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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)

MAJOR AND CONNECTED TRANSACTION – ACQUISITION OF THE ENTIRE ISSUED SHARES IN A COMPANY WITH INTERESTS IN PROPERTIES

Financial adviser



CENTURION CORPORATE FINANCE LIMITED

The Board announces that an agreement was entered into on 17 November 2006 whereby the Company will acquire from Weina Holdings the entire issued share capital of Weina Land at an aggregate consideration of HK\$44 million.

The terms of the Agreement were determined after arm's length negotiations and were concluded on normal commercial terms between the respective parties. The Directors (excluding the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable.

The Acquisition constitutes a major transaction for the Company and a connected transaction for the Company pursuant to rule 14A.13(1)(b)(i) of the Listing Rules and, hence, the Acquisition is subject to the approval of the Independent Shareholders.

An independent board committee will be formed to advise the Independent Shareholders as to whether the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in this respect. The EGM will be held to consider and, if thought appropriate, to approve the Acquisition.

A circular, containing, among other things, details of the Acquisition, the letters of advice from the independent board committee and the independent financial adviser and the notice of the EGM will be dispatched to the Shareholders as soon as practicable.

Trading in the shares of the Company on the Stock Exchange has been suspended at the request of the Company since 16 March 2006 and will remain suspended until further notice.

THE ACQUISITION

PARTIES TO THE AGREEMENT

The Vendor:

Weina Holdings

The Purchaser:

The Company

The Guarantor:

Mr. Tsim, as guarantor of the obligations of Weina Holdings

ACQUISITION

Under the Agreement, the Vendor agreed to sell to the Company its entire shareholding interest in Weina Land and to assign the Shareholder's Loan to the Purchaser, at an aggregate consideration of HK\$44 million.

Property Portfolio

Weina Land is engaged in investment property holding and details (including the valuation as at 31 August 2006) of its portfolio of properties are as follows:

- (i) Unit 302 Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong (with a saleable area of approximately 851 sq.ft. and valued at HK\$8,700,000)

- (ii) Unit 702 Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong (with a saleable area of approximately 851 sq.ft. and valued at HK\$9,000,000)
- (iii) Unit 520 East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong (with a saleable area of approximately 576 sq.ft. and valued at HK\$5,400,000)
- (iv) Units 708 and 709 East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong (with a saleable area of approximately 1,152 sq.ft. and valued at HK\$11,000,000)
- (v) Unit 711 East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong (with a saleable area of approximately 576 sq.ft. and valued at HK\$5,450,000)
- (vi) Unit 713 East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong (with a saleable area of approximately 576 sq.ft. and valued at HK\$5,450,000)

All of the properties, except for one which is not leased, are leased as offices to parties who are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company. The valuation of the properties was conducted by Vigers Appraisal & Consulting Limited, which is a third party independent of the Company and the connected persons (as defined in the Listing Rules) of the Company and the independent property valuation report will be included in the circular to be dispatched to the Shareholders. As at the date hereof, each of the above properties referred to in items (i) and (vi) above is subject to a mortgage to secure all monies in respect of general banking facilities granted or to be granted by the mortgagee/lender to Weina Land (the “**Mortgage**”), however, as at the date of this announcement there is no outstanding amount due under such banking facilities. The Company has been advised by the Vendor that the total acquisition cost of the properties, which were acquired in 1996, is approximately HK\$38.8 million.

The total audited net asset value of Weina Land (which has no subsidiaries) as at 31 March 2006 was HK\$830,692. As at 31 August 2006, total audited net asset value of Weina Land was HK\$2,155,353 (after netting off the amount of the Shareholder’s Loan due to the Vendor) and on the basis that such Shareholder’s Loan will be assigned to the Purchaser pursuant to the Agreement, accordingly the net asset value of Weina Land could be adjusted to approximately HK\$45 million. Weina Land recorded audited net profits before and after taxation of HK\$27,277,144 for the financial year ended 31 March 2006 after taking into account an increase in fair value of investment properties of HK\$26,746,700. Net profits before and after taxation for the financial year ended 31 March 2005 were both HK\$230,294.

