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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 licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **The Quaypoint Corporation Limited**, you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer, other licensed corporation or other agent through whom the sale or transfer was effected 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)

**GENERAL MANDATES TO REPURCHASE
AND ISSUE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED CHANGE OF COMPANY NAME
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at Fountain Room 5, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 30 November 2009 at 10:30 a.m. is set out on pages 30 to 34 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting and at any adjournment thereof, should you so wish.

* *For identification purposes only*

30 October 2009

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Fountain Room 5, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 30 November 2009 at 10:30 a.m. is set out on pages 30 to 34 of this circular
“Articles” or “Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	The Quaypoint Corporation Limited, (Stock Code: 2330) a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board
“Convertible Preference Shares”	460,000,000 non-voting redeemable convertible preference shares of the Company
“Directors”	the directors of the Company
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 20 January 2003
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Share Option Scheme”	the share option scheme of the Company adopted on 22 January 2001, which was terminated by ordinary resolution at an extraordinary general meeting on 20 January 2003
“Grantee”	any Participant who accepts an offer of a grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Invested Entity”	any entity in which the Company or any subsidiary of the Company holds any equity interest

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“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	28 October 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock market operated by the Stock Exchange which is independent from and operated in parallel with GEM
“New Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to issue new Shares on the terms set out in the Notice of AGM
“New Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix II to this circular
“Option(s)”	option(s) granted or to be granted to Participant(s) to subscribe for Share(s) under the Existing Share Option Scheme or, after its expiry, under the New Share Option Scheme
“Participant(s)”	Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group
“PRC”	The People’s Republic of China
“Preference Shareholder”	holder of the Convertible Preference Shares
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares

DEFINITIONS

“Scheme Mandate Limit”	the total number of Shares in respect of which Options may be granted pursuant to the New Share Option Scheme and any other share option schemes of the Company, not exceeding 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent



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

Mr. XIONG Jianrui

Registered office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Non-Executive Director:

Ms. XIA Dan

*Head Office and Principal Place of Business
in Hong Kong:*

Suite 1501, 15th Floor

Tower 1, Silvercord

30 Canton Road

Tsimshatsui, Kowloon

Hong Kong

Independent Non-Executive Directors:

Mr. POON Lai Yin, Michael

Mr. CHONG Yiu Chik

Mr. CHOI Kai Ming, Raymond

30 October 2009

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

Dear Sirs,

**GENERAL MANDATES TO REPURCHASE
AND ISSUE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED CHANGE OF COMPANY NAME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the ordinary and special resolutions to be proposed to seek approval of the Shareholders at the AGM in respect of, among other matters, (i) the Issue Mandate; (ii) the Repurchase

* *For identification purposes only*

LETTER FROM THE BOARD

Mandate; (iii) general mandate to extend the Issue Mandate; (iv) adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme; (v) the re-election of retiring Directors; and (vi) proposed change of name of the Company. In compliance with the Listing Rules, this circular contains an explanatory statement which provides all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolution approving the Repurchase Mandate and other relevant information.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 28 November 2008, an ordinary resolution was passed by the then Shareholders granting the existing issue mandate to the Directors, which is due to expire at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors a fresh Issue Mandate i.e. a general and unconditional mandate to allot, issue and deal with additional Shares with an aggregate nominal value not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of the passing of such resolution.

On 11 August 2009, the Company entered into a sale and purchase agreement (as supplemented by the supplemental agreement dated 20 August 2009) (the “Sale and Purchase Agreement”) with Mr. Ho Man Hung (“Mr. Ho”) pursuant to which the Company has conditionally agreed to acquire for and Mr. Ho has conditionally agreed to dispose of the sale shares, being the entire issued capital of Boom Lotus Holdings Limited (“Boom Lotus”), a company established in the British Virgin Islands with limited liability and is wholly-owned by Mr. Ho, at a total consideration of HK\$590,000,000 (the “Boom Lotus Acquisition”). Pursuant to the Sale and Purchase Agreement, the consideration of the Boom Lotus Acquisition shall be settled by the Company by a combination of the issuance and allotment of 246,800,000 consideration shares and cash. The details of the Boom Lotus Acquisition are set out in the announcement and circular of the Company dated 20 August 2009 and 23 September 2009 respectively.

