

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated 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 2009.

I 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)
 Henry Leung Kwong Hang (Chief Operating Officer, appointed on 13 August 2008)
 Hui Wing Sun
 Tsang Kwan Lung
 Brian Wong Tze Hang (Appointed on 1 June 2009)

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 2008	At 31 March 2009	At 21 April 2009	At 1 April 2008	At 31 March 2009	At 21 April 2009
Ordinary shares of the Company						
Andrew Ng Sung On	300,000	300,000	300,000	54,449,428	54,449,428	54,449,428
Richard Ku Yuk Hing	141,000	141,000	176,000	–	–	–
Hui Wing Sun	410,028	410,028	410,028	–	–	–
Tsang Kwan Lung	120,000	120,000	120,000	–	–	–
Cheng Wai Keung	70,000	70,000	70,000	–	–	–
Phua Bah Lee	80,000	80,000	80,000	–	–	–

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5 SHARE OPTIONS (cont'd)

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

Name of directors	Aggregate options granted since commencement of the Scheme to 31 March 2009	Aggregate options exercised since commencement of the Scheme to 31 March 2009	Aggregate options lapsed since commencement of the Scheme to 31 March 2009	Aggregate options outstanding as at 31 March 2009
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
Tsang Kwan Lung	490,000	(370,000)	–	120,000
Cheng Wai Keung	90,000	(60,000)	(30,000)	–
Phua Bah Lee	120,000	(80,000)	(40,000)	–
Harald E Kading	90,000	(60,000)	(30,000)	–

No options were granted during the financial year.

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

iv) The Scheme is 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

v) The persons to whom the options have been granted under the 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.

vi) 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 Scheme.

vii) No member of the Committee shall be involved in any deliberation or decision-making in respect of any options offered or granted to him.

viii) No option has been granted during the year.

ix) Under the Scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in the Company at a subscription price per share determined with reference to the market price of the shares at the time of grant of the option. The Committee that administer the Scheme may at its discretion, fix that subscription price at a discount up to 20% off market price but not lower than the par value of the shares. The consideration for the grant of an option is S\$1.00. Options granted with the subscription price set at the market price shall only be exercised after the first anniversary but before the tenth anniversary (fifth anniversary for non-executive directors) of the date of grant of that option. Options granted with the market price set at a discount to the market price shall only be exercised after the second anniversary but before the tenth anniversary (fifth anniversary for non-executive directors) of the date of grant of that option. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price. Options granted will lapse when the option holder ceases to be a full-time employee of the Company or any company of the Group.

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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 2008	At 31 March 2009	At 21 April 2009	At 1 April 2008	At 31 March 2009	At 21 April 2009

Options to subscribe for ordinary shares of the Company

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	–	–	–
Tsang Kwan Lung	120,000	120,000	120,000	–	–	–
Cheng Wai Keung	30,000	–	–	–	–	–
Phua Bah Lee	40,000	–	–	–	–	–
Harald E Kading	30,000	–	–	–	–	–

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	–	–	–
Tsang Kwan Lung	100,000	100,000	100,000	–	–	–

By virtue of Section 7 of the Singapore Companies Act, Mr Andrew Ng Sung On is deemed to have an interest in all the related corporations of the Company.

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 for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 SHARE OPTIONS

- i) The Company's Executives' Share Option Scheme (the "Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 December 1999.
- ii) During the financial year, 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.

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6 UNISSUED SHARES UNDER OPTION

At the end of the financial year, unissued ordinary shares of the Company under option were as follows:

Scheme	Date of issue	Expiry date	Exercise price per share	Number of share options granted	Number of share options outstanding
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. 3	5 August 2002	4 August 2012	S\$1.25	1,900,000	721,000
No. 4	25 June 2003	24 June 2013	S\$2.50	2,400,000	1,981,000
				<u>7,971,000</u>	<u>3,594,000</u>

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

7 AUDIT COMMITTEE

The Audit Committee of the Company is chaired by Mr Phua Bah Lee, an independent director, and includes Mr Harald E Kading and Mr Cheng Wai Keung, who are both independent directors. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- the Group's financial and operating results and accounting policies;
- the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;
- the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- the co-operation and assistance given by the management to the Group's external auditors; and
- the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

8 AUDITORS

The auditors, Deloitte & Touche LLP, 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 2009