Consideration for the Acquisition

The consideration for the Acquisition is HK\$44 million and has been agreed after arm’s length negotiations between the Company and the Vendor with reference to the aggregate value of HK\$45 million for the properties as determined by the valuation conducted on the properties and with references to the net asset value of Weina Land as at 31 August 2006 as set out above and the amount of the Shareholder’s Loan. As such, the consideration of HK\$44 million represents a discount of HK\$1 million or 2.2% to the aggregate value of the properties as determined by the valuation report. The Directors are of the view that the consideration for the Acquisition reflects the value of the properties taking into account the valuation of the properties. The consideration will be satisfied by the issue to Weina Holdings or its nominees of 110,000,000 Preference A Shares. The terms of the Preference A Shares are set out below.

Preference A Shares to be issued

110,000,000 new Preference A Shares will be issued to the Vendor or its nominees as consideration for the Acquisition. 110,000,000 underlying Ordinary Shares will be issued upon full conversion of 110,000,000 Preference A Shares representing approximately 31.43% of the existing issued share capital of the Company and approximately 23.91% of the issued ordinary share capital of the Company as enlarged by the full conversion of the 110,000,000 Preference A Shares.

The Preference A Shares will not be listed on the Stock Exchange or any other stock exchange.

Other terms of the Preference A Shares

Conversion

Subject to the right of redemption exercisable by the Company during the Conversion Period and assuming the relevant Preference A Shares have not been redeemed, the Preference A Shares are convertible into new Ordinary Shares during the Conversion Period at the conversion price of HK\$0.40 (subject to adjustments for the following events: alterations to the nominal value of the Ordinary Shares as a result of consolidation or subdivision; capitalisation of profits or reserves; capital distributions; rights or warrants issues; issues of shares or other securities at less than the then current market price; modifications as to rights of conversion and other events which may require adjustments to be determined by the Company’s auditor or financial adviser; such adjustments are identical to those under the Issued Convertible Shares and Option Convertible Shares and details of which will be set out in the circular to be dispatched to the Shareholders). The right to convert may be exercised in full or in part only at the discretion of the holder, subject to the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Ordinary Shares to be issued following the conversion of the Preference A Shares.

The Company has the right, exercisable immediately following the end of the Conversion Period (prior to any extension thereof) and up to the second anniversary of the date of the initial issue of the 110,000,000 Preference A Shares, to require the mandatory conversion of all or part of the outstanding Preference A Shares into new Ordinary Shares, or to require the redemption of all or part of the outstanding Preference A Shares at the amount equal to all amounts paid up or credited as paid up on the Preference A Shares. In the event that the Conversion Period is extended, the Company's right to require the mandatory conversion of the outstanding Convertible Redeemable Preference Shares shall be deferred and shall be exercisable immediately following the end of the Conversion Period (as extended) and for a period of 10 business days thereafter.

The Conversion Period in respect of the initial period prior to the extension thereof may be extended for a period of 12 months in the event that (a) the dealing in the Ordinary Shares remain suspended, or (b) Weina Holdings was unable to exercise, or was prevented from exercising its conversion rights as to all of the outstanding Preference A Shares due to the undertaking restrictions set out in the Agreement (please refer to the section under the heading "SHAREHOLDING STRUCTURE"), during the period commencing immediately after the end of the Conversion Period (prior to the extension thereof) and for a period of 10 business days thereafter.

