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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Quaypoint Corporation Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the 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)**

### **CONNECTED TRANSACTION NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders**

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BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

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A letter from the board of directors of the Company is set out from page 4 to 9 of this circular. A letter from the independent board committee of the Company is set out on page 10 of this circular. A letter from the independent financial adviser containing its advice to the independent board committee and the independent shareholders of the Company is set out from page 11 to 18 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Fountains Room 5, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon on Monday, 30 November 2009 after the annual general meeting is set out from page 26 to 28 of this circular. A form of proxy is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy 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 less than 48 hours before the time for holding the extraordinary general meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the extraordinary general meeting should you so wish.

\* For identification purposes only

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## DEFINITIONS

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*In this circular, the following terms shall have the meanings set out below unless the context requires otherwise:*

“Announcements”	the announcements of the Company dated 26 May 2006 and 2 June 2009 in relation to the Subscription Agreement and the announcement of the Company dated 18 November 2006 in relation to the Sale and Purchase Agreement;
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong;
“Circulars”	the circular of the Company dated 10 June 2006 in relation to the Subscription Agreement and the circular of the Company dated 11 December 2006 in relation to the Sale and Purchase Agreement;
“Company”	The Quaypoint Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly;
“controlling shareholder(s)”	shall have the meaning as ascribed to it under the Listing Rules and the word “controlling” shall be construed accordingly;
“Directors”	the directors of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve by the Independent Shareholders the Supplemental Agreements and the Variation;
“First Supplemental Agreement”	the first supplemental agreement to the Subscription Agreement dated 2 June 2009 entered into among the Company, Weina (BVI) and Mr. Tsim;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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## DEFINITIONS

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“Independent Board Committee”	an independent board committee of the Company, comprising Mr. Poon Lai Yin, Michael, Mr. Chong Yiu Chik and Mr. Choi Kai Ming, Raymond, being all the independent non-executive Directors, for the purpose of advising the Independent Shareholders in respect of the Supplemental Agreements and the Variation;
“Independent Financial Adviser”	Bridge Partners Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements and the Variation;
“Independent Shareholder(s)”	Shareholders other than those who are required under the Listing Rules to abstain from voting on the ordinary resolutions to be proposed at the EGM to approve the Supplemental Agreements and the Variation;
“Latest Practicable Date”	11 November 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Tsim”	Mr. Tsim Wing Kong, a controlling shareholder of Weina Group Limited which in turns owns the entire issued share capital of Weina (BVI) and the father of Mr. Tsim Sze Hon, a Director of the Company;
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan);
“Preference A Shares”	the 110,000,000 convertible redeemable preference A shares of the Company issued pursuant to Sale and Purchase Agreement;
“Preference A Shares Conversion Period”	the conversion period for the Preference A Shares which can be extended by mutual agreement of the parties to the Sale and Purchase Agreement in writing;
“Preference Shares”	the 350,000,000 convertible redeemable preference shares of the Company issued pursuant to the Subscription Agreement;
“Preference Shares Conversion Period”	the conversion period for the Preference Shares which can be extended by mutual agreement of the parties to the Subscription Agreement in writing;
“RMB”	Renminbi, the lawful currency of the PRC;

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## DEFINITIONS

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“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 November 2006 entered into among the Company, Weina Holdings and Mr. Tsim in relation to the Preference A Shares;
“Second Supplemental Agreement”	the second supplemental agreement to the Subscription Agreement dated 23 October 2009 entered into among the Company, Weina (BVI) and Mr. Tsim;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“SPA Supplemental Agreement”	the supplemental agreement to the Sale and Purchase Agreement dated 23 October 2009 entered into among the Company, Weina Holdings, Weina (BVI) and Mr. Tsim;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription and option agreement dated 26 May 2006 entered into among the Company, Weina (BVI) and Mr. Tsim in relation to the Preference Shares;
“substantial shareholder(s)”	shall have the meaning as ascribed to it under the Listing Rules;
“Supplemental Agreements”	the Second Supplemental Agreement and the SPA Supplemental Agreement;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases of the Securities and Futures Commission of Hong Kong;
“Variation”	the variation of certain terms of the Subscription Agreement and the Sale and Purchase Agreement pursuant to the Supplemental Agreements to be approved by the Independent Shareholders at the EGM;
“Weina (BVI)”	Weina (BVI) Limited, a company incorporated in the British Virgin Islands, being holder of the Preference Shares and the Preference A Shares;
“Weina Holdings”	Weina Holdings Limited, a company incorporated in the British Virgin Islands and a party to the Sale and Purchase Agreement and SPA Supplemental Agreement; and
“%”	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:*

*Independent non-executive Directors:*

Mr. Poon Lai Yin, Michael  
Mr. Chong Yiu Chik  
Mr. Choi Kai Ming, Raymond

Suite 1501, 15/F.  
Tower 1, Silvercord  
30 Canton Road  
Tsimshatsui  
Kowloon  
Hong Kong

13 November 2009

*To the Shareholders*

Dear Sir or Madam,

## **CONNECTED TRANSACTION**

### **INTRODUCTION**

Reference is made to the Announcements and the Circulars.

