TERADATA CORP /DE/
Form 11-K
June 27, 2008

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x **Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for fiscal year ended December 31, 2007**

OR

¨ **Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934.**

For the transition period from ______ to ______

Commission File Number 001-33458

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Teradata Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

TERADATA CORPORATION

2835 Miami Village Dr.

Miamisburg, Ohio 45342

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Teradata Savings Plan

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December 31, 2007

Financial Statements (unaudited):

* Other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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Teradata Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2007

(Unaudited)

	December 31, 2007
Assets	
Total investments at fair value	$ 521,722,049
Contributions receivable	
Participants	1,035,327
Employer	458,844
Total contributions receivable	1,494,171
Other receivables	144,925
Total assets	523,361,145
Liabilities	
Accounts payable	107,504
Accrued expenses	382,173
Total liabilities	489,677
Net assets available for benefits	$ 522,871,468

The accompanying notes are an integral part of these unaudited financial statements.

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Teradata Savings Plan

Statement of Changes in Net Assets Available for Benefits

For the Period October 1, 2007 (date of inception) through December 31, 2007

(Unaudited)

Additions	
Additions to net assets attributed to:	
Transfers from other benefit plans, net	$ 518,261,849
Investment income:	
Net realized and unrealized appreciation (decrease) in fair value of investments	(2,789,184)
Interest and dividends	544,788
Total investment income	516,017,453
Contributions:	
Participants	6,601,825
Employer, net of forfeitures	3,197,104
Total contributions	9,798,929
Total additions	525,816,382
Deductions	
Deductions from net assets attributed to:	
Benefits paid to participants	2,805,931
Administrative expenses	138,983
Total deductions	2,944,914
Net increase in net assets	522,871,468
Net assets available for benefits:	
Beginning of year	
End of year	$ 522,871,468

The accompanying notes are an integral part of these unaudited financial statements.

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Teradata Savings Plan

Notes to Financial Statements (Unaudited)

December 31, 2007

1. Description of the Plan

General

On August 27, 2007, the Board of Directors of NCR Corporation (NCR), the former parent company of Teradata Corporation (Teradata or the Company), approved the separation of NCR into two independent, publicly-traded companies through the distribution of 100% of its Teradata data warehousing business to shareholders of NCR (the Separation).

Prior to October 1, 2007, certain employees and former employees of Teradata and its affiliates participated in the NCR Savings Plan. Effective October 1, 2007, the accounts and related assets of the trust fund for the NCR Savings Plan with respect to such employees were transferred to and assumed by the Teradata Savings Plan (the Plan). Employees (and certain individuals who are on an approved leave of absence) of Teradata or an affiliate of Teradata immediately after the Separation are entitled to credit for all years of service under the NCR Savings Plan.

The Plan is a defined contribution plan established on October 1, 2007. The Plan is designed to qualify as a profit-sharing plan with a qualified cash or deferred arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended. It is also subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

The Plan covers substantially all eligible U.S. employees of the Company (other than certain categories of part-time, temporary and intern employees).

Contributions and Funding

All eligible employees of the Company may defer a portion of their compensation by making tax-deferred contributions, as well as after-tax contributions, to the Plan. Participants may elect to contribute up to fifty percent of their eligible compensation, up to certain Internal Revenue Service (IRS) limits. Maximum contribution percentage limits are also imposed on the tax-deferred contributions and after-tax contributions, respectively, made by participants with prior year compensation of $100,000 and over. Annual tax-deferred contributions per participant for the 2007 Plan year were limited to $15,500.

For each dollar contributed by a participant, up to a maximum six percent of compensation, the Company funds an additional matching amount. The employer matching contribution for all participants is one hundred percent of the first four percent of pay contributed by the participant, plus fifty percent of the next two percent of pay.

The Plan allows employees aged 50 and older to elect to make additional catch-up contributions, subject to IRS limits. Catch-up contribution amounts are not eligible for employer matching contributions. The annual limit on catch-up contributions was $5,000 in 2007.

Participants direct their contributions, as well as the Company s matching contributions, among various investment options, including market index funds, actively managed component funds, mutual funds and the Teradata Unitized Stock Fund, which invests primarily in Teradata Common Stock.

Vesting and Forfeitures

Participants are immediately vested in their contributions plus actual earnings on their contributions. Company matching contributions vest in increments of one-fifth each year, over a five-year period beginning with the participant s hire date.