Following the extension of the Conversion Period by a period of 12 months as explained in the above and in the event that (a) the dealing in the Ordinary Shares remain suspended, or (b) Weina Holdings remains unable to exercise, or prevented from exercising its conversion rights as to all of the outstanding Preference A Shares due to the undertaking restrictions, during the period commencing immediately after the end of the Conversion Period (as extended) and for a period of 10 business days thereafter, the Company shall, during such period, take one of, or a combination of, the following actions:

- (1) to exercise the right of the Company to redeem all or part of the outstanding Preference A Shares; or
- (2) to further extend the Conversion Period (as extended) to such date, during which the Company may exercise the right to redeem all or part of the outstanding Preference A Shares, until the following:
 - (a) in the case of a continued suspension of the dealing in the Ordinary Shares only, the day on which the suspension of the dealing in the Ordinary Shares shall be lifted and dealing shall be resumed;
 - (b) in the case of the non-exercise of the conversion rights due to the undertaking restrictions only, the day on which the public float of the Ordinary Shares is at a level such that all of the outstanding Preference A Shares may be converted and the minimum public float requirement under rule 8.08 of the Listing Rules will be maintained; or
 - (c) in the case of both the continued suspension of the dealing in the Ordinary Shares and the non-exercise of the conversion rights due to the undertaking restrictions, the day on which the suspension of the dealing in the Ordinary Shares shall be lifted and dealing shall be resumed and the public float of the Ordinary Shares is at a level such that all of the outstanding Preference A Shares may be converted and the minimum public float requirement under rule 8.08 of the Listing Rules will be maintained,

or, in any event by no later than 10 business days thereafter, the Company shall require the conversion of all or part of the outstanding Preference A Shares,

the Company shall have the right to choose to take one or all of the above actions (as to items (1) and (2)) with respect to such number of the outstanding Preference A Shares but such right shall be exercised such that all of the outstanding Preference A Shares shall be accounted for.

Redemption

The Company has the right, exercisable during the Conversion Period (including the extension thereof) to require the redemption of all or part of the Preference A Shares at the amount equal to all amounts paid up or credited as paid up on the Preference A Shares.

Dividend

Each Preference A Share is entitled to be paid a fixed cumulative preferential dividend in priority to any payment to the holders of Ordinary Shares at the rate of 3.5% per annum on the amount paid up or credited as paid up in respect of the Preference A Shares at HK\$0.40 each.

Non-Voting

The holders of the Preference A Shares shall be entitled to receive notices of general meetings and to attend but not to vote.

Transferability

The Preference A Shares shall not be transferable.

Conversion Price

The conversion price of HK\$0.40 for the conversion of each Preference A Share into one Ordinary Share was determined after arm's length negotiations.

The conversion price of HK\$0.40 represents a premium of approximately 21.2% to the closing price of HK\$0.33 per Ordinary Share as quoted on the Stock Exchange on 15 March 2006 (being the last trading day prior to the suspension of trading of the Ordinary Shares), and a premium of approximately 21.2% to the average closing price of approximately HK\$0.33 per Ordinary Share of the 5 trading days up to and including 15 March 2006.

Post Completion

After Completion, the Company will make an application to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the aggregate 110,000,000 Ordinary Shares which may be issued pursuant to the exercise of conversion rights attaching to the Preference A Shares. No conversion of the Preference A Shares into Ordinary Shares shall be made until such approval is granted by the Listing Committee of the Stock Exchange.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company immediately before and after the full conversion of the Preference A Shares (the "Conversion") and the conversion of the Issued Convertible Shares and Option Convertible Shares (as the case may be). Pursuant to the Subscription and Option Agreement dated 26 May 2006 entered into between the Company, Weina BVI and Mr. Tsim, the Company had issued to Weina BVI 250,000,000 Issued Convertible Shares that may be convertible into 250,000,000 Ordinary Shares (subject to adjustment) and Weina BVI had granted an option to the Company to require Weina BVI to subscribe for 100,000,000 Option Convertible Shares that may be convertible into 100,000,000 Ordinary Shares (subject to adjustment). Further details of the Issued Convertible Shares and the Optional Convertible Shares are set out in the Company's announcement dated 26 May 2006. Furthermore, Weina BVI had undertaken to the Company that Weina BVI will not exercise the conversion rights as to such number of Issued Convertible Shares and Option Convertible Shares (as the case may be) if upon the conversion thereof, the percentage of the Ordinary Shares held by the public drops below the minimum public float requirement under rule 8.08 of the Listing Rules.