Reference is also made to the Company's announcement dated 23 October 2009 in respect of the Supplemental Agreements and the Variation. Pursuant the Supplemental Agreements, certain terms of the Subscription Agreement and the Sale and Purchase Agreement have been varied upon mutual agreement among the parties.

The purpose of this circular is to, among other things, provide you with (i) further details of the Supplemental Agreements and the Variation; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Supplemental Agreements and the Variation; (iii) a letter of advice from the Independent

\* For identification purposes only

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## LETTER FROM THE BOARD

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Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreements and the Variation; and (iv) a notice of EGM at which ordinary resolutions will be proposed to approve the Supplemental Agreements and the Variation.

### THE SUPPLEMENTAL AGREEMENTS

#### 1. The Second Supplemental Agreement

The Company, Weina (BVI) and Mr. Tsim entered into the Second Supplemental Agreement to vary certain terms of the Subscription Agreement (as varied and amended by the First Supplemental Agreement).

Set out below are the principal terms of the Second Supplemental Agreement:

Date: 23 October 2009 (after trading hours)

Parties: (1) the Company  
(2) Weina (BVI)  
(3) Mr. Tsim

Pursuant to the Second Supplemental Agreement, certain terms of the Subscription Agreement have been varied as follows:

- (a) the Preference Shares Conversion Period shall be extended automatically for a period of twelve (12) months with effect from each expiry date of the Preference Shares Conversion Period unless (i) Weina (BVI) serves a written notice on the Company notifying its intention of not extending the Preference Shares Conversion Period for a further twelve (12) months not later than seven (7) days prior to the expiry date of the Preference Shares Conversion Period, and (ii) the Company agrees not to extend the Preference Shares Conversion Period for a further twelve (12) months upon receiving such notice; and
- (b) the Preference Shares shall be transferable.

Pursuant to the First Supplemental Agreement, the approaching expiry dates of the Preference Shares Conversion Period are 15 June 2010 for 250,000,000 Preference Shares and 7 June 2011 for 100,000,000 Preference Shares respectively. Pursuant to the Second Supplemental Agreement, the Preference Shares Conversion Period shall be extended automatically for a period of twelve (12) months to 15 June 2011 for 250,000,000 Preference Shares and 7 June 2012 for 100,000,000 Preference Shares respectively, subject to the terms and conditions therein.

Save as disclosed, the other terms of the Subscription Agreement remain unchanged.

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## LETTER FROM THE BOARD

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### 2. The SPA Supplemental Agreement

The Company, Weina Holding, Weina (BVI) and Mr. Tsim entered into the SPA Supplemental Agreement to vary certain terms of the Sale and Purchase Agreement.

Set out below are the principal terms of the SPA Supplemental Agreement:

Date: 23 October 2009 (after trading hours)

Parties: (1) the Company  
(2) Weina Holdings  
(3) Weina (BVI)  
(4) Mr. Tsim

Pursuant to the SPA Supplemental Agreement, certain terms of the Sale and Purchase Agreement have been varied as follows:

- (a) extend the Preference A Shares Conversion Period for a further 12 months from the expiry date of the Preference A Shares Conversion Period such that Weina (BVI) shall have the right to convert the Preference A Shares held by it at any time from the date of issue to 10 December 2010;
- (b) the Preference A Shares Conversion Period shall be extended automatically for a period of twelve (12) months with effect from each expiry date of the Preference A Shares Conversion Period unless (i) Weina (BVI) serves a written notice on the Company notifying its intention of not extending the Preference A Shares Conversion Period for a further twelve (12) months not later than seven (7) days prior to the expiry date of the Preference A Shares Conversion Period, and (ii) the Company agrees not to extend the Preference A Shares Conversion Period for a further twelve (12) months upon receiving such notice; and
- (c) the Preference A Shares shall be transferable.

The approaching expiry date of the Preference A Shares Conversion Period is 10 December 2010. Pursuant to the SPA Supplemental Agreement, the Preference A Shares Conversion Period shall be extended automatically for a period of twelve (12) months to 10 December 2011, subject to the terms and conditions therein.

Save as disclosed, the other terms of the Sale and Purchase Agreement remain unchanged.

### REASONS FOR THE VARIATION

The Group is principally engaged in (i) the design, supply and integration of automation and control system; (ii) trading of automation products and electronic components; (iii) property investment; and (iv) trading of mobile modules.



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## LETTER FROM THE BOARD

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The principal activities of Weina Group Limited, Weina Holdings and Weina (BVI) are investment holding.

As the expiry date of the conversion period for the Preference Shares and the Preference A Shares are approaching, the Company will be required to redeem the Preference Shares and Preference A Shares as this will involve a substantial amount of funds. In view that the Group plans to continue looking for projects for property development and investment in the future and accordingly needs further funds for future development, Weina (BVI) and the Company mutually agreed to extend the conversion period for the benefit of the Group. There is no concrete plan in respect thereof as at the Latest Practicable Date.