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Participants become immediately and fully vested in their account (i) upon attainment of age 65, (ii) upon termination of employment due to a reduction in force, (iii) in the event of death, or (iv) in the event of total and permanent disability. Upon termination of employment, participants are entitled to full distribution of their contributions and all vested Company matching contributions; all non-vested Company matching contributions are forfeited. These forfeitures are reallocated and used to reduce future Company matching contributions. During the Plan year, forfeitures used to offset Company matching contributions were immaterial in relation to the Plan taken as a whole.

Participant Accounts

Each participant s account is credited with the participant s contributions, Company contributions and Plan earnings. Participants accounts are valued on a daily basis. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account balance.

Participant Loans

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to $50,000 or 50 percent of their vested account balance, whichever is less. The loans are collateralized by 50% of the vested balance in the participant s accounts and bear interest at a fixed rate based on the prime rate (as reported by the *Wall Street Journal*) in effect on the last day of the month prior to the month of the transaction plus 1%. The term of the loan may be between one and five years. Principal and interest is paid ratably through monthly payroll deductions. Upon default, participants are considered for tax purposes to have received a distribution and are subject to income taxes on the outstanding amount of the loan at the time of default.

Withdrawals and Benefits

Participants may withdraw any employee tax-deferred contributions during their employment in the case of a hardship (as defined by the Plan), and participants may withdraw after-tax employee contributions (plus earnings) for any reason. Participants may not withdraw any Company matching contributions or any earnings on Company matching contributions until they attain age 59 $^{1}/2$ or terminate employment with the Company. Participants may withdraw vested balances upon reaching age of 59 $^{1}/2$, or upon termination of employment.

Upon termination of employment, a participant receives a lump-sum amount equal to the value of the vested portion of their account if it is less than $1,000 (unless the participant chooses a direct rollover within 90 days). Terminated participants with more than $1,000 in vested benefits may elect to receive a direct rollover to another tax-qualified plan or IRA, a lump-sum payment or quarterly cash installments, or, if the participant has not attained age 70 $^{1}/2$, may leave the vested benefits within the Plan until reaching age 70 $^{1}/2$. Upon the death of a participant, the participant s beneficiary shall be eligible to receive a distribution of the participant s account.

Termination of the Plan

The Company currently has no plans to terminate the Plan; however, the Company reserves the right to terminate the Plan at any time by action of the Board of Directors.

Risk and Uncertainties

The Plan provides for various investment options in several investment securities and instruments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

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2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan s investments are stated at fair value. Investments in mutual funds and common/collective trusts are valued at the closing net asset values of the funds on the last day of the Plan fiscal year. Teradata Corporation Common Stock is valued at the last quoted sales price on the New York Stock Exchange on the last business day of the Plan fiscal year. Participant loans are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are reported on the average cost method.

Plan Expenses

All administrative costs of the Plan may be paid by the Plan or, at the election of the Company, paid directly by the Company, except for a $50 participant loan application fee, which is charged to the account of the participant. Brokerage fees and commissions are included in the cost of investments when purchased and in determining the net proceeds on sales of investments. Investment management fees are paid from the respective assets of the investment option.

Payments to Withdrawing Participants

The Plan records payments to withdrawing participants at the time of disbursement.

Rollover Contributions and Transfers

Participant rollover contributions and transfers from other defined contribution plans are included as participant contributions in the Statement of Changes in Net Assets Available for Benefits.

Recently Issued Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value in Generally Accepted Accounting Principles (GAAP) and expands disclosures about fair value measurements. SFAS 157 is effective for financial assets and liabilities measured at fair value on a recurring basis for fiscal years beginning after November 15, 2007. FASB Staff Position No. FAS 157-2 (FSP 157-2), *Effective Date of FASB Statement No. 157*, deferred the effective date of SFAS 157 for all non-financial assets and non-financial liabilities to fiscal years beginning after November 15, 2008. The adoption of SFAS 157 is not expected to have a material impact to the Plan s net assets or changes in net assets.

