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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares of The Quaypoint Corporation Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

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THE QUAYPOINT CORPORATION LIMITED

紀翰集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2330)

DISCLOSEABLE TRANSACTION

Acquisition of Property in Hong Kong

* *For identification purpose only*

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
The Acquisition	4
Information on the Property and Reasons for the Acquisition	5
Consideration of Acquisition	5
Financial Effects	6
Miscellaneous	6
Appendix 1 — Valuation Report	7
Appendix 2 — General Information	10

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Property under the Provisional Agreement and the Formal Agreement
“associate”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	The Quaypoint Corporation Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange
“chief executive”	has the same meaning as ascribed to it under the Listing Rules
“Completion”	the completion of the subject Acquisition
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Formal Agreement”	the formal sale and purchase agreement dated 10 January 2008 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons of the Company
“Latest Practicable Date”	18 January 2008, being the latest practical date prior to the printing of the circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	People’s Republic of China
“Property”	office premises known as Unit 1501, 15th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 27 December 2007 entered between the Vendor and the Purchaser to the sale and purchase of the Property
“Purchaser”	Weina Land Limited, a wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Victory International Manufactory Limited (principally engaged in toys manufacturing)
“HK\$”	the lawful currency of Hong Kong
“%”	percent

LETTER FROM THE BOARD



THE QUAYPOINT CORPORATION LIMITED

紀翰集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2330)

Executive Directors:

Mr. CHEN Xian (*Chairman*)

Mr. LAU Sai Chung (*Chief Executive Officer*)

Mr. TSIM Sze Hon

Ms. XIA Dan

Registered office:

Cricket Square

Hutchins Drive, PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

Non-Executive Director:

Mr. Gerard J. McMAHON

Head Office and Principal Place of

Business in Hong Kong:

Suite 1304, Great Eagle Centre

23 Harbour Road

Wanchai

Hong Kong

Independent Non-Executive Directors:

Mr. NG Kwok Chu, Winfield

Mr. POON Lai Yin, Michael

24 January 2008

To the Shareholders (*and, for information only, holders of convertible preference shares*)

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION Acquisition of Property in Hong Kong

1. INTRODUCTION

The Company announced on 3 January 2008 that the Purchaser and the Vendor entered into the Provisional Agreement pursuant to which the Purchaser agreed to acquire the Property from the Vendor at a cash consideration of HK\$23,445,000. In accordance with the Provisional Agreement, the Formal Agreement was signed on 10 January 2008. The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. The purpose of this circular is to provide you with further information of the Acquisition and other information of the Group in accordance with the requirements under the Listing Rules.

* *For identification purpose only*

LETTER FROM THE BOARD

2. THE ACQUISITION

The Provisional Agreement dated 27 December 2007

Parties

Vendor:

Victory International Manufactory Limited, (who, to the best of the Directors' knowledge, information and belief, is principally engaged in toys manufacturing)

Purchaser:

Weina Land Limited, a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Property

The office premises, with a gross floor area of approximately 2,605 square feet, is located at Unit 1501, 15th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Property is subject to an existing tenancy, with a rental HK\$67,730 per month from a third party company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the subject tenant and its ultimate beneficial owners are Independent Third Parties.

Consideration

The consideration for the Property is HK\$23,445,000, the entirety of which is payable in cash, which will be funded partially by internal resources of the Group and partially by mortgage loan from bank.

Payment Terms

- (1) An initial deposit of HK\$2,344,500 was paid to Vendor upon signing of the Provisional Agreement.

LETTER FROM THE BOARD

- (2) As part of the consideration, a further deposit of HK\$1,172,250 was paid to the Vendor upon signing of the Formal Agreement on 10 January 2008.
- (3) The balance of purchase price HK\$19,928,250 was paid to the Vendor on completion.

Completion

Completion of the Acquisition took place on 18 January 2008.

3. INFORMATION ON THE PROPERTY AND REASONS FOR THE ACQUISITION

The Group is principally engaged in technology, trading and property investment.

The Property is located in Canton Road, Tsim Sha Tsui, which is one of the busiest commercial districts in that area which is also one of the few Grade A office buildings in that area with ownership while the others for rental purposes only. With limited supply and the current market trends, the Board is of the view that the consideration for the Property is fair and reasonable. The Property is currently leased to a third party company. The monthly rental (exclusive of rates, government rent and management fees) in respect of the Property under the existing tenancy agreement is HK\$67,730, which will expire in November 2008.

It is the current intention of the Company to move the existing office located in Wanchai to the Property once the subject lease expires. This change may result in savings on rental payment and further enhance the asset base in the long run.