In addition, Weina (BVI) wants to have flexibility on the ownership of the Preference A Shares and the Preference Shares and if funding is required from Weina (BVI), it can transfer in whole or in part the Preference Shares and the Preference A Shares. The Company also considers that if the Preference Shares and the Preference A Shares become transferable, it can widen the shareholder base of the Company.

After making enquiries with Weina (BVI), as at the Latest Practicable Date, the Directors are not aware of any intention of Weina (BVI) to transfer the Preference Shares and the Preference A Shares to any other person(s) and/or connected person(s) of the Company.

Having considered the terms of the Supplemental Agreements, the Directors consider that the terms of the Supplemental Agreements, which were reached based on arm's length negotiations and in the ordinary and usual course of business, on normal commercial terms and are fair and reasonable as far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Weina (BVI), being the holder of the Preference Shares and the Preference A Shares, is wholly-owned by Weina Group Limited, which is in turn controlled by Mr. Tsim. By virtue that Mr. Tsim is the father of Mr. Tsim Sze Hon, an executive Director, Mr. Tsim is an associate of Mr. Tsim Sze Hon under Rule 14A.11 of the Listing Rules. Accordingly, Mr. Tsim, Weina (BVI) and Weina Group Limited are connected persons of the Company. The Company considers that it will be fair and in the interest of the Shareholders if the terms of the Supplemental Agreement and the Variation are subject to the approval by the Independent Shareholders.

The entering into of the Supplemental Agreements and the Variation contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval of the Independent Shareholders by way of poll at the EGM.

Save that Mr. Tsim Sze Hon is the holder of 2,000,000 share options granted by the Company, Mr. Tsim and his other associates, who do not hold any Shares as at the Latest Practicable Date, are considered to have material interest in the Supplemental Agreements

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## LETTER FROM THE BOARD

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and are required to abstain from voting at the EGM in respect of the ordinary resolutions to approve the Supplemental Agreements and the Variation, in the event they are entitled to vote at the EGM.

### EGM

A notice convening the EGM to be held at Fountains Room 5, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon on Monday, 30 November 2009 after the annual general meeting or any adjournment is set out from page 26 to 28 of this circular. The EGM will be held for the purpose of considering and, if thought fit, approving the Supplemental Agreements and the Variation.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy 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 less than 48 hours before the time for holding the EGM or adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so wish.

### GENERAL

An Independent Board Committee comprising Mr. Poon Lai Yin, Michael, Mr. Chong Yiu Chik and Mr. Choi Kai Ming, Raymond (all being independent non-executive Directors) has been established to advise the Independent Shareholders as to (i) whether the terms of the Supplemental Agreements are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Variation is in the interest of the Company and the Shareholders as a whole; and (iii) how to vote in respect of the Supplemental Agreements and the Variation after taking into account the recommendation of the Independent Financial Adviser.

### RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 10 of this circular which contains its recommendation to the Independent Shareholders in relation to the approval of the Supplemental Agreements and the Variation; and (ii) the letter from the Independent Financial Adviser set out from page 11 to 18 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreements and the Variation, and the principal factors and reasons taken into account in arriving at its recommendation.

The Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM.

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**LETTER FROM THE BOARD**

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**FURTHER INFORMATION**

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

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



**The Quaypoint Corporation Limited**

**紀翰集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2330)**

13 November 2009

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION**

We refer to the circular of the Company dated 13 November 2009 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalized terms used in the Circular shall have the same meanings when used herein.

We have been appointed to advise the Independent Shareholders in connection with the terms of the Supplemental Agreements and the Variation. Bridge Partners Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are of the view that the terms of the Supplemental Agreements and the Variation, after taking into account the advice of the Independent Financial Adviser as set out from page 11 to 18 of the Circular, are fair and reasonable so far as the Independent Shareholders are concerned, and that the Variation is in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Supplemental Agreements and the Variation.

Yours faithfully,

**Independent Board Committee**

**Mr. Poon Lai Yin, Michael**

**Mr. Chong Yiu Chik**

**Mr. Choi Kai Ming, Raymond**

*Independent non-executive Directors*

\* *For identification purposes only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Bridge Partners Capital Limited relating to the Supplemental Agreements and the Variation dated 13 November 2009 prepared for the purpose of incorporation in this circular:*



**BRIDGE PARTNERS**

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**BRIDGE PARTNERS CAPITAL LIMITED**

**Bridge Partners Capital Limited**

Unit 605, 6/F, Grand Millennium Plaza  
181 Queen's Road Central  
Central, Hong Kong

13 November 2009

*To the independent board committee  
and the independent shareholders of The Quaypoint Corporation Limited*

Dear Sirs,

### **CONNECTED TRANSACTION**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements and the Variation, details of which are set out in the "Letter from the Board" contained in the circular of the Company dated 13 November 2009 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings used in this letter unless the context otherwise requires.