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3. Investments

The following presents investments that represent five percent or more of the Plan s net assets:

	December 31, 2007
NTGI - QM Collective Daily Aggregate Bond Fund, 123,600 shares	$ 45,003,462
Pyramis Select International Equity Fund, 198,730 shares	$ 31,518,631
NTGI - QM Collective Daily S&P 500 Equity Index, 7,627 shares	$ 30,908,775
Teradata Stock Fund, 1,097,771 shares	$ 30,089,903
Fidelity Contrafund 364,127 shares	$ 26,621,336

During 2007, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $2,789,184 as follows:

	Year Ended December 31, 2007
Mutual funds (including investments, strategies, and common/collective trusts)	$ (10,733,182)
NCR Corporation Common Stock	(262,978)
Teradata Corporation Common Stock	8,206,976
	$ (2,789,184)

4. Related Party Transactions

Related party transactions consisted of loans made to participants and investments in Teradata Corporation Common Stock. At December 31, 2007 the Plan held 1,097,771 shares of Teradata common stock valued at $30,089,903. Additionally, the Plan s primary investment manager is Fidelity Investments (Fidelity). An affiliate of Fidelity serves as the record keeper for the Plan s participant data. Another affiliate of Fidelity serves as the trustee of the Plan. The cash receipts and cash disbursements from these investments constitute related party transactions. None of these related party transactions are prohibited transactions as defined under the Employee Retirement Income Security Act of 1974, as amended.

5. Tax Status

The Company has not yet received a determination letter from the Internal Revenue Service as to the qualified status of the Plan under Section 401(a) of the Internal Revenue Code (the Code). However, the Plan is substantially identical, in all material respects, to the NCR Savings Plan, which has received such a determination letter, and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the Company believes that the Plan is qualified and the related Trust is exempt from federal income taxes under Section 501(a) of the Code. Accordingly, income taxes are not provided for in the accompanying financial statements. Participant contributions, except for those contributions which participants elect to be tax-deferred under Section 401(k), are taxable to the participants in the year their contributions are made.

Participants are liable for federal income taxes relative to their Section 401(k) contributions, the Company matching contributions and the earnings of the Plan when the contributions are distributed to them.

6. Short Plan Year

The Plan became effective October 1, 2007, thus 2007 was a short plan year (seven months or fewer in duration) in accordance with Department of Labor Regulation §2520.104-50. A report of an independent qualified public accountant will be included in the Plan s 2008 annual report with respect to the financial statements and accompanying schedules for both the 2007 and 2008 plan years.

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Teradata Savings Plan

Supplemental Schedule

Schedule H, Line 4i   Schedule of Assets Held (at End of Year)**

December 31, 2007

Description and Identity of Issue, Borrower, Lender, or Similar Party	Number of Units of Shares	Cost****	Current Value
Common/Collective Trusts:			
Pyramis Aggressive Equity Fund*	15,037		$ 16,088,974
Pyramis Select International Equity Fund*	198,730		31,518,631
NTGI - QM Collective Daily Aggregate Bond Fund	123,600		45,003,462
NTGI - QM Collective Daily EAFE Index Fund	12,233		5,584,939
NTGI - QM Collective Daily Russell 2000 Index Fund	11,528		10,486,106
NTGI - QM Collective Daily S&P 500 Equity Index	7,627		30,908,775
Registered Investment Companies:			
Total Mutual Fund Window Investments***			347,632,639
Employer Related Investment:			
Teradata Common Stock*	1,097,771		30,089,903
Participant Loans (a)*			4,408,620
			$ 521,722,049

(a) The participant loan interest rates are between 4.5% 9.25%. The loan terms are between one year and five years.
* Party-in-interest, Pyramis is a Fidelity owned investment manager.
** This schedule represents those assets required to be reported under Section 2520.103-11 of the Department of Labor s Rules and Regulations, and Form 5500 Schedule H, Line 4i.
*** This line item represents the aggregate value of participant-directed mutual fund investments held within the Mutual Fund Window at Fidelity, which is a party-in-interest.
**** Per Section 2520.103-11(d) of the Department of Labor s Rules and Regulations, cost may be omitted as all investments are participant directed.

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Signatures

Teradata Savings Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, Teradata Corporation, the administrator of the Teradata Savings Plan, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

	Teradata Savings Plan
Date: June 27, 2008	By: /s/ Stephen M. Scheppmann Stephen M. Scheppmann Executive Vice President and Chief Financial Officer

le="MARGIN-TOP: 0pt; MARGIN-BOTTOM: 0pt; MARGIN-LEFT: 0pt; TEXT-INDENT: 0pt; TEXT-ALIGN: justify"> Mr. Hsieh is a citizen of Hong Kong S.A.R.

