

SEQ_NO	1	Date of announcement	2006/03/24	Time of announcement	16:00:42
Subject	Clarify the news from Commercial Times, A3 section, dated 24 March 2006				
Date of events	2006/03/24	To which item it meets	article 2 paragraph 31		
Statement	<p>1. Name of the reporting media: Commercial Times A3 section</p> <p>2. Date of the report: 2006/03/24</p> <p>3. Content of the report: IAC's OKWAP brand handset business slower, 70% of its Guangzhou subsidiary employees and promoters cut</p> <p>4. Summary of the information provided by investors: N/A</p> <p>5. Company's explanation of the reportage or provided information:</p> <p>(1) OKWAP Guangzhou subsidiary's number of employees has been down approximately 20% since before Chinese New Year holidays and most of them are temporary promoters for CNY sales. There are only two people fewer in manager level. (2) There are two major reasons behind the cut back of temporary promoters:</p> <p>a. After CNY holidays high sales season, the demand for temporary promoter is subsided. b. OKWAP adjusted its marketing strategy after CNY holidays to further enhance its cooperation with distributors and to reduce the percentage of promoters stationed directly at sales places. (3) OKWAP's business plan and target in China market have not changed.</p> <p>6. Countermeasures: N/A</p> <p>7. Any other matters that need to be specified: N/A</p>				