

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE LISTING RULES

Interim dividend and closure of the transfer books and register of members

The Board did not recommend interim dividend for the six months ended 30 June 2005. Therefore, the Transfer Books and Register of Members will not be closed.

Directors' and chief executive's interest and short positions in shares, underlying shares and debentures

As at 30 June 2005, the directors and chief executive of the Company had the following interests in the issued share capital of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("the SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or notified to the Company and The Stock Exchange of Hong Kong Limited ("SEHK") pursuant to the Appendix 10 of the Listing Rules – the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"):

(i) *Interests in issued shares*

	Personal interests (Note 1)	Family interests	Number of Ordinary Shares		Total number of shares held	Percentage of total issued shares
			Corporate interests	Trustee interests		
The Company						
Kyoo Yoon Choi	-	-	455,000,000 (Note 2)	-	455,000,000	68.06%
Chul Hong Min	3,900,000	-	-	-	3,900,000	0.58%
Tae Sub Choi	585,000	-	-	-	585,000	0.09%
Young M. Lee	1,740,000	-	-	-	1,740,000	0.26%
C & H Co., Ltd.						
Kyoo Yoon Choi	189,917	124,073 (Note 3)	-	-	313,990	59.39%
Chul Hong Min	14,212	-	-	-	14,212	2.69%
Tae Sub Choi	5,685	-	-	-	5,685	1.08%
Gina World Co., Ltd.						
Kyoo Yoon Choi	1,546,809 (Note 4)	-	3,905,439 (Note 5)	-	5,452,248	69.90%

Notes:

1. The shares are registered under the names of the directors and chief executive who are the beneficial owners.
2. Kyoo Yoon Choi in his own name holds approximately 35.92% of the issued share capital of C & H Co., Ltd., and together with his wife, Woul Hee Cha, hold approximately 59.39% of the issued share capital of C & H Co., Ltd. which owned 382,850,000 shares in the Company. In addition, Kyoo Yoon Choi beneficially owns 100% of interest of Uni-Link Technology Limited which owned 72,150,000 shares of the Company.
3. The wife of Mr. Kyoo Yoon Choi, Woul Hee Cha, holds approximately 23.47% of the issued share capital of C & H Co., Ltd.
4. Kyoo Yoon Choi holds approximately 19.83% of the issued share capital of Gina World Co., Ltd., which is a subsidiary of C & H Co., Ltd. and is listed on the Korea Securities Dealers Automated Quotation market in Korea.
5. Kyoo Yoon Choi in his own name holds approximately 35.92% of the issued share capital of C & H Co., Ltd., and together with his wife, Woul Hee Cha, hold approximately 59.39% of the issued share capital of C & H Co., Ltd. which owned 3,905,439 shares representing 50.07% of issued shares capital of Gina World Co., Ltd..

(ii) *Interests in underlying shares*

The directors and chief executive of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Share option scheme" below.

Apart from the foregoing, none of the directors and chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, any of its holding company, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Share option scheme

The Company has a share option scheme which was adopted on 22 January 2002 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any Company in the Group, to take up options to subscribe for shares of the Company. The exercise price of the options is the highest of (i) the nominal value of the shares, (ii) the closing price of the shares on the SEHK on the date of grant and (iii) the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant. The options may be exercised progressively after one to three years from the date of grant and are exercisable for a period to be notified by the directors to each options holder upon the grant of the option. Such period will not exceed ten years from the date on which the option is granted.

The maximum number of shares which may be issued upon the exercise of all outstanding options and yet to be exercised under the share option scheme shall not exceed 30% of the issued share capital of the Company from time to time. Subject always to the above overall limit, the directors may grant options under the share option scheme, generally and without further authority, in respect of such number of shares which may be issued upon exercise of all options to be granted under the share option scheme not exceeding 10% of the issued share capital of the Company as at 7 February 2002, being the date on which the Company's shares were listed on the SEHK. For the purpose of calculating the above, options lapsed in accordance with the share option scheme shall not be counted.

The total number of securities available for issue under the share option scheme as at 30 June 2005 was 22,631,000 shares (including unexpired granted options for 9,195,000 shares that have not yet become exercisable) which represented 3.39% of the issued share capital of the company at 30 June 2005. In respect of the maximum entitlement of each participant under the scheme, the number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

As at 30 June 2005, the directors individually and other employees in aggregate of the Company had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company. The options are unlisted. Each option gives the holder the right to subscribe for one share and the consideration paid by each holder for each grant is HK\$1.00.

Dream International Limited

	No. of options outstanding as at 1 January 2005	No. of options outstanding as at 30 June 2005	Date granted	Period during which options exercisable (Note 1)	Exercise price per share	No. of options exercised during the period	Weighted average closing price immediately before the date on which the options were exercised	No. of options lapsed during the period (Note 2)
<i>Director</i>								
Chul Hong Min	2,600,000	2,600,000	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	-	-	-
Young M. Lee	1,560,000	1,360,000	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	200,000	HK\$1.20	-
Tae Sub Choi	1,365,000	1,365,000	15 April 2003	15 April 2004 to 15 April 2013	HK\$1.43	-	-	-
<i>Employees in aggregate</i>	5,981,000	5,201,000	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	780,000	HK\$1.20	-
	455,000	455,000	15 April 2003	15 April 2004 to 15 April 2013	HK\$1.43	-	-	-
	11,650,000	11,650,000	2 January 2004	2 January 2005 to 2 January 2014	HK\$1.87	-	-	-
	23,611,000	22,631,000				980,000		

Notes:

- The maximum percentage of the share options that may be exercised is determined in stages as follows:-

Percentage of share options granted

On or after 1st year anniversary of the date of grant	30%
On or after 2nd year anniversary of the date of grant	another 30%
On or after 3rd year anniversary of the date of grant	another 40%

- Pursuant to the condition of the share option scheme, any unexercised number of options granted to any employees will lapse three months after the employee ceases employment relationship with the Company.