Item 3. Source and Amount of Funds or Other Consideration

The response to Item 3 is hereby amended and restated as follows:

Under the subscription and exchange agreement, as amended (the "*Subscription Agreement*"), by and among Grand Toys International, Inc. ("*Grand US*"), Grand HK and Centralink, Centralink subscribed for 10,000,000 ADSs* in exchange for all of the shares of Playwell International Limited ("*Playwell*"), a wholly-owned subsidiary of Centralink, and cash and other consideration in a total amount of US$11,000,000. Centralink and COIL used their working capital to finance this subscription price.

As part of an internal reorganization, Mr. Hsieh and COIL entered into an agreement pursuant to which COIL transferred all of its equity interest in Centralink, the direct owner of the ADSs, to Mr. Hsieh in exchange for US$1.00. Immediately thereafter, Mr. Hsieh contributed Centralink into CBIL as a capital contribution. Mr. Hsieh used his personal funds to finance the acquisition. As a result of the reorganization, CBIL is the direct parent of Centralink. Mr. Hsieh remains the ultimate beneficial owner of the ADSs. COIL does not have any interest in the ADSs.

Under the subscription agreement (the "*Note Agreement*") by and between Grand HK and Centralink, Centralink subscribed for an exchangeable note (the "*Note*") issued by Grand HK in the principal amount of US$7,675,000 in consideration of a cash loan in the amount of US$7,400,000. Centralink and COIL used their working capital to finance the subscription price. The Note was exchanged for 2,000,000 Series A Preference Shares of Grand HK (the "*Series A Shares*") plus US$145,089.04 in accrued interest, which was satisfied by the issuance of 52,175 ADSs* immediately after the Grand HK annual general meeting on April 15, 2005. In October 2005, Grand HK issued 73,030 ADSs* to satisfy the semiannual dividend of US$168,260 payable to Centralink as of June 30, 2005 on the Series A Shares. In May 2006, Grand HK issued 257,633 ADSs* to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of December 31, 2005 on the Series A Shares. In July 2006, Grand HK issued

*Prior to the change in ADS ratio effected as of October 1, 2007 by Grand HK from one ADS for every one ordinary share of Grand HK to one ADS for every five ordinary shares of Grand HK.

256,648 ADSs* to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of June 30, 2006 on the Series A Shares. On April 24, 2007, Grand HK issued 339,889 ADSs* to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of December 31, 2006 on the Series A Shares. As of June 30, 2007, Centralink was entitled to receive 99,368 ADSs from Grand HK to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of June 30, 2007 on the Series A Shares. Such ADSs have not yet been issued. As of December 31, 2007, Centralink was entitled to receive 235,086 ADSs from Grand HK to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of December 31, 2007 on the Series A Shares. Such ADSs have not yet been issued. The Series A Shares are convertible into 560,920 ADSs.

Under the exchange agreement dated November 30, 2005 (the "*Exchange Agreement*"), by and among Grand HK, Hua Yang Holdings Company Limited, a limited company organized under the laws of the Cayman Islands ("*Hua Yang*"), Kord Holdings, Inc., a limited liability company incorporated in the British Virgin Islands ("*Kord*"), and CBIL, on December 22, 2005 CBIL contributed to Grand HK all of the outstanding shares of Hua Yang and Kord for an aggregate US$44,000,000, which consisted of 10,840,598 Series B Convertible Preference Shares of Grand HK (the "*Series B Shares*") and the canceling of US$2,399,207 of net indebtedness owed to Grand HK and its subsidiaries by affiliates of Mr. Hsieh. In May 2006, at the request of CBIL, Grand HK issued 28,069 ADSs* to Centralink to satisfy the semiannual dividend of US$43,310 payable to CBIL as of December 31, 2005 on the Series B Shares. In July 2006, at the request of CBIL, Grand HK issued 640,324 ADSs* to Centralink to satisfy the semiannual dividend of US$988,018.88 payable to CBIL as of June 30, 2006 on the Series B Shares. On April 24, 2007, at the request of CBIL, Grand HK issued 640,324 ADSs* to Centralink to satisfy the semiannual dividend of US$988,018.88 payable to CBIL as of December 31, 2006 on the Series B Shares. As of June 30, 2007, CBIL was entitled to receive 128,065 ADSs from Grand HK to satisfy the semiannual dividend of US$988,018.88 payable to CBIL as of June 30, 2007 on the Series B Shares. Such ADSs have not yet been issued. As of December 31, 2007, CBIL was entitled to receive 128,065 ADSs from Grand HK to satisfy the semiannual dividend of US$988,018.88 payable to CBIL as of December 31, 2007 on the Series B Shares. Such ADSs have not yet been issued. The Series B Shares are convertible into 5,829,401 ADSs.