Ordinary resolutions to approve the Boom Lotus Acquisition and authorise the Director to allot 246,800,000 consideration shares were passed by the independent shareholders of the Company at an extraordinary general meeting held on 9 October 2009. The issuance and allotment of 246,800,000 consideration shares are subject to the completion of the Boom Lotus Acquisition. As at the Latest Practicable Date, the Boom Lotus Acquisition has not been completed and 246,800,000 consideration shares have not been allotted and issued to Mr. Ho.

On the basis of a total of 605,180,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are allotted, issued or repurchased prior to the AGM, the maximum number of Shares which may fall to be issued under this proposed Issue Mandate will be 121,036,000 Shares.

LETTER FROM THE BOARD

If (i) all Convertible Redeemable Preference Shares are converted in full prior to the AGM; (ii) all outstanding Options (i.e. 17,948,000 Options) are exercised in full prior to the AGM; and (iii) 246,800,000 consideration shares are allotted and issued to Mr. Ho prior to the AGM, the number of Shares in issue would be increased to 1,329,928,000 Shares. Subject to the passing of the ordinary resolutions to approve the Issue Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum 265,985,600 Shares under the Issue Mandate.

The Issue Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 28 November 2008, an ordinary resolution was passed by the then Shareholders granting the existing repurchase mandate to the Directors, which is due to expire at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors a fresh Repurchase Mandate i.e. a general and unconditional mandate to repurchase Shares subject to the maximum number of shares of up to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution. The Repurchase Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Under the Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules is set out in the Appendix I to this circular.

GENERAL MANDATE TO EXTEND THE ISSUE MANDATE

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the issued share capital of the Company on the date of passing the resolution approving the Issue Mandate.

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ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme

Pursuant to an ordinary resolution passed by the Shareholders at an extraordinary general meeting held on 20 January 2003, the Company had adopted the Existing Share Option Scheme to replace the GEM Share Option Scheme due to the transfer of listing of the Shares from GEM to the Main Board. Pursuant to the Existing Share Option Scheme, the Board was authorised to grant Options to any employee whether in full time or part time employ of the Company and/or any Subsidiary and any executive, non-executive and independent non-executive director of the Company and/or any subsidiary of the Company.

As at the Latest Practicable Date, a total of 11,228,000 Options exercisable at HK\$1.14 under the Existing Share Option Scheme were granted to Directors and certain employees of the Company on 6 July 2007, of which 8,680,000 Options had been exercised, 2,548,000 Options had been lapsed and no Options remain outstanding.

As at the Latest Practicable Date, a total of 1,500,000 Options exercisable at HK\$0.74 under the Existing Share Option Scheme were granted to a Director on 31 January 2008, of which 1,500,000 Options had been exercised, no Options had been lapsed, no Options remain outstanding.

As at the Latest Practicable Date, a total of 17,948,000 Options exercisable at HK\$1.18 under the Existing Share Option Scheme were granted to Directors and certain employees of the Company on 21 August 2009, of which no Options had been exercised, no Options had been lapsed, 17,948,000 Options remain outstanding.

As at the Latest Practicable Date, no Options had been granted under the GEM Share Option Scheme, a total of 30,676,000 Options had been granted under the Existing Share Option Scheme, of which 17,948,000 Options remain outstanding. Such outstanding Options will remain valid and exercisable in accordance with the terms of the Existing Share Option Scheme and their respective terms of issue. The Directors confirm that no further Options will be granted under the Existing Share Option Scheme prior to the date of the AGM.

Termination of the Existing Share Option Scheme

Under the terms of the Existing Share Option Scheme, the Company by ordinary resolution in general meeting may at any time terminate the operation of the Existing Share Option Scheme. At the AGM, an ordinary resolution will be proposed by the Directors for the Company to terminate the operation of the Existing Share Option Scheme (such that no further Options could thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect) and to approve and adopt the New Share Option Scheme, which will take effect on the date of its adoption at the AGM subject to the Stock Exchange granting

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approval for the listing of and dealing in the Shares which fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

New Share Option Scheme

The purpose of the New Share Option Scheme is (i) to replace the Existing Scheme; (ii) to enable the Company to continue to grant Options to the Participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any Invested Entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Group; and (iii) to amend the rights of ceasing employment such that a grantee under the New Share Option Scheme who is an employee of the Group can exercise the options granted to him/her within the period which has already been specified on the date of grant when he/she ceases to be an employee of the Group for any reason other than serious misconduct or other grounds before exercising his/her option in full. The rules of the New Share Option Scheme provide that the Company may specify the Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme.

There is no performance target specified in the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Participants to acquire proprietary interests in the Company.