As at the Latest Practicable Date, Weina (BVI), being the holder of the Preference Shares and the Preference A Shares, is wholly-owned by Weina Group Limited, which is in turn controlled by Mr. Tsim. By virtue of the fact that Mr. Tsim is the father of Mr. Tsim Sze Hon, an executive Director, Mr. Tsim is an associate of Mr. Tsim Sze Hon under Rule 14A.11 of the Listing Rules. Accordingly, Mr. Tsim, Weina (BVI) and Weina Group Limited are connected persons of the Company.

The entering into of the Supplemental Agreements and the Variation contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval of the Independent Shareholders by way of poll at the EGM. According to the "Letter from the Board", save as the fact that Mr. Tsim Sze Hon is the holder of 2,000,000 share options granted by the Company, Mr. Tsim and his other associates, who in fact do not hold any Share as at the Latest Practicable Date, are considered to have material interest in the Supplemental Agreements and are required to abstain from voting at the EGM in respect of the ordinary resolutions to approve the Supplemental Agreements and the Variation, in the event they are entitled to vote at the EGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We, Bridge Partners Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Supplemental Agreements are on normal commercial terms and the Variation is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the Supplemental Agreements and the Variation, in compliance with Rule 13.39 (6)(b) of the Listing Rules.

### **BASIS OF OUR OPINION**

In arriving at our opinion and recommendation, we have relied on the information supplied, the opinion and representations expressed by the Directors and the management of the Company. We consider that we have taken sufficient and necessary steps to form a reasonable basis and an informed view for our recommendation which are in compliance with Rule 13.80 of the Listing Rules.

We have assumed that the information and representations contained or referred to in the Circular and the information and representations that have been provided by the Company and/or the Directors and/or the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete at the time they were made and continue to be true up to and including the date of the EGM.

We consider that we have been provided with sufficient information to form a reasonable basis of our opinion. We have no reason to suspect that any material fact or information has been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Having made all reasonable enquiries, the Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and further confirmed that, having made all reasonable enquiries, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

We have not, however, carried out any independent verification on the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, Weina (BVI), Weina Group Limited, Weina Holdings, Weina Land Limited, their respective associates and subsidiaries, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Variation.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration to approve the Supplemental Agreements and the Variation and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. We have no obligation to update this letter after the date of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements and the Variation, we have taken the following principal factors and reasons into consideration:

#### (A) Background information on the Group

The principal activities of the Group are (i) the design, supply and integration of automation and control system; (ii) trading of automation products and electronic components; (iii) property investment and (iv) trading of mobile modules. In May 2009, the Group acquired the entire issued capital of Ocean Vast Corporation Limited (the “Ocean Vast Acquisition”), the subsidiary of which is holding a parcel of land situated at Zhuhai City, the PRC. Further to this, the Group also acquired the entire issued capital of Boom Lotus Holdings Limited (the “Boom Lotus Acquisition”), the company and its subsidiaries of which are holding two development residential and commercial properties in Zhuhai City, the PRC.

Set out below is a summary of the audited consolidated income statement of the Group for each of the two years ended 30 June 2009:

	Year ended 30 June	
	2009	2008
	RMB'000	RMB'000
Turnover	287,780	152,826
Loss before taxation	(18,547)	(112,355)
Loss for the year	(18,547)	(112,622)
	As at 30 June	
	2009	2008
	RMB'000	RMB'000
Net asset value	11,726	30,835
Total bank balances and cash	25,873	26,711

The turnover of the Group was approximately RMB287.78 million for the year ended 30 June 2009, which represents an increase of approximately 88.31% compared to the last corresponding year. The revenue was mainly generated from sales of automation products and electronic components amounting to approximately RMB273.88 million, which represents approximately 95.16% of the total revenue of the Group. Despite an increase in the turnover of the Group for the year ended 30 June 2009, the Group's gross profit margin has decreased as trading in electronic components was very competitive with a relatively high cost of sales, thus resulting in lower profit margins as compared to the same period last year. As noted from the annual report for the year ended 30 June 2009 (the “Annual Report”), the loss attributable to equity holders of the Company was approximately RMB18.55 million



for the year ended 30 June 2009. The Group had total bank balances and cash of approximately RMB25.87 million as at 30 June 2009. According to the Annual Report, the Group had total borrowings of approximately RMB118.76 million (equivalent to approximately HK\$134.95 million) and the gearing ratio of the Group (expressed as a percentage of total borrowings over net assets) was approximately 5.16 times as at 30 June 2009.

**(B) Background for the Second Supplemental Agreement and SPA Supplemental Agreement**

*(i) Background for the Subscription Agreement and First Supplemental Agreement*

In order to raise additional funding for the Group and enhance its financial position, the Company (as issuer) entered into the Subscription Agreement on 26 May 2006 with Weina (BVI) (as subscriber) and Mr. Tsim (as guarantor) in relation to the subscription of 250,000,000 Preference Shares by Weina (BVI) and the grant by Weina (BVI) to the Company of an option to require Weina (BVI) during the option period to subscribe for an additional 100,000,000 Preference Shares. According to the Subscription Agreement, Weina (BVI) shall have the right to convert the Preference Shares held by it at any time during the conversion period from (a) the date of issue up to 15 June 2009 and 7 June 2010 respectively (the dates being the 10 business days before the third anniversary of the respective dates of initial issue of the 250,000,000 and the 100,000,000 Preference Shares), and (b) the date of commencement of voluntary or involuntary winding up of the Company, whichever is the earlier (the "Preference Shares Conversion Period"), subject to an extension of not more than 12 months as the Company and Weina (BVI) may agree.