In connection with Grand HK's acquisition of International Playthings, Inc. ("*IPI*"), which was completed on February 28, 2005, Mr. Hsieh entered into a Securities Put Agreement with the sellers of IPI pursuant to which Mr. Hsieh agreed to provide the sellers of IPI with the option to require Mr. Hsieh to purchase, after the first anniversary of the closing of the acquisition but prior to the second anniversary of the closing of the acquisition, the 582,730 ADSs* received by IPI as partial consideration for its assets. On March 6, 2006, the sellers of IPI exercised their option to require Mr. Hsieh caused Centralink to purchase the 582,730 ADSs* at a purchase price

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*Prior to the change in ADS ratio effected as of October 1, 2007 by Grand HK from one ADS for every one ordinary share of Grand HK to one ADS for every five ordinary shares of Grand HK.

of US$1,600,000. Centralink used its working capital to finance the purchase, which was completed on May 4, 2006.

Since December 22, 2005, Mr. Hsieh has served as a director of the Company. As partial compensation for Mr. Hsieh's services as a director, Mr. Hsieh receives quarterly grants of options to purchase 250 ADSs, or 1,000 options per year, at an exercise price equal to the market price of ADSs on the date of grant.

Item 4. Purpose of Transaction:

The response to Item 4 is hereby amended and restated as follows:

The parties to the Subscription Agreement believe that the combination of Playwell's manufacturing and sourcing expertise, financial resources and cost-management skills and experience and Grand US' marketing and distribution presence in North America and the combined significant toy industry experience of the management of Playwell and Grand US will create a vertically-integrated company that will have manufacturing and distribution capabilities and allow Grand HK to expand its product offerings significantly. They also believe that together, the combined company will be a larger and financially more stable company and a stronger vehicle for future expansion.

The parties entered into the Exchange Agreement because the management of both CBIL and Grand HK believe that (i) Grand HK will benefit from the strong financial performance of Hua Yang and Kord, (ii) Hua Yang and Kord give Grand HK an entree into the lucrative publishing and party goods businesses thereby further diversifying its business operations within the toy and toy-related industries, and (iii) the manufacturing operations of Hua Yang and Kord will help complete the parties' vision of a vertically integrated company and give Grand HK significant additional capacity for new business.

The parties entered into the Note Agreement in order to fund the cash portion of the purchase price of Grand HK's acquisition of IPI and to provide ongoing working capital. The Note was sold at a US$275,000 discount in order to compensate Mr. Hsieh for providing the sellers of IPI with the option to require Mr. Hsieh to purchase, after the first anniversary of the closing of the acquisition but prior to the second anniversary of the closing of the acquisition, the ADSs received by IPI as partial consideration for its assets.

Item 5. Interest in Securities of the Issuer:

The response to Item 5 is hereby amended and restated as follows:

(a) According to the Form 20-F filed with the SEC by Grand HK on October 12, 2007, as of December 31, 2006, Grand HK had issued and outstanding 17,494,141 ordinary shares. Based on this information and including the 560,920 ADSs issuable by Grand HK upon conversion of the Series A

Shares, the 5,829,401 ADSs issuable by Grand HK upon conversion of the Series B Shares, and the 1,250 ADSs issuable by Grand HK upon exercise of vested options owned by Mr. Hsieh, the Reporting Persons beneficially own approximately 91.2% of the outstanding ADSs and ordinary shares. As of the date of this Statement, the Reporting Persons beneficially owned in the aggregate 9,741,157 ADSs (including 560,920 ADSs issuable by Grand HK upon conversion of the Series A Shares, the 5,829,401 ADSs issuable by Grand HK upon conversion of the Series B Shares, the 1,250 ADSs issuable upon exercise of the options owned by Mr. Hsieh and 727,272 ordinary shares of Grand HK).