Subject to the approval of the New Share Option Scheme by the Shareholders, a resolution will be proposed at the AGM for the Board to grant Options under the New Share Option Scheme for the subscription of not more than 10% of the entire issued capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share option scheme of the Group, and the outstanding Options granted and yet to be exercised pursuant to the Existing Share Option Scheme) as at the date of the passing of the relevant resolution.

As at the Latest Practicable Date, there was 605,180,000 Shares in issue and the Company had granted 30,676,000 Options under the Existing Share Option Scheme to subscribe for an aggregate of 30,676,000 Shares, representing approximately 5.07% of the Shares in issue as at the Latest Practicable Date. Assuming that no further Shares are allotted, issued or repurchased prior to the AGM, the total number of Shares that may fall to be allotted and issued upon exercise in full of the Options that may be granted after the resolution authorising the Directors to allot and issue up to 10% of the then issued share capital of the Company has passed at the AGM would be 60,518,000, representing approximately 10% of the total number of Shares in issue, which is within the overall limit of 30% prescribed under Rule 17.03(3) of the Listing Rules. If (i) all Convertible Redeemable Preference Shares are converted in full prior to the AGM; (ii) all outstanding Options (i.e. 17,948,000 Options) are exercised in full prior to the AGM; and (iii) 246,800,000 consideration shares are allotted and issued to Mr. Ho prior to the AGM, the

LETTER FROM THE BOARD

number of Shares in issue would be increased to 1,329,928,000 Shares, the total number of Shares that may fall to be allotted and issued upon exercise in full of the Options that may be granted after the resolution authorising the Directors to allot and issue up to 10% of the then issued share capital of the Company has passed at the AGM would be 132,992,800.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but not limited to the exercise price, exercise period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

In respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME

The adoption of the New Share Option Scheme is conditional upon:

- a. the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders at the AGM; and
- b. the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme must not in aggregate exceed 10% of the total issued capital of the Company as at the date on which the New Share Option Scheme is adopted unless the Company obtains a fresh approval from Shareholders to renew the 10% limit on the basis that the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix II to this circular on pages 17 to 25. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong at during normal business hours from the date hereof up to the date of AGM.

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None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in such trustee, if any.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

RE-ELECTION OF DIRECTORS

In relation to the ordinary resolution No. 2 set out in the notice of the AGM regarding the re-election of retiring Directors, Mr. CHEN Xian and Ms. XIA Dan shall retire from office by rotation at the AGM pursuant to article 87(1) of the Articles, and being eligible, offer themselves for re-election at the AGM.

In addition, Mr. XIONG Jianrui and Mr. CHOI Kai Ming, Raymond shall retire as Directors at the AGM pursuant to article 86(3) of the Articles, and being eligible, offer themselves for re-election at the AGM.

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix III to this circular.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “The Quaypoint Corporation Limited” to “China Uptown Group Company Limited” and to adopt “中國上城集團有限公司” as the new Chinese name of the Company, subject to the conditions set out below being fulfilled.

Reasons for the change of name

The Company is planning to diversify and enlarge its business in property investment in the PRC. In order to better reflect this business, the Board proposes the change of the Company name. In addition, the Board believes that the new name can improve the Company’s corporate image and identity, which the Board considers to be in the interests of the Company and the Shareholders as a whole.

Conditions of the change of name

The proposed change of name of the Company will be subject to the following conditions:

- a. the passing of a special resolution by the Shareholders at the AGM to approve the proposed change of name; and
- b. the Registrar of Companies in Cayman Islands approving the proposed change of name.

LETTER FROM THE BOARD

The new name of the Company will take effect from the date of entry of the new name on the register maintained by the Registrar of Companies in Cayman Islands. The Company will then carry out all necessary filing procedures with the Registrar of Companies in Hong Kong.

Effects of the change of name

The proposed change of name of the Company will not affect any rights of the Shareholders. All existing share certificates of the Company under the name of “The Quaypoint Corporation Limited” shall, after the proposed change of name becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement and delivery for the same number of Shares in the new name of the Company. As such, no arrangement will be made for the exchange of the existing share certificates of the Company for the new share certificates bearing the Company’s new name as a result of the proposed change of name of the Company.

Once the change of name has become effective, any new share certificates of the Company will be issued in the new name of the Company and the securities of the Company will be traded on the Stock Exchange in the new name.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 30 to 34 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the grant of the Issue Mandate, the Repurchase Mandate and the general mandate to extend the Issue Mandate to the Directors, the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme, re-election of retiring Directors and the change of name of the Company.

