

# REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2006.

## 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

Chau Kwok Wai (Appointed on 24 May 2006)

### *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 2005	At 31 March 2006	At 21 April 2006	At 1 April 2005	At 31 March 2006	At 21 April 2006
<b>Ordinary shares of the Company</b>						
Andrew Ng Sung On	300,000	300,000	300,000	533,332	533,332	533,332
Richard Ku Yuk Hing	141,000	141,000	141,000	-	-	-
Hui Wing Sun	410,028	410,028	410,028	-	-	-
Lu Tse Wan	100,000	100,000	100,000	-	-	-
Tsang Kwan Lung	120,000	120,000	120,000	-	-	-
Raymond Wong Wai Kan	374,000	374,000	494,000	-	-	-
Cheng Wai Keung	10,000	40,000	40,000	-	-	-
Phua Bah Lee	40,000	40,000	40,000	-	-	-

# 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 2005	At 31 March 2006	At 21 April 2006	At 1 April 2005	At 31 March 2006	At 21 April 2006
<b>Options to subscribe for ordinary shares of the Company</b>						
Andrew Ng Sung On	780,000	780,000	780,000	-	-	-
Richard Ku Yuk Hing	170,000	170,000	170,000	-	-	-
Hui Wing Sun	460,000	460,000	460,000	-	-	-
Lu Tse Wan	300,000	300,000	300,000	-	-	-
Tsang Kwan Lung	120,000	120,000	120,000	-	-	-
Raymond Wong Wai Kan	240,000	240,000	120,000	-	-	-
Cheng Wai Keung	90,000	60,000	60,000	-	-	-
Phua Bah Lee	80,000	80,000	80,000	-	-	-
Harald E Kading	30,000	30,000	30,000	-	-	-
<b>Ordinary shares of NT\$10 each of Gold Peak Industries (Taiwan) Limited</b>						
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, except for the issue of 41,000 new ordinary shares pursuant to the exercise of share options by option holders as described in Note 32 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.
- iii) Movements of the options granted to directors under the 1999 Scheme were as follows:

Name of directors	Aggregate options granted since commencement of the Scheme to 31 March 2006	Aggregate options exercised since commencement of the Scheme to 31 March 2006	Aggregate options lapsed since commencement of the Scheme to 31 March 2006	Aggregate options outstanding as at 31 March 2006
Andrew Ng Sung On	780,000	-	-	780,000
Richard Ku Yuk Hing	700,000	(530,000)	-	170,000
Hui Wing Sun	620,000	(160,000)	-	460,000
Lu Tse Wan	620,000	(320,000)	-	300,000
Tsang Kwan Lung	490,000	(370,000)	-	120,000
Raymond Wong Wai Kan (resigned with effect from 1 May 2006)	490,000	(250,000)	-	240,000
Cheng Wai Keung	90,000	(30,000)	-	60,000
Phua Bah Lee	120,000	(40,000)	-	80,000
Harald E Kading	90,000	(60,000)	-	30,000

No options were granted during the financial year.

All options granted under the 1999 Scheme are for the subscription of unissued ordinary shares of the Company.

- iv) Both the 1992 and 1999 schemes were administered by the Remuneration Committee (the "Committee"). At the date of this report, the Committee comprises the following members:

Harald E Kading (Chairman)  
Cheng Wai Keung  
Phua Bah Lee

# REPORT OF THE DIRECTORS (cont'd)

## 5 Share options (cont'd)

- 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 the Company under option were as follows:

	<u>Date of issue</u>	<u>Expiry date</u>	<u>Exercise price per share</u>	<u>Number of share options granted</u>	<u>Number of share options outstanding</u>
<b>1999 Scheme</b>					
No. 1	17 March 2000	16 March 2010	S\$1.41	1,771,000	375,000
No. 2	11 October 2000	10 October 2010	S\$1.60	1,900,000	517,000
No. 2	11 October 2000	10 October 2005	S\$1.60	100,000	-
No. 3	5 August 2002	4 August 2012	S\$1.25	1,900,000	1,004,000
No. 3	5 August 2002	4 August 2007	S\$1.25	100,000	59,000
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
				<hr/>	<hr/>
				8,271,000	4,455,000

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

## 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.

# REPORT OF THE DIRECTORS (cont'd)

## 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

19 June 2006