(b) As of the date of this Statement, Centralink is the direct beneficial owner of 3,654,376 ADSs (including 560,920 ADSs issuable by Grand HK upon conversion of the Series A Shares and 145,454 ADSs that would be beneficially owned by Centralink if it exchanged the 727,272 ordinary shares of Grand HK currently owned by it for ADSs) being reported by the Reporting Persons. CBIL is the direct beneficial owner of 6,085,531 ADSs, (including 5,829,401 ADSs issuable by Grand HK upon conversion of the Series B Shares) and, as sole parent of Centralink, an indirect beneficial owner of 3,654,376 ADSs (including 560,920 ADSs issuable by Grand HK upon conversion of the Series A Shares and 145,454 ADSs that would be beneficially owned by Centralink if it exchanged the 727,272 ordinary shares of Grand HK currently owned by it for ADSs) being reported. Mr. Hsieh is the direct beneficial owner of 1,250 Grand ADSs (including 1,250 ADSs issuable by Grand HK upon exercise of options owned by Mr. Hsieh) and, as the direct owner of Centralink and CBIL, an indirect beneficial owner of the 9,739,907 ADSs (including 560,920 ADSs issuable by Grand HK upon conversion of the Series A Shares, 5,829,401 ADSs issuable by Grand HK upon conversion of the Series B Shares and 145,454 ADSs that would be beneficially owned by Centralink if it exchanged the 727,272 ordinary shares of Grand HK currently owned by it for ADSs) being reported. Centralink, CBIL and Mr. Hsieh have shared power to vote or direct the vote of all 9,741,157 ADSs (including 560,920 ADSs issuable by Grand HK upon conversion of the Series A Shares, 5,829,401 ADSs issuable by Grand HK upon conversion of the Series B Shares, 145,454 ADSs that would be beneficially owned by Centralink if it exchanged the 727,272 ordinary shares of Grand HK currently owned by it for ADSs and 1,250 ADSs issuable by Grand HK upon exercise of options owned by Mr. Hsieh) and shared power to dispose or direct the disposition of such ADSs.

(c) On June 30, 2007, Grand HK issued to Mr. Hsieh options to purchase 1,250* ADSs at an exercise price equal to US$0.77* per ADS. After adjustment for the ADS ratio change effected as of October 1, 2007, the total number of ADSs available for purchase under such option is 250 ADSs at an exercise price of US$3.85 per ADS.

As of June 30, 2007, (i) Centralink was entitled to receive 99,368 ADSs from Grand HK to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of June 30, 2007 on the Series A Shares and (ii) CBIL was entitled to receive 128,065 ADSs from Grand HK to satisfy the semiannual dividend of US$988,018.88 payable to CBIL as of June 30, 2007 on the Series B Shares. Such ADSs have not yet been issued.

On September 30, 2007, Grand HK issued to Mr. Hsieh options to purchase 1,250* ADSs at an exercise price equal to US$0.39 per ADS. After adjustment for the ADS ratio change effected as of October 1, 2007, the total number of ADSs available for purchase under such option is 250 ADSs at an exercise price of US$1.95 per ADS.

As of December 31, 2007, (i) Centralink was entitled to receive 235,086 ADSs from Grand HK to satisfy the semiannual dividend of US$402,937.50 payable to Centralink as of December 31, 2007 on the Series A Shares, and (ii) CBIL was entitled to receive 128,065 ADSs from Grand HK to satisfy the semiannual dividend of US$988,018.88 payable to CBIL as of December 31, 2007 on the Series B Shares. Such ADSs have not yet been issued.

On December 31, 2007, Grand HK issued to Mr. Hsieh options to purchase 250 ADSs at an exercise price equal to US$1.00 per ADS.

On March 31, 2008, Grand HK issued to Mr. Hsieh options to purchase 250 ADSs at an exercise price equal to US$1.47 per ADS.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The response to Item 6 is hereby amended and restated as follows:

COIL entered into a Consulting Agreement, dated August 25, 2004 (the "Consulting Agreement"), with Mr. Henry Hai Lin Hu ("Mr. Hu") pursuant to which Mr. Hu agreed to perform certain consulting services for COIL. As part of the internal reorganization described in Item 3, COIL's interest, rights and obligations in the Consulting Agreement were assigned and transferred to CBIL. Under the Consulting

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*Prior to the change in ADS ratio effected as of October 1, 2007 by Grand HK from one ADS for every one ordinary share of Grand HK to one ADS for every five ordinary shares of Grand HK.