In light of the financial position of the Group, the Company and Weina (BVI) entered into the First Supplemental Agreement and agreed to extend the Preference Shares Conversion Period for a further 12 months from the expiry date of the Preference Shares Conversion Period, such that Weina (BVI) shall have the right to convert the Preference Shares held by it at any time from the date of issue until 15 June 2010 and 7 June 2011 respectively.

*Second Supplemental Agreement*

On 23 October 2009 (after trading hours), the Company, Weina (BVI) and Mr. Tsim entered into a second supplemental agreement to the Subscription Agreement to:

- (a) allow the Preference Shares Conversion Period to be extended automatically for a period of 12 months with effect from each expiry date of the Preference Shares Conversion Period unless:
  - (i) Weina (BVI) serves a written notice on the Company notifying its intention of not extending the Preference Shares Conversion Period for a further 12 months not later than 7 days prior to the expiry date of the Preference Shares Conversion Period, and



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) the Company agrees not to extend the Preference Shares Conversion Period for a further 12 months upon receiving such notice; and
- (b) amend the terms of the Subscription Agreement such that the Preference Shares become transferable.

### ***(ii) Background of the SPA Supplemental Agreement***

On 17 November 2006, the Company acquired the entire issued share capital of Weina Land Limited from Weina Holdings at an aggregate consideration of HK\$44 million. The consideration has been satisfied by issue of 110,000,000 new Preference A Shares to Weina Holdings or its nominees. Details of the acquisition are set out in the announcement of Company dated 18 November 2006.

#### *SPA Supplemental Agreement*

In view of the bank balances and cash flow position of the Group, the Company, Weina Holdings, Weina (BVI) and Mr. Tsim entered into a supplemental agreement to the Sale and Purchase Agreement on 23 October 2009 to:

- (a) extend the Preference A Shares Conversion Period for a further 12 months from the expiry date of the Preference A Shares Conversion Period such that Weina (BVI) shall have the right to convert the Preference A Shares held by it at any time from the date of issue to 10 December 2010;
- (b) allow the Preference A Shares Conversion Period to be extended automatically for a period of 12 months with effect from each expiry date of the Preference A Shares Conversion Period unless:
  - (i) Weina (BVI) serves a written notice on the Company notifying its intention of not extending the Preference A Shares Conversion Period for a further 12 months not later than 7 days prior to the expiry date of the Preference A Shares Conversion Period, and
  - (ii) the Company agrees not to extend the Preference A Shares Conversion Period for a further 12 months upon receiving such notice; and
- (c) amend the terms of the Sale and Purchase Agreement such that the Preference A Shares become transferable.

**(C) Reasons for entering into the Second Supplemental Agreement and SPA Supplemental Agreement**

As stated in the “Letter from the Board”, given that the expiry dates of the conversion period for the Preference Shares and the Preference A Shares are approaching, the Company has to prepare a substantial amount of funds for redemption of the Preference Shares and the Preference A Shares. In this respect, the Company and Weina (BVI) mutually agreed to extend the conversion period by entering into the Supplemental Agreements for the benefits of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreements are fair and reasonable so far as the Independent Shareholders as concerned and the Variation is in the interests of the Company and its Shareholders as a whole.

As advised by the Directors, it is expected that the Group needs funding for future development since the Group plans to look for projects for property development and investment in the future. However, there is no concrete plan in respect thereof as at the Latest Practicable Date. We also understand from the circulars of the Company dated 30 June 2009 and 23 September 2009 that the Directors were of the opinion that, taking into account the internal resources of the Group and the present available banking facilities, the Group will not have sufficient working capital for its present operation and for at least the next twelve months from the date of circulars after the completion of Ocean Vast Acquisition and Boom Lotus Acquisition. Nonetheless, the Directors are confident that the Group has sufficient financial resources after taking into accounts of the broadening of revenue base from Ocean Vast Acquisition and Boom Lotus Acquisition; the finalization of the financial restructuring proposal (as described below); the ability of the Company to raise additional funds and the Company’s right to defend the litigation claims. In view of tightening working capital for its present operation of the Group, we consider that the entering into of the Supplemental Agreements is beneficial for the Group as it can relieve the immediate financial burden and the Company can reserve its cash for future general working capital of the Group as a result of the extension of the conversion period for the Preference Shares and the Preference A Shares.