A form of proxy for use at the AGM is enclosed herewith. If you are unable to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company’s principal place of business in Hong Kong at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

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 and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Board considers that the resolutions in relation to the Issue Mandate, the Repurchase Mandate, the general mandate to extend the Issue Mandate, the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme, re-election of retiring Directors and the change of name of the Company to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

Yours faithfully,
By order of the Board
The Quaypoint Corporation Limited
Law Kim Fai
Company Secretary

This appendix serves as an explanatory statement containing all the information required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate proposed to be granted at the AGM.

1. SHARE CAPITAL

As at Latest Practicable Date, there was a total of 605,180,000 Shares in issue.

As at the Latest Practicable Date, Options under the Existing Share Option Scheme carrying rights to subscribe up to an aggregate of 17,948,000 Shares and the Convertible Preference Shares carrying the rights to convert up to 460,000,000 Shares remained outstanding. In addition, as at the Latest Practicable Date, the Boom Lotus Acquisition has not been completed and 246,800,000 consideration shares have not been allotted and issued to Mr. Ho. If (i) the Share Options are exercised in full; (ii) the conversion rights attaching to the Convertible Preference Shares are exercised in full; and (iii) 246,800,000 consideration shares are allotted and issued to Mr. Ho prior to the date of passing of the resolution in respect of the Repurchase Mandate, a further 724,748,000 Shares will be in issue.

Subject to the passing of the relevant ordinary resolution(s) as set out in the notice of the AGM and assuming that no further Shares are issued or purchased by the Company, the Directors will be authorized to purchase up to 60,518,000 Shares pursuant to the Repurchase Mandate. Assuming that rights attached to all outstanding Options and Convertible Preference Shares are exercised in full and 246,800,000 consideration shares are allotted and issued to Mr. Ho on or before the date of passing of the resolution in respect of the Repurchase Mandate and assuming no further Shares are issued or purchased by the Company, the total number of Shares in issue will be 1,329,928,000 and the Directors will be authorized to purchase up to 132,992,800 Shares.

2. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchase made pursuant to the Repurchase Mandate must be funded out of funds which are legally available for the purpose and in accordance with the memorandum of association of the Company and Articles and the laws of Cayman Islands.

The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or funds of the Company which would otherwise be available for dividend

or distribution or the proceeds of a new issue of Shares made for the purpose of the repurchase. The amount of premium payable on the repurchase may only be paid out of either funds of the Company which would otherwise be available for dividend or distribution or the share premium account.

4. GENERAL

The Directors consider that there might be a material adverse impact on the working capital or gearing position as disclosed in the audited financial statement of the Company for the year ended 30 June 2009 in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, the Company has not been notified by any of its connected person (as defined in the Listing Rules) that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Company's memorandum of association and Articles of Association and the laws of the Cayman Islands.

7. EFFECT OF THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on the exercise of the power under the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. The Directors have no present intention to exercise the Repurchase Mandate to such extent so as to result in triggering takeover obligation or the public holding of Shares would be reduced below 25% of the issued share capital of the Company.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the following Shareholders had beneficial interests representing 5% or more of the issued share capital of the Company within the meaning of Part XV of the SFO. In the event that the Repurchase Mandate is exercised in full, the interest of such persons will be increased to approximately the percentage set out in the last column as follows:

Name of Shareholders	No. of Shares held	Percentage of Shareholding	Percentage of shareholding if the Repurchase Mandate is exercisable in full
Mr. Chak Joaquim Emilio Kin Man	96,824,000	16.00%	17.78%
Mega Edge International Limited	79,500,000	13.14%	14.60%
Ms. Xia Dan ^{Note}	79,500,000	13.14%	14.60%
Ms. Wong Sio Leng	135,000,000	22.31%	24.79%

Note: Ms. Xia is deemed to be interested in the 79,500,000 Shares by virtue of her controlling interest in Mega Edge International Limited.

Since the shareholding of the above shareholders will not be increased to 30% in the event the Repurchase Mandate is exercisable in full, an obligation to make a general offer to the Shareholders under Rules 26 and 32 of the Takeovers Code would not arise in such circumstances. However, should the above Shareholders acting in concert to obtain or consolidate control of the Company in the future, they will become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. Save as disclosed above, the Directors are not aware of any consequences which the exercise in full of the Repurchase Mandate would have under the Takeovers Code.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2008		
October	0.500	0.230
November	0.275	0.150
December	0.250	0.200
2009		
January	0.250	0.180
February	0.250	0.200
March	0.250	0.220
April	0.700	0.230
May	1.000	0.480
June	0.750	0.510
July	1.250	0.650
August	1.240	1.000
September	1.150	1.020
October (up to the Latest Practicable Date)	0.900	0.860

This Appendix summarise the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the rules of the New Share Option Scheme.