Agreement, Mr. Hu was to receive, upon completion of certain milestones, among other things, a number of ADSs held by Centralink. COIL and Mr. Hu are currently in dispute regarding Mr. Hu's entitlement to a payment of 727,272 ADSs* from COIL, which was based on a predetermined price of US$2.75 per ADS* as set forth in the Consulting Agreement. In anticipation of a possible transfer of ADSs to Mr. Hu, Centralink exchanged 727,272* ADSs for an equivalent number of ordinary shares of Grand HK with The Bank of New York, Grand HK's depositary. After the exchange of ADSs, the transfer of the 727,272 ordinary shares to Mr. Hu was suspended due to the dispute between COIL and Mr. Hu. Centralink retains beneficial ownership of the 727,272 ordinary shares of Grand HK.

Since December 22, 2005, Mr. Hsieh has served as a director of the Company. As partial compensation for Mr. Hsieh's services as a director, Mr. Hsieh receives quarterly grants of options to purchase 250 ADSs, or 1,000 options per year, at an exercise price equal to the market price of ADSs on the date of grant.

Item 7. Material to be Filed as Exhibits

Exhibit 1	Joint Filing Agreement among Centralink, CBIL and Mr. Hsieh
Exhibit 99.1	Amended and Restated Agreement and Plan of Merger between Grand Toys International Limited and Grand Toys International, Inc. (incorporated by reference to Annex A contained in the 424(b)(3) prospectus of Grand HK filed with the SEC on August 6, 2004)
Exhibit 99.2	Subscription and Exchange Agreement, dated November 14, 2003, by and among Grand Toys International, Inc., Grand Toys International Limited and Centralink Investments Limited, as amended by Amendment No. 1, dated as of March 6, 2004, Amendment No. 2, dated as of March 31, 2004 and Amendment No. 3, dated as of May 31, 2004. (incorporated by reference to Annex B contained in the 424(b)(3) prospectus of Grand HK filed with the SEC on August 6, 2004)
Exhibit 99.3	Subscription Agreement, dated February 28, 2005, by and between Grand Toys International Limited and Centralink Investments Limited (incorporated by reference to Annex C to the Proxy Statement for Annual General Meeting of Grand HK contained in the Form 6-K filed with the SEC on April 4, 2005)

*Prior to the change in ADS ratio effected as of October 1, 2007 by Grand HK from one ADS for every one ordinary share of Grand HK to one ADS for every five ordinary shares of Grand HK.

Exhibit 99.4	Consulting Agreement, dated as of August 25, 2004, between Cornerstone Overseas Investments, Limited and Henry Hai Lin Hu (incorporated by reference to the Schedule 13D filed by Centralink, COIL and Mr. Hsieh on August 26, 2004)
Exhibit 99.5	Exchange Agreement, dated as of November 30, 2005, by and among Grand Toys International Limited, Hua Yang Holdings Company Limited, Kord Holdings, Inc. and Cornerstone Beststep International Limited (incorporated by reference to Annex A to the Proxy Statement for the Extraordinary General Meeting of Grand HK contained in the Form 6-K filed with the SEC on December 12, 2005)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 2, 2008

CENTRALINK INVESTMENTS LIMITED

By: /s/ HSIEH CHENG, JEFF

Name: Hsieh Cheng, Jeff
Title: Director

CORNERSTONE BESTSTEP INTERNATIONAL LIMITED

By: /s/ HSIEH CHENG, JEFF

Name: Hsieh Cheng, Jeff
Title: Director

By: /s/ HSIEH CHENG, JEFF

Name: Hsieh Cheng, Jeff

Exhibit 1

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of a Schedule 13D (including amendments thereto) with respect to the American Depositary Shares of Grand Toys International Limited and further agree that this Joint Filing Agreement be included as an exhibit to such joint filing.

Date: April 2, 2008

CENTRALINK INVESTMENTS LIMITED

By: /s/ HSIEH CHENG, JEFF

Name: Hsieh Cheng, Jeff
Title: Director

CORNERSTONE BESTSTEP INTERNATIONAL LIMITED

By: /s/ HSIEH CHENG, JEFF

Name: Hsieh Cheng, Jeff
Title: Director

By: /s/ HSIEH CHENG, JEFF

Name: Hsieh Cheng, Jeff