4. CONSIDERATION OF ACQUISITION

The consideration for the Acquisition was agreed between the Purchaser and the Vendor after arm's length negotiations with reference to recent property market trends and similar property transactions in Tsim Sha Tsui area which indicates that the consideration of HK\$23,445,000 is within a reasonable market value as at 27 December 2007. The Board considers that the terms of the Acquisition are under normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. A valuation report from an independent property valuer as Appendix 1 in this circular which indicates that the consideration for the Property is within the market price range.

LETTER FROM THE BOARD

5. FINANCIAL EFFECTS

The consideration will be financed by a combination of internal resources of the Group and external mortgage loan from bank in a determined ratio. Based on the audited shareholders' funds and borrowings of the Group as at 30 June 2007, and assuming that 70% of the consideration of HK\$16,411,500 is financed by mortgage loan, the gearing ratio of the Group (borrowings divided by shareholders' funds) will be increased by 13.1% to 132.2%. The Board considers that the Acquisition will have no material impact on the earnings of the Group, as the difference between the interest expenses on the mortgage financing, and the savings in rental expenses payable by the Group.

The intended purpose for the Acquisition is for the Group's future office uses. As such, the Property will be included in the consolidated balance sheet of the Company and classified as a non-current asset following Completion. The Board considers that the Acquisition will not have any significant impact on the net assets of the Group as there will be a corresponding decrease in the cash balance of the Group (current asset) and an increase in the Group's bank borrowings (non-current liability), if any, representing the amount of Consideration paid and payable in respect of the Property.

6. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
The Quaypoint Corporation Limited
Chen Xian
Executive Chairman

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this circular received from Vigers Appraisal & Consulting Limited, an independent valuer, in connection with the valuation of the Property as at 2 January 2008.

Vigers Appraisal & Consulting Limited

International Asset Appraisal Consultants
10th Floor, The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong



24 January 2008

The Directors
The Quaypoint Corporation Limited
Suite 1304, Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

**Re: Office No. 1501 on 15th Floor, Tower 1, Silvercord, No. 30 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong**

In accordance with your instructions for us to value the captioned property located in the Hong Kong SAR (“Hong Kong”) and held by the current owner for investment purpose, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you (“the Company”) with our opinion of the market value of such property interest as at 2 January 2008 for possible acquisition purpose.

Our valuation is our opinion of the market value of the property interest which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuation has been made on the assumption that the owners sell the property interest on the market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the value of the property interest. In addition, no forced sale situation in any manner is assumed in our valuation.

We have estimated the value of the property by the Comparison Approach via making reference to comparable sales evidences or offerings as available in the relevant market, and weighed against the respective advantages and disadvantages of the property in order to arrive at a fair comparison of the value.

We have caused search to be made on the title of the property. We have not, however, searched the original documents to verify ownership of the property or to verify existence of any lease amendment which do not appear on the copies available to us. All documents and leases have been used for reference only.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as ownership, title, statutory notices, easements, tenure, occupation, lettings, floor area and other relevant matters. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

We enclosed herewith the valuation certificate.

Yours faithfully,
For and on behalf of
Vigers Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor
MRICS MHKIS MSc(e-com)
Executive Director

Note: Raymond K. K. Ho, Chartered Surveyor, MRICS, MHKIS has over nineteen years' experience in undertaking valuations of properties in Hong Kong and Macau. Mr. Ho has been working with Vigers Group since 1989.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of occupancy	Capital value in existing state as at 2 January 2008
Office No.1501 on 15th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	The property comprises an office unit on the 15th floor of a 19-storey twin office tower (including a 6-storey shopping podium and basement carpark) built in 1983.	The property is leased to Wilsons Leather of Hong Kong Limited for a term of a year commencing on 10 November 2007 at a monthly rent of HK\$67,730, exclusive of management fees, air-conditioning charges, rates and Government rents.	HK\$23,500,000
35/13,615th shares of and in Kowloon Inland Lot No.10656.	The property has a gross floor area of approximately 2,605 sq.ft. or saleable area of approximately 1,928 sq.ft.	The property is occupied as an office.	
	The property is held under Conditions of Sale No.11435 for a term of 75 years commencing from 30 September 1980, renewable for another 75 years. The government rent payable is HK\$1,000 per annum.		

Notes:

- (1) The registered owner of the property is Nice Step Investment Limited vide Memorial No.UB8712689 dated 28 May 2002.
- (2) According to the Company, Nice Step Investment Limited is an independent third party to Victory International Manufactory Limited and Weina Land Limited.
- (3) The property is subject to an Agreement for Sale and Purchase in favour of Victory International Manufactory Limited vide Memorial No. 07111900670077 dated 2 November 2007.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts with regard to the Company, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(A) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (1) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (3) which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity and		Total	Approximate percentage of shareholding
	number of Shares held			
	Personal Interest	Corporate Interest		
Xia Dan (<i>note</i>)	—	79,500,000	79,500,000	18.60
Lau Sai Chung	148,000	—	148,000	0.03
Gerard Joseph McMahon	1,500,000	—	1,500,000	0.35

Note: Ms. Xia Dan ("Ms. Xia") is taken to be interested in 79,500,000 shares held by Mega Edge International Limited which is 100% owned by Ms. Xia.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO to be entered in the register

referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(B) Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

(i) Long position in ordinary shares

Substantial Shareholder	Capacity and nature of interest	Number of shares held	Percentage of total issued shares
Mega Edge International Limited <i>(note)</i>	Registered Shareholders	79,500,000	18.60%
Chak Joaquin Emilio Kin Man	Registered Shareholders	96,824,000	27.66%

Note: Mega Edge International Limited, which is 100% owned by Ms. Xia Dan, the director of the Company.