(A) PURPOSE OF THE SCHEME

The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity and/or to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

(B) PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND ELIGIBILITY CRITERIA

The Participants of the New Share Option Scheme to whom Option(s) may be granted by the Board shall include Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group.

(C) MAXIMUM NUMBER OF SHARES

1. The total number of Shares which may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and any other New share option schemes of the Company (“Scheme Mandate Limit”) shall not exceed ten per cent (10%) of the total number of Shares in issue as at the date on which this scheme was approved and adopted by the Shareholders, unless the Company obtains a refresh approval from the Shareholders pursuant to paragraph 2 below. Options lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
2. The Company may seek approval of the Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed ten per cent (10%) of the Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the Shareholders.

3. The Company may grant Options to Participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the identified Participant(s), the number and terms of the Options to be granted, the purpose of granting Options to the identified Participant(s), and how the terms of these Options serve such purpose.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed thirty per cent (30%) of the total number of Shares in issue from time to time.

(D) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

1. The total number of Shares issued and to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding Options) to each Participant in any 12-month period must not exceed 1 per cent of the then total issued share capital of the Company (the “Individual Limit”).
2. Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his associates abstaining from voting.

A circular must be sent to the Shareholders disclosing the identity of the identified Participant(s), the number and terms of the Options granted and to be granted, the number and terms of Options to be granted to such identified Participant(s) must be fixed before the Shareholders’ approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(E) GRANT OF OPTIONS TO CONNECTED PERSONS

1. Each grant of Options to a Director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules) must comply with the requirements of the Listing Rules. Each grant of Options to any of these persons must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options).

2. Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1 per cent of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000;

such further grant of Options must be approved by the Shareholders on a poll in a general meeting. All connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting subject to the requirements of the Listing Rules. A Shareholders' circular must be prepared by the Company explaining the proposed grant of Option, disclosing the number and terms of the Option (including the subscription price) proposed to be granted and the recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option) as to voting. Any change in the terms of the Options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates must be approved by the Shareholders in general meeting.

(F) TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An offer of grant of an Option may be accepted by a Participant within 28 days from the date of the offer of grant of the Option. A consideration of HK\$1 is payable on acceptance of the offer of grant of an Option. To the extent that the offer of grant of an Option is not accepted within twenty eight (28) days from the date on which the offer for the grant of Options is made in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

An Option shall be exercisable in whole or in part and in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the day on which the offer for the grant of Options is made but shall end in any event not later than 10 years from the date the Board makes an offer of the grant of an Option subject to the provisions for early termination thereof. Directors have discretion to impose a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto on case by case basis.

Unless the Directors otherwise determine and state in the offer of the grant of Options to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

(G) PERFORMANCE TARGETS

Unless the Directors otherwise determine and state in the offer of the grant of Options to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised. Directors have discretion to impose the performance targets restriction on case by case basis.

(H) SUBSCRIPTION PRICE FOR SHARES

Subject to the adjustment made in accordance with the terms of the New Share Option Scheme, the subscription price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the subscription price must be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. Without prejudice to the generality of the foregoing, the Directors may grant Options in respect of which the subscription price is fixed at different prices for different periods during the Option period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the manner set out herein.

(I) RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders of Options to participate in voting, transfer and other rights including those arising on liquidation of the Company, and all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(J) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

No offer for grant of Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the requirements of the Listing Rules. In particular, during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and interim results or, if shorter, the period from the end of the relevant quarterly or interim period up to the publication date of the results, no Option may be granted.

The Directors may not grant any Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(K) LIFE OF THE NEW SHARE OPTION SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto but not exercised before the termination of the New Share Option Scheme will continue to be exercisable and valid. The terms and conditions of the New Share Option Scheme including those governing the mode of exercise of an Option will continue in full force and effect with the exception that no further Option will be granted. Subject to the aforesaid, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the day on which the New Share Option Scheme becomes effective, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

(L) RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an Option is an employee of the Group and ceases to be an employee of the Group for any reason other than death or serious misconduct or other grounds referred to in sub-paragraph (n) below before exercising his Option in full, the Option (to the extent which has become exercisable and not already exercised) will be exercisable in whole or in part within the period of the Options that granted to the Grantee and the expiry of the such period will be subject terms set out in paragraph (F).