	Existing shareholding structure	Upon Completion	After Completion and full Conversion	After Completion and full Conversion and the partial conversion* of the Issued Convertible Shares and Option Convertible Shares
	<i>No. of Ordinary Shares (%)</i>	<i>No. of Ordinary Shares (%)</i>	<i>No. of Ordinary Shares (%)</i>	<i>No. of Ordinary Shares (%)</i>
Weina Holdings (or its nominee) ^{Note}	–	–	110,000,000 (23.91%)	110,000,000 (21.74%)
Weina BVI ^{Note}	–	–	–	45,904,000 (9.07%)
Sub-total	–	–	110,000,000 (23.91%)	155,904,000 (30.82%)
Otto Link Technology Ltd.	126,700,000 (36.2%)	126,700,000 (36.2%)	126,700,000 (27.54%)	126,700,000 (25.04%)
Mr. Chak Joaquin Emilio Kin Man	96,824,000 (27.66%)	96,824,000 (27.66%)	96,824,000 (21.05%)	96,824,000 (19.14%)
Public	126,476,000 (36.14%)	126,476,000 (36.14%)	126,476,000 (27.50%)	126,476,000 (25%)
	350,000,000 (100%)	350,000,000 (100%)	460,000,000 (100%)	505,904,000 (100%)

* Assumes partial conversion of the Issued Convertible Shares and Option Convertible Shares (as the case may be) issued to Weina BVI to ensure the minimum public float of 25% as prescribed under the Listing Rules is maintained.

Note: Each of Weina BVI and Weina Holdings is ultimately and beneficially owned by Mr. Tsim and his spouse as to 70% and 30%.

IMPLICATIONS UNDER THE CODE

The aggregate shareholding of Weina BVI and Weina Holdings in the Company following full Conversion and partial conversion of the Issued Convertible Shares and Option Convertible Shares (as the case may be) would exceed 30% of the then issued Ordinary Shares and, accordingly, Weina BVI and Weina Holdings would be under an obligation to make a conditional mandatory offer under the Code for all of the then Ordinary Shares not held by them or their parties acting in concert.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to the Agreement, Weina Holdings has undertaken to the Company that, subject to Completion, Weina Holdings will not exercise the conversion rights as to such number of Preference A Shares if upon the conversion thereof, the percentage of the Ordinary Shares held by the public drops to below the minimum public float requirement under rule 8.08 of the Listing Rules. If, at the end of the Conversion Period (prior to the extension thereof) there are Preference A Shares that remain outstanding, and Weina Holdings was unable to exercise, or was prevented from exercising, its conversion rights at any time during the Conversion Period (prior to the extension thereof) due to the restrictions contained in the undertaking, Weina Holdings and the Company may agree to extend the Conversion Period for a period of 12 months (subject to a further extension as disclosed in the paragraph under the Sub-heading "Conversion").

DILUTION EFFECT

Given that upon conversion of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares, Weina Holdings, Weina BVI and their respective associates will own more than 50% of the issued ordinary share capital of the Company as enlarged by such conversion, the Company is required to disclose by way of an announcement on the website of the Stock Exchange only all relevant details of the conversion of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares in the following manner:

- (i) the Company will make a monthly announcement (the "Monthly Announcement") on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month following the commencement of the Conversion Period and will include the following details in a table:
 - a. whether there is any conversion of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares during the relevant month (if so, details of the conversion(s), including the conversion date, number of conversion shares issued, and conversion price for each conversion or, if there is no conversion during the relevant month, a negative statement to that effect);
 - b. the number of outstanding Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares after any conversions;
 - c. the total number of Ordinary Shares issued pursuant to other transactions, including Ordinary Shares issued pursuant to the exercise of options under any share option scheme(s) of the Company; and
 - d. the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (ii) in addition to the Monthly Announcement, if the cumulative amount of the Ordinary Shares issued pursuant to the conversion of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares (as the case may be) (and thereafter in multiples of 5%), the Company will make an announcement on the website of the Stock Exchange including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares (as the case may be) up to the date on which the total amount of Ordinary Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares (as the case may be); and
- (iii) if the Company forms the view that any issue of the Ordinary Shares under the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares will trigger a disclosure obligation under Rule 13.09 of the Listing Rules, then the Company will be obliged to make such a disclosure regardless of the issue of any other announcement in relation to the Preference A Shares.