(ii) Long position in underlying shares

Name	Capacity and nature of interest	Number of underlying shares	As approximate percentage of total issued ordinary shares
Weina (BVI) Limited (“Weina”) <i>(note 1 & 2)</i>	Beneficial owner	460,000,000	131.43%
Weina Group Limited (“Weina Group”) <i>(note 3)</i>	Interest of a controlled corporation	460,000,000	131.43%
Mr. Tsim Wing Kong (“Mr. Tsim”) <i>(note 3)</i>	Interest of a controlled corporation	460,000,000	131.43%

Notes:

- 1. The Company has entered into a subscription and option agreement on 26 May 2006 with Weina and through such agreement and the exercise of the option by the Company, Weina is interested in 350,000,000 convertible redeemable preference shares and has the right to convert the aforesaid shares into 350,000,000 ordinary shares (based on its initial conversion price).*
- 2. The Company has entered into a sale and purchase agreement on 17 November 2006 with Weina Holdings Limited and through such agreement, Weina (as designated by Weina Holdings Limited) is interested in 110,000,000 convertible redeemable preference A Shares and has the right to convert the aforesaid shares into 110,000,000 ordinary shares (based on its initial conversion price).*
- 3. Weina Group owns entire issued capital of Weina and is therefore deemed to have interests in the underlying shares of the Company in which Weina is interested. Mr. Tsim is deemed to be interested in the underlying shares of the Company by virtue of his controlling interest in Weina Group. Mr. Tsim is the father of Mr. Tsim Tse Hon, the director of the Company.*

Save as disclosed above and so far as was known to the Directors, as at the latest practicable date, there were no other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or, was directly or indirectly, interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

3. LITIGATION

In 2007, a PRC subsidiary of the Company received a writ of summons in respect of a claim of approximately RMB9.5 million raised by the main contractor of the Shenzhen R&D Centre in relation to the settlement price on the construction of the Shenzhen R&D Centre, which is in discrepancy with the contracted work. Hearings had been originally scheduled on 18 September 2007 but was postponed to the end of October 2007.

On 19 December 2007, the relevant PRC Court made a judgement in favor of the plaintiff on the litigation. After detailed discussion with the PRC lawyer representing the said PRC subsidiary, decision was made to appeal against the judgement. On 2 January 2008, an appeal application was submitted to the relevant PRC Court.

As referred to the Company's announcement dated 16 November 2007, discussion between the PRC subsidiary and the Bank of China Shenzhen branch is continuing to achieve certain debt-restructuring proposal. However, it is envisaged that in view of the delay in settlement on the construction fee, the obtaining of the title deed of the Shenzhen R&D Centre for the debt restructuring with the bank will be deferred. The bank is aware of the litigation issue and is still negotiating with the Group on finalizing the debt-restructuring proposal.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the employing company within one year without payment of compensation other than statutory compensation).

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business apart from the Company's business which competes or is likely to compete, either directly or indirectly, the Company's business, or which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder.

6. EXPERT AND CONSENT

The following is the qualification of the expert which has given opinion or advice which is contained in this circular:

Name	Qualifications
Vigers Appraisal & Consulting Limited ("Vigers")	Professional surveyors, valuers and property advisers

Vigers has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name, in the form and context in which it is included.

As at the Latest Practicable Date, Vigers has no shareholding in any member of the Group or have any rights (whether legally enforceable or not) to subscribe for or to nominate persons or subscribe for securities in any member of the Group, nor did it have any interest, either directly or indirectly, in any assets which have, since 30 June 2007 (being the date to which the latest published audited accounts of the Group were made up), been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. MISCELLANEOUS

- (i) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681 Grand Cayman, KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company in Hong Kong is at Suite 1304, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
- (iii) The branch share registrar of the Company in Hong Kong is Union Registrars Limited, whose office is at Room 1901-2, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (iv) The qualified accountant of the Company is Ms. Fung Yin Wan. Ms. Fung is the financial controller of the Company. She has more than ten years of experience in the fields of auditing, accounting, finance and taxation. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. She is also an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (v) The company secretary of the Company is Ms. Cheung Hiu Lan. She is an associate member of The Hong Kong Institute of Chartered Secretaries.
- (vi) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.