The life of the above granted share options are ten years commencing on the date on which an option is granted in accordance with the scheme.

The estimated fair value of the share options that were granted after 7 November 2002 but which had not vested on 1 January 2005 are recognised in the financial statements over the relevant vesting periods according to the HKFRS 2. The weighted average value per option granted at the date of grant using the binomial option pricing model were calculated with the following variables:

	Date of grant	
	15 May 2003	2 Jan 2004
Weighted average value per option granted	0.36	0.53
Variables:		
Closing share price at date of grant	1.42	1.85
Risk-free interest rate per annum	3.68%	4.37%
Expected life	10 years	10 years
Annualised volatility	50.83%	44.90%
Expected dividend per share	HK\$0.088	HK\$0.094

The binomial option pricing model was developed to estimate the fair value of American style options. It is one of the commonly used models to estimate the fair value of an option which can be exercised before the expiry of the option period. Such option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Because changes in the subjective input assumptions can materially affect the fair value estimate, the binomial option pricing model costs does not necessarily provide a reliable measure of the fair value of the share options.

Apart from the foregoing, at no time during the period was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the director or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares of the Company

As at 30 June 2005, the following substantial shareholders' interests were recorded in the register required to be kept by the Company under Section 336 of the SFO as holding 5% or more of the issued share capital of the Company:

Name	Ordinary shares held	Percentage of total issued shares
C & H Co., Ltd.	382,850,000	57.27%
Uni-Link Technology Limited	72,150,000	10.79%
Kyoo Yoon Choi <i>(Note 1)</i>	455,000,000	68.06%
Arisaig Greater China Fund	45,318,000	6.78%
Arisaig Partners (Mauritius) Limited <i>(Note 2)</i>	45,318,000	6.78%
Lindsay William Ernest Cooper <i>(Note 3)</i>	45,318,000	6.78%

Notes:

1. Kyoo Yoon Choi, together with his wife, Woul Hee Cha, hold approximately 59.39% of the issued share capital of C & H Co., Ltd. and Kyoo Yoon Choi beneficially owns 100% of the issued share capital of Uni-Link Technology Limited. Kyoo Yoon Choi is considered to have deemed interests in the 455,000,000 ordinary shares as to approximately 68.06% of the issued shares of the Company.
2. Arisaig Partners (Mauritius) Limited is the fund manager of Arisaig Greater China Fund.
3. Lindsay William Ernest Cooper is deemed interested through his indirect 33.33% beneficial interest in Arisaig Partners (Mauritius) Limited.

Save as disclosed above, as at 30 June 2005, the Company is not aware of any other registered substantial shareholder who holds 5% or more of the issued share capital of the Company.

Purchase, sale or redemption of the Company's listed shares

During the six month period ended 30 June 2005, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

Compliance with the Code on Corporate Governance Practices and the Model Code

During the six month period ended 30 June 2005, none of the directors of the Company is aware of any information which would indicate that the Company is not, or was not, in compliance with the Code on Corporate Governance Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on SEHK except that, regard to the Code A.4.2, Mr Kyoo Yoon Choi, the Chairman and executive director of the Company, who was not appointed for a specific term, and is not subject to retirement by rotation and re-election at the Company's annual general meeting, in accordance with the Company's Articles of Association. Mr. Choi, being the founder of the Group, possesses in-depth knowledge of the Group and valuable experience in the toys markets. The Group considered that his leadership and irreplaceable business relationships are vital for the continuing stable development of the Group. Therefore, the Company will continue to act in according to the original Articles of Association in that regard to exempt the Chairman from the procedural retirement by rotation and re-election at the Company's annual general meeting.

It is envisaged that the rotation of directors is now subject to the Article 101 of the Company's Articles of Association whereby one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office and as a result, some directors may remain in office over three years at particular point in time. It is further envisaged that Mr. Chul Hong Min, one of the directors of the Company, who has now held his director office for more than three years, shall continue in office until the next annual general meeting to be held in 2006 where he shall retire by rotation. All the above are incompliant with the requirement of the Code A.4.2 that every director should be subject to retirement by rotation at least every three years. Therefore, the Board of Directors will propose relevant amendments to be made to the Articles of Association for approval by the shareholders at the next annual general meeting of the Company so as to be compliant with the Code in future years.

The Company has adopted a code of conduct regarding securities transactions by Directors as set out in the Model Code (Appendix 10 of the Listing Rules). The Company have made specific enquires on all Directors and all Directors have complied with the required standard of dealings set out therein during the period.

Audit committee

The audit committee has reviewed with the management and the Company's auditor, KPMG, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters of the interim results for the six months ended 30 June 2005.

By order of the Board

Chul Hong Min

President and Chief Executive Officer

Hong Kong, 14 September 2005