(M) RIGHTS ON DEATH

If the Grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under paragraph (N) below arises prior to his or her death), the legal personal representative of this Grantee shall be entitled within the period of the Options (to the extent which has become exercisable and not already exercised) that granted to the Grantee and the expiry of the such period will be subject to terms set out in paragraph (F).

(N) RIGHTS ON DISMISSAL

If the Grantee of an Option is an employee of the Group and ceases to be an employee of the Group by reason that he has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any ground on which an employer

would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the employee's service contract with the Company or the relevant subsidiary of the Group or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an employee of the Group.

(O) RIGHTS ON BREACH OF CONTRACT

If the Directors at their absolute discretion determine that the Grantee of any Option (other than an Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(P) RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, on the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not already exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(Q) RIGHTS ON WINDING UP

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two (2) business days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares

in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not already exercised) on the date of the commencement of the winding-up of the Company.

(R) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS CREDITORS

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

(S) EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alterations in the capital structure of the Company whether by way of a capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital whilst any Option remains exercisable, such corresponding alterations (if any) certified by an independent financial advisor or the auditors of the Company for the time being as fair and reasonable and in accordance with the requirements of the Listing Rules shall be made in the number of Shares subject to the Option so far as unexercised; and/or the subscription price; provided that no alteration shall be made so that a Share would be issued at less than its nominal value or which would give a Grantee a different proportion of the issued share capital of the Company as that to which he was previously entitled.

(T) CANCELLATION OF OPTIONS

Any cancellation of any Option (which has been granted but not yet exercised) shall be conditional on the approval by the Board and the option holder(s) concerned.

In the event that the Board elects to cancel Options and issues new options to the same option holder, the issue of such new options shall be made with available unissued options (excluding the cancelled Options) within the Scheme Mandate Limit or the refreshed limit, as the case may be.

(U) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto but not exercised before the termination of the New Share Option Scheme will continue to be exercisable and valid. The terms and conditions of the New Share Option Scheme including those governing the mode of exercise of an Option will continue in full force and effect with the exception that no further Option will be granted. Subject to the aforesaid, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the day on which the New Share Option Scheme becomes effective, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

(V) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

(W) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

1. the expiry of the period referred to in paragraph (F);
2. the expiry of the periods or dates referred to in paragraphs (L), (M), (N), (O) and (S);
3. subject to paragraph (Q) above, the date of the commencement of the winding-up of the Company;
4. the date on which the offer (or, as the case may be, the revised offer) referred to in paragraph (P) closes; and
5. the date on which a breach of the provision of paragraph (V) is committed.

(X) ALTERATIONS TO THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the New Share Option Scheme relating to (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants; (ii) the terms and conditions of the New Share Option Scheme which are of a material nature; or (iii) any change to the authority of the Directors or the scheme administrators in relation

to any alteration to the terms of the New Share Option Scheme (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholders, provided that no such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such number of Grantees who shall together hold Options in respect of not less than three-fourths in nominal value of all Shares that to be issued on exercise of the Options granted under the New Share Option Scheme.

The amended terms of the Share Option Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

PARTICULARS OF DIRECTORS FOR RE-ELECTION

As required by the Listing Rules, the details of the Directors proposed to be re-elected at the AGM are set out below.

Mr. Chen Xian (陳賢先生), aged 45, was appointed as an executive Director and vice-chairman of the Company on 12 October 2007 and re-designated as Chairman on 30 November 2007 and a director of several subsidiaries of the Company. Mr. Chen is one of the founders of a sizeable property development company in Zhuhai, the PRC and has been a member of the senior management of a subsidiary of that company. Mr. Chen was mainly responsible for the investment and development of real estate projects of such companies. Before joining those companies, Mr. Chen worked as a senior member of certain stated-owned companies and the local authority. He has more than 15 years of extensive experience in the investment and development of real estate projects. He holds a Master Degree of Business Administration from the Asia International Open University (Macau).

Mr. Chen has entered into a service contract with the Company without a fixed term and is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Chen is entitled to an annual remuneration of HK\$520,000, which is covered by his service contract, with discretionary bonus payment as determined by the remuneration committee of the Company based on Mr. Chen's and the Company's performance. The remuneration package of Mr. Chen is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

Save as disclosed above, Mr. Chen is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Chen did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular. As at the Latest Practicable Date, save as 3,500,000 options granted to him, Mr. Chen was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (the "SFO").

