 June 2005 to 24 June 2013.

⁽²⁾ These options are exercisable from 25 June 2005 to 24 June 2008.

All options granted under the 1999 Scheme are for the subscription of unissued ordinary shares of S\$0.80 each of the Company.

REPORT OF THE DIRECTORS (cont'd)

5. Share options (cont'd)

- iv) Both the 1992 and 1999 schemes were administered by the Remuneration Committee (the "Committee") which comprises Harald E Kading, Cheng Wai Keung, Phua Bah Lee, Andrew Ng Sung On and Raymond Wong Wai Kan.
- v) The persons to whom the options have been granted under the 1992 Scheme do not have the rights to participate by virtue of the options in any share issue of any other corporation in the Group.
- vi) The persons to whom the options have been granted under the 1999 Scheme may, with prior approval of the Committee, participate by virtue of the options in any share issue of any other corporation in the Group.
- vii) No option has been granted to controlling shareholders or their associates, or parent group employees and no employee has received 5% or more of the total options available under the 1999 Scheme.

6. Unissued shares under option

At the end of the financial year, unissued ordinary shares of S\$0.80 each of the Company under option were as follows:

	Date of issue	Expiry date	Exercise price per share	Number of share options granted	Number of share options outstanding
1992 Scheme					
No. 7	6 August 1999	5 August 2004	S\$3.08	2,730,000	1,834,000
1999 Scheme					
No. 1	17 March 2000	16 March 2010	S\$1.41	1,771,000	577,000
No. 2	11 October 2000	10 October 2010	S\$1.60	1,900,000	729,000
No. 2	11 October 2000	10 October 2005	S\$1.60	100,000	30,000
No. 3	5 August 2002	4 August 2012	S\$1.25	1,900,000	1,900,000
No. 3	5 August 2002	4 August 2007	S\$1.25	100,000	100,000
No. 4	25 June 2003	24 June 2013	S\$2.50	2,400,000	2,400,000
No. 4	25 June 2003	24 June 2008	S\$2.50	100,000	100,000
				8,271,000	5,836,000
				11,001,000	7,670,000

There were no unissued shares of subsidiaries under option at the end of the financial year.

REPORT OF THE DIRECTORS (cont'd)

7. Audit committee

At the date of this report, the Audit Committee comprises the following members who are independent directors:

Phua Bah Lee (Chairman)

Harald E Kading

Cheng Wai Keung

The Audit Committee carried out its function in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the review of the financial statements of the Company and of the Group for the financial year and the auditors' report thereon.

The Audit Committee has recommended to the Board of Directors that Deloitte & Touche be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

8. Auditors

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



Andrew Ng Sung On
Chairman and Chief Executive



Richard Ku Yuk Hing
Vice Chairman

Singapore
18 June 2004