According to the terms of the Subscription Agreement and the Sale and Purchase Agreement, each of the Preference Shares and Preference A Shares is entitled to a fixed cumulative preferential dividend in priority to any payment to the holders of any other class of shares at the rate of 3.5% per annum on the amount paid up or credited as paid up. Based on the representation from the management of the Company, in the event that the Preference Shares/Preference A Shares are transferred before the declaration of dividend, the entitlement of the cumulative dividend associated with the Preference Shares/Preference A Shares will be determined after arm’s length negotiation between the holder(s) and the potential transferee of the Preference Shares/Preference A Shares.

As confirmed by the Company, no dividend was paid to Weina (BVI) during the period commenced from the allotment of the Preference Shares and the Preference A Shares up to the Latest Practicable Date. Since the date of the allotment of the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Preference Shares and Preference A Shares and up to 30 June 2009, the cumulative dividend payment to the holder of Preference Shares and Preference A Shares are approximately HK\$13.36 million and HK\$3.86 million respectively. As discussed with the Company, the Company is still in the process of negotiation for the terms of the restructuring of the guarantee provision of RMB60.7 million and the short-term bank loan of approximately RMB74.7 million with a bank creditor. However, the terms and repayment schedules of the restructuring have not yet been finalized.

Having considered the facts that (i) the Group has been suffering from losses for the last few years; (ii) the financial restructuring of the guarantee provision and short-term bank loans have not yet been finalized; (iii) the Group has tight working capital for its present operation and for at least the next twelve months from the date of circulars after the completion of Ocean Vast Acquisition and Boom Lotus Acquisition, we are of the view that the Variation will allow the Company to relieve the immediate financial burden of the Group.

We note that the Preference Shares and Preference A Shares can be freely transferable under the Second Supplemental Agreement and SPA Supplemental Agreement respectively. Under the “Letter from the Board”, Weina (BVI) would like to have flexibility on the ownership of the Preference Shares and Preference A Shares and if Weina (BVI) needs any funding, Weina (BVI) or Weina Holdings can transfer in whole or in part the Preference Shares and Preference A Shares. The Company considers that the shareholder base of the Company would be widened if the Preference Shares and Preference A Shares become transferable. We are of the view that the Variation provides an opportunity for the Group to broaden up its shareholder base by (i) increasing the shareholding in public hands; (ii) introducing various types of investors to the Group; and (iii) enabling the potential transferee(s) of the Preference Shares and Preference A Shares to participate in the future growth and development of the Group (if the holder(s) of the Preference Shares/Preference A Shares could exercise its right to convert the Preference Shares and Preference A Shares to the ordinary shares). In view of the above, we consider that the Variation is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Although Weina (BVI) or Weina Holdings has the right to transfer the preference share freely to any company(ies) or person(s), the Directors confirm that, if the Company becomes aware of any dealings in the Shares or receives exercise notice by the connected person(s) of the Company, the Company will inform the Stock Exchange and make an announcement to the Shareholders as soon as possible. In view of the above, we are of the opinion that the terms of the Supplemental Agreements are on normal commercial terms and the Supplemental Agreements and the Variation are fair and reasonable and in the interests of the Company and its Independent Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial impacts of the Variation*

#### *1. Net assets value*

According to the Annual Report, the net assets value of the Group was approximately RMB11.73 million as at 30 June 2009. It is expected that there should not have any material effect on the consolidated net assets value of the Group arising from the variation to the terms of the Preference Shares and Preference A Shares as the values of the Preference Shares and Preference A Shares are expected to remain the same.

#### *2. Liquidity*

Since the date of the allotment of the Preference Shares and Preference A Shares and up to 30 June 2009, the cumulative dividend payment to the holder of Preference Shares and Preference A Shares were approximately HK\$13.36 million and HK\$3.86 million respectively. As at 30 June 2009, the total bank balances and cash of the Group was approximately RMB25.87 million. Since the Supplemental Agreements allow the Preference Shares/Preference A Shares to be extended automatically for a period of 12 months with effect from each expiry date of the Preference Shares Conversion Period or Preference A Shares Conversion Period, the immediate financial burden of the Group could be relieved.

### **RECOMMENDATION**

Having considered the above principal factors and reasons, we are of the view that the terms of the Supplemental Agreements are on normal commercial terms and the Variation is fair and reasonable so far as the Independent Shareholders are concerned. In addition, we consider that the Variation is in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the upcoming EGM to approve the Supplemental Agreements and the Variation contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Bridge Partners Capital Limited**  
**Monica Lin**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular 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.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules are set out below:

Name of Director	Number of shares held			Total	Approximate percentage of shareholding
	Personal Interest	Corporate Interest	Number of options held (Note 2)		
Ms. Xia Dan (Note 1)	—	79,500,000	3,500,000	83,000,000	13.71%
Mr. Lau Sai Chung	148,000	—	3,352,000	3,500,000	0.58%
Mr. Chen Xian	—	—	3,500,000	3,500,000	0.58%
Mr. Tsim Sze Hon	—	—	2,000,000	2,000,000	0.33%
Mr. Xiong Jianrui	—	—	3,500,000	3,500,000	0.58%
Mr. Poon Lai Yin, Michael			200,000	200,000	0.03%
Mr. Choi Kai Ming, Raymond			348,000	348,000	0.06%
Mr. Chong Yiu Chik			348,000	348,000	0.06%

