

## ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE LISTING RULES

### INTERIM DIVIDEND

The Board of Directors did not recommend the payment of interim dividend for the six months ended 30 June 2006 (30 June 2005: Nil).

### DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2006, the interests and short positions of each directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(i) *Long positions in ordinary shares of US\$0.01 each*

	Number of shares held			Total	Percentage of issued share of capital of the Company
	Personal Interests (Note 1)	Family interests	Corporate interests		
<b>The Company</b>					
Kyoo Yoon Choi	-	-	455,000,000 (note 2)	455,000,000	68.06%
Tae Sub Choi	585,000	-	-	585,000	0.09%
Young M. Lee	1,740,000	-	-	1,740,000	0.26%
<b>C &amp; H Co., Ltd.</b>					
Kyoo Yoon Choi	189,917	124,073 (Note 3)	-	313,990	61.03%
Shin Hee Cha	21,319	-	-	21,319	4.14%
Tae Sub Choi	5,685	-	-	5,685	1.10%

*Notes:*

1. The shares are registered under the names of the directors and chief executives of the Company who are the beneficial owners.
2. Kyoo Yoon Choi in his own name holds approximately 36.91% of the issued share capital of C & H Co., Ltd., and together with his wife, Woul Hee Cha, hold approximately 61.03% 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 Kyoo Yoon Choi, Woul Hee Cha, holds approximately 24.12% of the issued share capital of C & H Co., Ltd.

*(ii) Long positions in underlying shares of the Company*

The directors and chief executives 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.

Save as disclosed above, at no time during the period under review, the directors and chief executives of the Company (including their spouse and children under 18 years of age) had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## 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 Stock Exchange on the date of grant and (iii) the average closing price of the shares on the Stock Exchange 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 option 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 Stock Exchange. 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 2006 was 49,071,000 shares (including options for 20,031,000 shares that have been granted but not yet lapsed or exercised) which represented 7.34% of the issued share capital of the Company at 30 June 2006. 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 2006, 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.

	Date Granted	Period during which options exercisable (Note 1)	Exercise price per share	Market value per share at date of grant of options	No. of options outstanding as at 1 January 2006	No. of options exercised during the period	No. of options lapsed during the period (Note 2)	No. of Options Outstanding as at 30 June 2006
<b>Directors</b>								
Shin Hee Cha (appointed on 24 January 2006)	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	HK\$1.20	3,500,000	-	-	3,500,000
Young M. Lee	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	HK\$1.20	1,360,000	-	-	1,360,000
Tae Sub Choi	15 April 2003	15 April 2004 to 15 April 2013	HK\$1.43	HK\$1.42	1,365,000	-	-	1,365,000
James Wang	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	HK\$1.20	520,000	-	-	520,000
<b>Employees in aggregate</b>								
	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	HK\$1.20	4,681,000	-	-	4,681,000
	15 April 2003	15 April 2004 to 15 April 2013	HK\$1.43	HK\$1.42	455,000	-	-	455,000
	2 January 2004	2 January 2005 to 2 January 2014	HK\$1.87	HK\$1.85	8,150,000	-	-	8,150,000
<b>Other</b> (Note 3)	7 February 2002	7 February 2003 to 7 February 2012	HK\$1.18	HK\$1.20	2,600,000	-	2,600,000	-
					22,631,000	-	2,600,000	20,031,000

Notes:

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

	<b>Percentage of share options granted</b>
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%
2. 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.
3. This 2,600,000 share options related to Mr. Chul Hong MIN who resigned as director of the Company on 31 December 2005. According to the Company's share option scheme, his outstanding share options was lapsed on 1 April 2006.
4. The options granted to the directors are registered under the names of the directors who are also the beneficial owners.

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 Hong Kong Financial Reporting Standard 2 "Share-based Payment". The weighted average value per option granted at the date of grant using the binomial option pricing model were calculated with the following variables:

	<b>Date of grant</b>	
	<b>15 April 2003</b>	<b>2 January 2004</b>
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' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 June 2006, the Company had been notified of the following substantial shareholders' interest and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of directors and chief executives:

Name	Capacity in which shares held	Number of shares held	Percentage of the issued share capital of the Company
C & H Co., Ltd. <i>(note)</i>	Beneficial owner	382,850,000	57.27%
Uni-Link Technology Limited <i>(note)</i>	Beneficial owner	72,150,000	10.79%

*Note:*

Kyoo Yoon Choi, being a director of C & H Co., Ltd., together with his wife, Woul Hee Cha, hold approximately 61.03% 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. James Wang, being a director of the Company, is also a director of Uni-Link Technology Limited.

Save as disclosed above, as at 30 June 2006, 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 months period ended 30 June 2006, 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**

During the six months period ended 30 June 2006, the Company has fully complied with the Code on Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules regarding the Model Code. Based on the specific enquires of the Company's Directors, the Directors have complied with the required standard set out in the Model Code throughout the accounting period under review.

## **AUDIT COMMITTEE**

The audit committee has reviewed with the management and the Company's auditors, PricewaterhouseCoopers, 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 2006. The comparative figures for the six months ended 30 June 2005 were reviewed by the Company's audit committee and outgoing auditors, KPMG, and the comparative figures as of 31 December 2005 were audited by KPMG.

Hong Kong, 20 September 2006

By order of the Board  
**Young M. LEE**  
*Director*