Save as disclosed above, there is no other matters about Mr. Chen which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or need to be brought to the attention of the Shareholders.

Mr. Xiong Jianrui (熊劍瑞先生), aged 45, was appointed as an executive Director on 31 December 2008. Mr. Xiong graduated with a Bachelor Degree in Information Engineering from Xi Bei Institute of Telecommunications Engineering in 1983. He is currently a director of several subsidiaries of the Company. Mr. Xiong has over 25 years experience in automation & control industry, also is very experienced with investment business environment in Mainland China and Hong Kong. Mr. Xiong was a non-executive director of T S Telecom Technologies Limited, a company listed on the GEM of the Stock Exchange (Stock Code: 8003) from 2 October 2007 to 28 December 2007. He had been appointed as an executive director of the Company (formally known as Techwayson

Holdings Limited) since 16 May 2003 and had been appointed as chairman since 30 March 2004. On 4 November 2005, due to personal commitments, he resigned as an executive director and chairman of the Company.

Mr. Xiong has entered into a service contract with the Company without a fixed term and is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Xiong is entitled to an annual remuneration of HK\$520,000, which is covered by his service contract, with discretionary bonus payment as determined by the remuneration committee of the Company based on Mr. Xiong's and Company's performance. The remuneration package of Mr. Xiong is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

Save as disclosed above, Mr. Xiong is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Xiong did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular. As at the Latest Practicable Date, save as 3,500,000 options granted to him, Mr. Xiong was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

Save as disclosed above, there is no other matters about Mr. Xiong which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or need to be brought to the attention of the Shareholders.

Ms. Xia Dan (Xia Dan女士), aged 42, was appointed as a non-executive Director on 21 August 2007 and re-designated as an executive Director on 12 October 2007. Ms. Xia has been re-designated as a non-executive Director on 31 December 2008. Before Ms. Xia was appointed as a non-executive Director on 21 August 2007, she had been a member of the senior management of a sizeable property development company in Zhuhai, PRC and was responsible for its project investments analysis. Ms. Xia also worked for various companies in the PRC and North America and has over 18 years of extensive experience in strategic planning and marketing in the fields of construction, financial and foreign trading industries. Ms. Xia graduated from Shenyang University with Bachelor of Science in Architecture and holds a Master Degree of Business Administration from New York Institute of Technology. She is currently a director of Techwayson Industrial Limited, which is a subsidiary of the Company.

Ms. Xia has entered into a written service contract with the Company as a non-executive director of the Company without a fixed term and is subject to the retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company. Ms. Xia is entitled to an annual remuneration of HK\$260,000, which is covered by the services contract, with discretion bonus payment as determined by the remuneration committee of the Company based on Ms. Xia's and the Company's performance. The remuneration package of Ms. Xia is determined by reference to her duties, responsibilities and expected time commitment to the Company's affairs.

As at the Latest Practicable Date, Ms. Xia is the beneficial owner of Mega Edge International Limited which is a substantial shareholder of the Company holding 79,500,000 Shares, representing 13.14% equity interest in the capital of the Company. Ms. Xia is also granted 3,500,000 options. Ms. Xia is deemed to be interested in 79,500,000 ordinary shares of the Company held by Mega Edge International Limited under Part XV of the SFO.

Save as disclosed above, Ms. Xia is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Ms. Xia and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular. As at the Latest Practicable Date, Ms. Xia was not interested or deemed to be interested in any other shares or underlying shares of the Company pursuant to Part XV of the SFO.

Save as disclosed above, there is no other matters about Ms. Xia which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or need to be brought to the attention of the Shareholders.

Mr. Choi Kai Ming, Raymond (蔡繼明先生), aged 60, was appointed as an independent non-executive Director on 31 December 2008. Mr. Choi is also the chairman and member of remuneration committee and members of audit committee and nomination committee of the Company. Mr. Choi graduated with a Bachelor Degree in Production Engineering from The University of Aston in Birmingham, UK in 1976. In 1979, he was qualified as a member of the Institute of Chartered Accountants of England & Wales, and in 1980 as a member of the Hong Kong Institute of Certified Public Accountants. In the last thirty years he had served Price Waterhouse, China Light and Power, Guangdong Nuclear Power, China Everbright Holdings, as well as running his own accounting practice in Hong Kong. Mr. Choi is currently a qualified accountant of Tai-I International Holdings Limited, a company listed on the main board of the Stock Exchange (Stock Code: 1808). Mr. Choi was previously the company secretary and authorized representative of Tai-I International Holdings Limited for the period from November 2006 to April 2008.