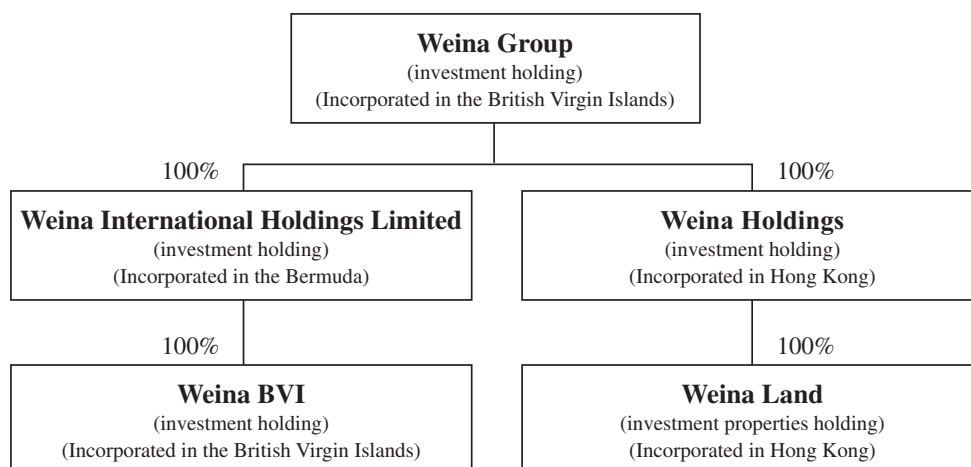
If the Preference A Shares, the Issued Convertible Shares and the Option Convertible Shares have been fully converted or redeemed, the Monthly Announcement requirements set out above will cease immediately.

INFORMATION ON WEINA HOLDINGS

Weina Holdings is engaged in the business of property investment holding and is ultimately owned by Mr. Tsim and his spouse as to 70% and 30%, respectively. As at the date of this announcement, Weina BVI is a holder of 250,000,000 Issued Convertible Shares that were issued by the Company on 30 June 2006 and had granted an option to the Company to require Weina BVI during the period commencing 1 April 2007 and ending on 1 June 2009 to subscribe for an additional 100,000,000 Option Convertible Shares of the same class; and this class of preference shares is different to the Preference A Shares and the principal differences between the two classes of shares are the conversion period and rights of redemption; which in the case of the Issued Convertible Shares and Option Convertible Shares, the conversion period commences on the earliest date of 1 April 2007 and terminates on the date being the 10 business days prior to 30 June 2009, subject to extension, and the right of redemption is exercisable at the end of the conversion period (including the end of the conversion period as extended) and details of which are set out in the Company's announcement dated 26 May 2006. As at the date of this announcement, Mr. Tsim and his spouse do not hold any Ordinary Shares in the Company. To the best of the knowledge of the board of Directors of the Company, the Vendor and its ultimate owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Mr. Tsim, aged 59, is the Chairman of Weina Group. Weina Group and its group of companies (of which Weina BVI, Weina Holdings and Weina Land form part of) were founded by Mr. Tsim in 1990 and are engaged in manufacturing and property investments. Mr. Tsim has over 30 years' experience in manufacturing and property investments. Weina Holdings is a direct wholly owned subsidiary of Weina Group and Weina Land is a direct wholly owned subsidiary of Weina Holdings and an indirect wholly owned subsidiary of Weina Group. Weina BVI is an indirect wholly owned subsidiary of Weina Group and is a fellow subsidiary of Weina Holdings and Weina Land. The chart below sets out the shareholding relationships between these companies:-

Weina Group – Group Structure



REASONS FOR THE ACQUISITION

The principal business activities of the Group are investment holding, design, supply and integration of automation and control system, and the trading of natural resources such as iron ore, iron sand, coal and other natural mineral products. It is the present intention of the Directors to diversify into property investment holding and the Directors consider such diversification will broaden the revenue base of the Company.

