

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2012.

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)
 Henry Leung Kwong Hang (Chief Operating Officer)
 Hui Wing Sun
 Tsang Kwan Lung
 Brian Wong Tze Hang

Independent Non-executive:

Harald E Kading
 Lim Jiew Keng
 Allan Choy Kam Wing (Appointed on 24 May 2011)
 Goh Boon Seong (Appointed on 28 May 2012)

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 2011 | At 31 March 2012 | At 1 April 2011 | At 31 March 2012 |
| Ordinary shares of the Company | | | | |
| Andrew Ng Sung On | 300,000 | 300,000 | 55,149,428 | 55,149,428 |
| Richard Ku Yuk Hing | 193,000 | 193,000 | – | – |
| Hui Wing Sun | 410,028 | 410,028 | 160,000 | 160,000 |
| Tsang Kwan Lung | 120,000 | 120,000 | – | – |
| Options to subscribe for ordinary shares of the Company | | | | |
| Andrew Ng Sung On | 380,000 | 380,000 | – | – |
| Richard Ku Yuk Hing | 170,000 | 170,000 | – | – |
| Hui Wing Sun | 300,000 | 300,000 | – | – |
| Tsang Kwan Lung | 120,000 | 120,000 | – | – |
| Brian Wong Tze Hang | 25,000 | 25,000 | – | – |

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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 2011 | At 31 March 2012 | At 1 April 2011 | At 31 March 2012 |
| Ordinary shares of NT\$10 each of Gold Peak Industries (Taiwan) Limited | | | | |
| Andrew Ng Sung On | 500,000 | 500,000 | – | – |
| Richard Ku Yuk Hing | 200,000 | 200,000 | – | – |
| Hui Wing Sun | 200,000 | 200,000 | – | – |
| Tsang Kwan Lung | 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.

The directors' interests in the shares and options of the Company as at 21 April 2012 were the same as at 31 March 2012.

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. The Scheme was for a term of 10 financial years. The Scheme commenced on 1 April 1999 and expired on 31 March 2009. Since the expiry of the Scheme on 31 March 2009, no options have been granted pursuant to the Scheme.
- (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.
- (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 2012 | Aggregate options lapsed since commencement of the Scheme to 31 March 2012 | Aggregate options outstanding as at 31 March 2012 |
|---------------------|---|---|--|---|
| Andrew Ng Sung On | 780,000 | – | (400,000) | 380,000 |
| Richard Ku Yuk Hing | 700,000 | (530,000) | – | 170,000 |
| Hui Wing Sun | 620,000 | (320,000) | – | 300,000 |
| Tsang Kwan Lung | 490,000 | (370,000) | – | 120,000 |
| Brian Wong Tze Hang | 55,000 | (30,000) | – | 25,000 |
| Harald E Kading | 90,000 | (60,000) | (30,000) | – |

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

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5 SHARE OPTIONS (Cont'd)

(iv) The Scheme was administered by the Remuneration Committee (the "Committee"). The Committee continues to administer the Scheme in respect of the outstanding options granted under the Scheme prior to their expiry. At the date of this report, the Committee comprises the following members:

Harald E Kading (Chairman)
Lim Jiew Keng
Allan Choy Kam Wing
Goh Boon Seong

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

(vi) The persons to whom the options were granted under the Scheme may, with prior approval of the Committee, participate in any other share option or share incentive schemes implemented by the Group.

(vii) 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.

6 UNISSUED SHARES UNDER OPTION

At the end of the financial year, unissued ordinary shares 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 |
|---------------|---------------|--------------------------|---------------------------------|-------------------------------------|
| 5 August 2002 | 4 August 2012 | S\$1.25 | 1,900,000 | 697,000 |
| 25 June 2003 | 24 June 2013 | S\$2.50 | 2,400,000 | 1,981,000 |
| | | | <u>4,300,000</u> | <u>2,678,000</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 Lim Jiew Keng, an independent director, and includes Mr Harald E Kading, Mr Allan Choy Kam Wing and Mr Goh Boon Seong, who are all independent directors. The Audit Committee has met four times since the last Directors' report 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 statement of financial position and statement of changes in equity 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.

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7 **AUDIT COMMITTEE (Cont'd)**

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 Annual General Meeting of the Company.

8 **AUDITORS**

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

9 **INTERNAL CONTROLS**

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committee and the Board; the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate as at 31 March 2012.

ON BEHALF OF THE DIRECTORS

Andrew Ng Sung On
Chairman and Chief Executive

Richard Ku Yuk Hing
Vice Chairman

Singapore
18 June 2012