Mr. Choi has not entered into any written service contract with the Company and is not appointed for a specific term. However, he is subject to the retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Choi is entitled to an annual remuneration of HK\$180,000 without any bonus payment. The remuneration of Mr. Choi is not covered by any service contract. The remuneration package of Mr. Choi is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

Save as disclosed above, Mr. Choi is not connected with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, Mr. Choi did not hold any positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange during the three years preceding the date of this circular. As at the Latest Practicable Date, save as 348,000 options granted to him. Mr. Choi was not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

Save as disclosed above, there is no other matters about Mr. Choi which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or need to be brought to the attention of the Shareholders.

NOTICE OF AGM



The Quaypoint Corporation Limited

紀翰集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2330)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Quaypoint Corporation Limited (the “Company”) will be held at Fountain Room 5, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 30 November 2009 at 10:30 a.m. for the following purposes:

1. To consider and adopt the audited financial statements for the year ended 30 June 2009 and the Reports of the Directors and the Auditors thereon.
2. To re-elect retiring members of the Board of Directors and authorize the Directors to fix the remuneration.
3. To re-appoint SHINEWING (HK) CPA Limited as the Company’s auditors and authorize the Directors to fix the remuneration.

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions and special resolutions (with or without modifications):

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraph (c) below and in substitution for all previous authorities, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into shares of the Company, which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which would or might require the exercise of such powers after the end of the Relevant Period;

* For identification purposes only

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- (c) the aggregate nominal amount of share capital allotted or to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
- (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to option holders of shares in the Company; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or
 - (iv) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, rights to subscribe or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities; or
 - (v) a specified authority granted by the shareholders of the Company in general meeting.

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any other applicable laws to be held; or
- (iii) the revocation, variation or renewal of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

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“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to holders of shares in the Company on the registers of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited, subject to and in accordance with applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any other applicable laws to be held; or
 - (iii) the revocation, variation or renewal of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. **“THAT** conditional upon the ordinary resolutions Nos. 4 and 5 above being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to ordinary resolution No. 4 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution No. 5 provided that such amount of Shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said resolution.”

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7. (a) “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the share option scheme of the Company (the “Share Option Scheme”), the rules of the Share Option Scheme are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof, and the granting of any options thereunder and the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any such options, the Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme including but without limitation:
- i) to administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for Shares;
 - ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment;
 - iii) to issue and allot from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme provided always that the total number of Shares subject to the Share Option Scheme, when aggregated with any Shares subject to any other share option schemes, shall not exceed 10 per cent. of the relevant class of the issued share capital of the Company as at the date of passing this Resolution (excluding any Shares of the Company issued upon exercise of options granted pursuant to the Share Option Scheme), but the Company may seek approval of its shareholders in general meeting for refreshing the 10 per cent. limit under the Share Option Scheme and the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30 per cent. of the relevant class of the issued share capital of the Company from time to time;
 - iv) To make applicant at the appropriate time or times to the Stock Exchange; and any other stock exchanges upon which the issued Shares of the Company may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the Share Option Scheme; and

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- v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.
- (b) the existing share option scheme for the employees and executive directors of the Company and its subsidiaries which was adopted by the Company at its special general meeting on 20 January 2003 be and is hereby terminated with immediate effect.”

SPECIAL RESOLUTION

“**THAT** the name of the Company be changed from “The Quaypoint Corporation Limited” to “China Uptown Group Company Limited” and subject to the new name of the Company becoming effective, to adopt “中國上城集團有限公司” as its Chinese name for identification purposes, and the Directors be and are hereby authorised to do all such acts, deeds and things and executed all such documents and make all such arrangements as they shall, in their absolute discretion, deem necessary or expedient to effect the foregoing”

By Order of the Board of
The Quaypoint Corporation Limited
Law Kim Fai
Company Secretary

Hong Kong, 30 October 2009

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head Office and Principal Place of Business
in Hong Kong:*
Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

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Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of associations of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's head office and principle place of Business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In relation to proposed Resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
4. In relation to proposed Resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
5. As at the date of this notice, the executive Directors are Mr. Chen Xian, Mr. Tsim Sze Hon, Mr. Lau Sai Chung and Mr. Xiong Jianrui; the non-executive Director is Ms. Xia Dan and the independent non-executive Directors are Mr. Poon Lai Yin, Michael, Mr. Chong Yiu Chik and Mr. Choi Kai Ming, Raymond.