*Notes:*

- Ms. Xia Dan ("Ms. Xia") is taken to be interested in 79,500,000 Shares held by Mega Edge International Limited which is in turn wholly-owned by herself. By virtue of the SFO, Ms. Xia is deemed to have interest in the Shares held by Mega Edge International Limited.
- The share options were granted on 21 August 2009 at an exercise price of HK\$1.18. The options can be exercised within a period of 3 years from the date of grant.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

**(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO**

As at the Latest Practicable Date, the register of substantial shareholders maintained under Section 336 of the SFO, shows that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

*Long position in ordinary shares*

<b>Substantial Shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of shares held</b>	<b>As approximate percentage of total issued shares</b>
Mega Edge International Limited ( <i>Note</i> )	Beneficial Owner	79,500,000	13.14%
Mr. Chak. Joaquim Emilio Kin Man	Beneficial Owner	96,824,000	16.00%
Ms. Wong Sio Leng	Beneficial Owner	135,000,000	22.31%

*Note:* Mega Edge International Limited is wholly-owned by Ms. Xia Dan, a non-executive director of the Company. By virtue of the SFO, Ms. Xia is deemed to have interest in the Shares held by Mega Edge International Limited.

*Long position in underlying shares*

<b>Shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of shares held</b>	<b>As approximate percentage of total issued shares</b>
Weina (BVI)	Beneficial owner	460,000,000	76.01%
Weina Group ( <i>Note 3</i> )	Interest of a controlled corporation	460,000,000	76.01%
Mr. Tsim ( <i>Note 3</i> )	Interest of a controlled corporation	460,000,000	76.01%
Ho Man Hung ( <i>Note 4</i> )	Beneficial owner	246,800,000	40.78%

*Notes:*

1. The Company entered into the Subscription Agreement with Weina (BVI) and through such agreement and the exercise of the option by the Company, Weina (BVI) is interested in 350,000,000 Preference Shares and has the right to convert the aforesaid shares into 350,000,000 ordinary shares (based on its initial conversion price).
2. The Company entered into the Sale and Purchase Agreement with Weina Holdings and through such agreement, Weina (BVI) (as designated by Weina Holdings) is interested in 110,000,000 Preference A Shares and has the right to convert the aforesaid shares into 110,000,000 ordinary shares (based on its initial conversion price).
3. Weina Group Limited owns the entire issued share capital of Weina (BVI) and is therefore deemed to have interests in the underlying shares of the Company in which Weina (BVI) is interested. Mr. Tsim is deemed to be interested in the underlying shares of the Company by virtue of his controlling interest in Weina Group Limited. Mr. Tsim is the father of Mr. Tsim Sze Hon, an executive Director of the Company.
4. Mr. Ho Man Hung entered into a sale and purchase agreement on 11 August 2009 (as supplemented by a supplemental agreement dated 20 August 2009) with the Company in relation to acquisition of Boom Lotus Holdings Limited. 246,800,000 Shares will be issued to Mr. Ho Man Hung upon completion of the transaction. As at the Latest Practicable Date, the aforesaid shares have not been issued. Details of the transaction have been disclosed in the circular of the Company dated 23 September 2009.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.



**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors or proposed Directors had any existing service contract or proposed service contract with any member of the Group which will not expire or is not determinable by the Company within one (1) year without payment of compensation (other than statutory compensation).

**4. DIRECTORS' INTEREST IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 30 June 2009 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting as at the Latest Practicable Date in which any of the Directors were materially interested and which was significant to the business of the Group.

**5. COMPETING BUSINESS INTEREST OF DIRECTORS**

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them is a controlling shareholder of the Company).

**6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Company is not aware of any material adverse change in the financial or trading position of the Group since 30 June 2009, being the date to which the latest published audited financial statements of the Group were made up.

**7. CONSENT OF EXPERT**

Bridge Partners Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears. Bridge Partners Capital Limited is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

As at the Latest Practicable Date, Bridge Partners Capital Limited did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 30 June 2009, the date to which the latest audited financial statements of the Group was made up; and was not beneficially interested in the share



capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## 8. LITIGATION

As at the Latest Practicable Date, save as disclosed below, no member of the Group was engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group:

During the year ended 30 June 2008, regarding the litigation as to the claims of approximately RMB9,500,000 raised by the main contractor of the Shenzhen R & D Centre, the relevant PRC court has made a judgement in favour of the plaintiff in December 2007.

In January 2008, the Company submitted the appeal application to the relevant PRC court. In May 2008, the Company and the main contractor entered into a mutual agreement to withdraw from the litigation by settling a reasonable amount. But in early September 2008, the main contractor applied through the relevant PRC court to demand the Company to settle the retainer fee due being RMB550,000 together with penalty. On 10 September 2008, the Company submitted a counterclaim to the relevant court counterclaiming the contractor breach of the subject agreement and is pending decision from the court.