The Directors (excluding the independent non-executive Directors which may be appointed as members of the independent board committee) consider that the Acquisition is in the interests of the Company and its Shareholders as a whole and is fair and reasonable.

CONDITIONS OF THE AGREEMENT AND COMPLETION

The Agreement is conditional upon the following conditions being met, satisfied or, in the case of condition numbered (2), waived (in whole or in part) on or before 31 January 2007:

- (1) the Independent Shareholders of the Company passing at the EGM the necessary resolutions approving the Acquisition and all transactions contemplated thereunder including the issue of the Preference A Shares;
- (2) in respect of the banking facilities secured by the Mortgage over the properties referred to in item (i) and (vi) under the heading "Property Portfolio" and such Mortgage, the Company having obtained the relevant consents and approvals for the transactions contemplated herein from the relevant bank;
- (3) Weina Land having maintained an amount of cash of not less than HK\$364,412.55 in readily available funds at Completion, such amount representing the rental deposits for the relevant properties that are subject to their respective tenancies; and

- (4) the calculation and determination, to the satisfaction of the Company of the rents to be received and all outgoings to be discharged by Weina Land in respect of each of the properties under the heading “Property Portfolio” from the date of the Agreement up to and inclusive of the actual day of Completion (calculated on a daily basis) and, as from but inclusive of that day, all outgoings to be discharged by Weina Land, such rents and outgoings to be apportioned before and after Completion.

Completion of the Agreement shall take place on the next Business Day following the day of the fulfilment of the above conditions (or waiver of the relevant conditions) of the Agreement.

At Completion, 110,000,000 new Preference A Shares will be issued to Weina Holdings (or its nominee). Furthermore, the following will be entered into at Completion:

- (i) a deed of assignment to be entered into between the Company, Weina Holdings and Weina Land in relation to the assignment of the Shareholder’s Loan by Weina Holdings to the Company; and
- (ii) a tax deed to be entered into between Mr. Tsim, Weina Holdings and the Company in relation to the indemnification of certain tax liabilities of Weina Land on the part of Mr. Tsim and Weina Holdings in favour of Weina Land.

Following Completion, it is currently expected that there will be no change to the existing Directors or management of the Company as a result of, or in connection with, the Acquisition. Since 26 May 2006, being the date of announcement in relation to the Issued Convertible Shares, there has been no change in the members of the senior management of the Company as a result of the issuance of the Issued Convertible Shares.

EXTRAORDINARY GENERAL MEETING

The Acquisition constitutes a major and connected transaction (as defined in the Listing Rules) for the Company. The EGM will be held to consider and, if thought appropriate, to approve the Acquisition. The Company has been informed by the Vendor that Mr. Tsim’s son, who is a director of each of Weina Land, Weina Group, Weina International Holdings Limited and Weina BVI, is the beneficial Shareholder of 100,000 Ordinary Shares, and that such Ordinary Shares were acquired prior to the issuance of the Issued Convertible Shares to Weina BVI and Mr. Tsim’s son will abstain from voting in respect of the Acquisition. The Vendor and its associates (as defined in the Listing Rules) do not have any shareholding interest in the Company.

GENERAL

The Acquisition constitutes a major transaction for the Company and a connected transaction for the Company pursuant to rule 14A.13(1)(b)(i) of the Listing Rules and, hence, the Acquisition is subject to the approval of the Independent Shareholders.

An independent board committee will be formed to advise the Independent Shareholders as to whether the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in this respect. The EGM will be held to consider and, if thought appropriate, to approve the Acquisition.