In addition, Techwayson Industrial Limited (“**TIL**”), a major subsidiary (as defined under the Listing Rules) of the Company is in the best efforts to negotiate with Bank of China, Shenzhen branch to finalize the terms of the debt-restructuring proposal on the RMB83,000,000 loan of the Shenzhen subsidiary and the RMB60,700,000 guaranteed loan.

On 17 July 2008, TIL received a writ of summons issued by the Intermediate People’s Court, Shenzhen City, the PRC, in respect of a claim of approximately RMB22 million made by an independent third party (the “**Party**”) against TIL, for a guarantee alleged to have been given by TIL in favour of the Party in November 2005 (the “**Claim**”). TIL has appointed a firm of PRC legal counsel to assist in the gathering of information and the investigation into the circumstances giving rise to the Claim. The said firm of PRC legal counsel has defended the questionable claim during the court hearing late last year and is waiting for the court’s judgment.

On November 2008, TIL (as plaintiff) brought a civil claim (the “**Shanghai Claim**”) against Shanghai Tian Ke Hua Power Technology Co., Ltd. (“**Tian Ke Hua**”) and Xi’an Ying Feng Technology Co., Ltd. (“**Ying Feng**”) (both Tian Ke Hua and Ying Feng are defendants) for, inter alia, breach of contracts in respect of payment of service fees for certain construction works performed by TIL in the PRC. On 21 April 2009, a judgment (the “**Judgment**”) in respect of the Shanghai Claim was handed down by First Intermediate People’s Court of Shanghai, pursuant to which TIL was awarded the outstanding service fees of RMB14,860,000 (equivalent to approximately HK\$16,886,360) together with liquidated damages calculated at the rate of 0.001 per day. Tian Ke Hua filed a notice of appeal (the “**Appeal**”) against the Judgment with the Higher People’s Court of Shanghai on 14 May 2009. The hearing of the Appeal will be held on 28 December 2009.

On 20 October 2009, the Company received a writ of summons from Ying Feng. Ying Feng (as plaintiff) brought a civil claim (the “**Shanxi Claim**”) at the Intermediate People’s Court of Changzhi City, Shanxi Province against TIL (as defendant), for damages of approximately RMB6.97 million (equivalent to approximately HK\$7.92 million) in respect of product liability arising from defects in the PLC system used in Changgang TRT project designed and manufactured by TIL. The hearing of the Shanxi Claim has been fixed to be held on 25 November 2009 and TIL decided to defend against the Shanxi Claim and will seek legal advice in respect of the merits of the Shanxi Claim.

## 9. GENERAL

- (a) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (b) The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The company secretary of the Company is Mr. Law Kim Fai. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and has more than 10 years of professional experience in accounting.
- (e) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be 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 from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the Subscription Agreement;
- (c) the Sale and Purchase Agreement;
- (d) the First Supplemental Agreement;
- (e) the Second Supplemental Agreement;
- (f) the SPA Supplemental Agreement;

- (g) the letter from the Independent Board Committee, the text of which is set out on page 10 of this circular;
- (h) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out from page 11 to 18 of this circular;
- (i) the written consent referred to in the paragraph headed “Consent of Expert” in this appendix; and
- (j) this circular.



**The Quaypoint Corporation Limited**

**紀翰集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2330)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of The Quaypoint Corporation Limited (the “**Company**”) will be held at Fountains Room 5, LG/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon on Monday, 30 November 2009 after the annual general meeting for the following purpose:

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

“**THAT:**

- (a) terms of the second supplemental agreement dated 23 October 2009 (the “**Second Supplemental Agreement**”) to the subscription agreement dated 26 May 2006 entered into among the Company, Weina (BVI) Limited and Mr. Tsim Wing Kong and transactions contemplated thereunder be and are hereby approved, ratified and confirmed in all respects;
- (b) terms of the supplemental agreement dated 23 October 2009 (the “**SPA Supplemental Agreement**”) to the sale and purchase agreement dated 17 November 2006 entered into among the Company, Weina Holdings Limited and Mr. Tsim Wing Kong and transactions contemplated thereunder be and are hereby approved, ratified and confirmed in all respects; and

(the Second Supplemental Agreement and the SPA Supplemental Agreement are together referred to hereinbelow as the “**Supplemental Agreements**”)

\* *For identification purposes only*

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## NOTICE OF EGM

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- (c) any directors of the Company be and is hereby authorised for and on behalf of the Company to sign, execute and deliver all such documents and deeds, and do all such acts, matters and things as he may in his discretion consider necessary or desirable to carry out the Supplemental Agreements into effect.”

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

Hong Kong, 13 November 2009

*Head office and principal place of business in Hong Kong:*

Suite 1501, 15/F.

Tower 1, Silvercord

30 Canton Road

Tsimshatsui

Kowloon

Hong Kong

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## NOTICE OF EGM

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**Notes:**

1. A form of proxy for use at the meeting is enclosed with the circular despatched on 13 November 2009 to the members of the Company.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the principal place of business of the Company at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.