A circular, containing, among other things, details of the Acquisition, the letters of advice from the independent board committee and the independent financial adviser and the notice of the EGM will be dispatched to the Shareholders as soon as practicable.

Trading in the shares of the Company on the Stock Exchange has been suspended at the request of the Company since 16 March 2006 and will remain suspended until further notice.

DEFINITIONS

The following defined terms are used in this announcement:–

- “Acquisition” the proposed acquisition of the entire issued share capital of Weina Land and the assignment of the Shareholder’s Loan;
- “Agreement” the sale and purchase agreement dated 17 November 2006 in relation to the acquisition of the entire issued shares of Weina Land and the assignment of the Shareholder’s Loan;
- “Board” the board of directors of the Company;
- “Business Day” a day other than a Saturday during which banks are open for business in Hong Kong;
- “Code” the Hong Kong Code on Takeovers and Mergers;
- “Company” The Quaypoint Corporation Limited, the shares of which are listed on the Stock Exchange;
- “Completion” completion of the Acquisition;

“Conversion Period”	subject to the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Ordinary Shares to be issued following the conversion of the Preference A Shares, the period (a) from the day on which the trading of the Ordinary Shares shall resume following the suspension in which the Ordinary Shares are currently subject to (provided that such date shall be no later than the date being the one month prior to the end of second anniversary of the issue of the Convertible Redeemable Preference A Shares) to (b) the earlier of (x) the date of commencement of the voluntary or involuntary winding up of the Company and (y) the date being the 10 business days before the second anniversary of the date of initial issue of the Preference A Shares, subject to an extension of 12 months and a further extension of such period as set out in the paragraph under the sub-heading “Conversion”;
“Directors”	directors of the Company;
“EGM”	an extraordinary general meeting of the Company be convened to consider and, if thought fit, approve, among other things, the Acquisition (or any adjournment thereof);
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Shareholders”	Shareholders other than Mr. Tsim’s son;
“Issued Convertible Shares”	the 250,000,000 convertible redeemable preference shares of the Company issued to Weina BVI pursuant to the Subscription and Option Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Tsim”	Mr. Tsim Wing Kong;
“Option Convertible Shares”	the 100,000,000 convertible redeemable preference shares of the Company in which Weina BVI will be required to subscribe for following the exercise of the option granted to the Company by Weina BVI pursuant to the Subscription and Option Agreement;
“Ordinary Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Preference A Share(s)”	the convertible redeemable non-voting preference share(s) of HK\$0.10 each in the capital of the Company to be allotted and issued as consideration for the Acquisition;
“Shareholder(s)”	holder(s) of the Ordinary Share(s);
“Shareholder’s Loan”	the loan in the amount of HK\$42,823,377.34 in which Weina Land is indebted to Weina Holdings as at the date of the Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription and Option Agreement”	the subscription and option agreement dated 26 May 2006 entered into between the Company, Weina BVI and Mr. Tsim;
“Vendor”	Weina Holdings;
“Weina BVI”	Weina BVI Limited, a company incorporated in the British Virgin Islands;
“Weina Group”	Weina Group Limited, a company incorporated in the British Virgin Islands;
“Weina Holdings”	Weina Holdings Limited, a company incorporated in Hong Kong;
“Weina Land”	Weina Land Limited, a company incorporated in Hong Kong; and
“%”	per cent.

By order of the board of
Chan Siu Chu, Debby
Executive Director & CEO

Hong Kong, 18 November 2006

As at the date of this announcement, the Board comprises four Executive Directors, namely Dr. Sze Kwan, Mr. Siek Fui, Ms. Chan Siu Chu, Debby and Mr. Liu Ping, one Non-executive Director, namely Mr. Gerald McMahon and five Independent Non-executive Directors, namely Mr. Wee Soon Chiang, Henny, Mr. Wong Kam Kau, Eddie, Mr. Hui Hung, Stephen, Mr. Lau Sai Chung and Mr. Ng Kwok Chu, Winfield.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.