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If you have sold or transferred all your shares in USI Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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USI HOLDINGS LIMITED
富聯國際集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 369)

DISCLOSEABLE TRANSACTION
A JOINT VENTURE GROUP
FOR THE PURSUIT OF REAL ESTATE OPPORTUNITIES IN THE PRC

* For identification purpose only

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DEFINITIONS

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

“Best Joy”	Best Joy Enterprises Limited, a wholly-owned subsidiary of Jumbo Broad incorporated in the British Virgin Islands and a member of the Joint Venture Group
“Board”	the board of directors of the Company
“Company”	USI Holdings Limited
“Director”	a director of the Company
“Gao Bao”	Gao Bao International Company Limited, a company incorporated in the British Virgin Islands
“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
“Hongkong Land BVI”	King Noble International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Hongkong Land China
“Hongkong Land China”	Hongkong Land China Holdings Limited, a company incorporated in Bermuda
“Hongkong Land China Group”	Hongkong Land China and its subsidiaries
“Joint Venture Group”	Jumbo Broad and its subsidiaries
“Jumbo Broad”	Jumbo Broad Limited, a company incorporated in the British Virgin Islands and owned by USI BVI and Hongkong Land BVI as to 40% and 60%, respectively
“Latest Practicable Date”	21 June 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Companies
“PRC”	the People’s Republic of China

DEFINITIONS

“Raise Up”	Raise Up Enterprises Limited, a subsidiary of Best Joy incorporated in the British Virgin Islands and a member of the Joint Venture Group
“RMB”	Renminbi (the lawful currency of the PRC)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 8 October 2007 between Hongkong Land BVI, Hongkong Land China, USI BVI, the Company and Jumbo Broad
“Shares”	ordinary shares of HK\$0.50 each in the issued share capital of the Company
“Sonicworld”	Sonicworld Investment Limited, a company incorporated in the British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Territory”	the PRC and any other territory or territories which USI BVI and Hongkong Land BVI may agree from time to time
“US\$”	United States dollars (the lawful currency of the United States of America)
“USI BVI”	USI Investment (China) (No. 1) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Winsor Properties”	Winsor Properties Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which is a subsidiary of the Company the issued shares of which are listed on the Stock Exchange

For the purposes of this circular, any capital commitment for the benefit of the Joint Venture Group in RMB or US\$ has been converted into HK\$ at the rate of 1 RMB = HK\$1.136 or, as the case may be, US\$1 = HK\$7.81.

LETTER FROM THE BOARD

USI HOLDINGS LIMITED

富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

Executive directors:

Cheng Wai Chee, Christopher *GBS JP (Chairman)*

Cheng Wai Sun, Edward *SBS JP*

(Deputy Chairman and Chief Executive)

Cheng Man Piu, Francis

Chow Wai Wai, John

Ng Tak Wai, Frederick

Au Hing Lun, Dennis

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

25th Floor

Unimix Industrial Centre

2 Ng Fong Street

San Po Kong

Kowloon

Hong Kong

Non-executive directors:

Kwok Ping Luen, Raymond

Wong Yick Kam, Michael

(also an alternate to Kwok Ping Luen, Raymond)

Hong Pak Cheung, William

Loh Soo Eng

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Independent non-executive directors:

Simon Murray *CBE*

Fang Hung, Kenneth *GBS JP*

Yeung Kit Shing, Jackson

27 June 2008

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION A JOINT VENTURE GROUP FOR THE PURSUIT OF REAL ESTATE OPPORTUNITIES IN THE PRC

INTRODUCTION

The Board announced on 10 June 2008 that USI BVI and Hongkong Land BVI have established the Joint Venture Group pursuant to the Shareholders' Agreement for the purposes of pursuing real estate opportunities in the Territory. On 10 June 2008, the Group's total capital commitment for the benefit of the Joint Venture Group reached such an amount that the highest applicable percentage ratio

* *For identification purpose only*

LETTER FROM THE BOARD

under Rule 14.07 of the Listing Rules in respect of such total capital commitment exceeded 5%. Any further capital commitment by the Group for the benefit of the Joint Venture Group is not expected to cause any of the applicable percentage ratios to reach or exceed 25%. On this basis, this transaction constitutes a discloseable transaction of the Company under the Listing Rules.

In the event that the total capital commitment by the Group for the benefit of the Joint Venture Group increases to such an extent that any of the applicable percentage ratios reaches or exceeds 25%, the Company will re-classify the transaction and comply with the relevant requirements of Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with further information on the Joint Venture Group and certain general information on the Group.

DETAILS OF THE JOINT VENTURE GROUP

The transaction

Hongkong Land BVI (a wholly-owned subsidiary of Hongkong Land China), Hongkong Land China, USI BVI (a wholly-owned subsidiary of the Company), the Company and Jumbo Broad entered into the Shareholders' Agreement on 8 October 2007. Pursuant to the Shareholders' Agreement, USI BVI and Hongkong Land BVI have established the Joint Venture Group for the purposes of pursuing real estate opportunities in the Territory. The Joint Venture Group intends to focus on comprehensive property developments in first tier cities and fast-growing second-tier cities in the PRC, particularly those in the Pan Bohai Rim Region, the Yangtze River Delta and South Western China.

The Company and Hongkong Land China guarantee the performance of the obligations of USI BVI and Hongkong Land BVI, respectively, under the Shareholders' Agreement.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiry, Hongkong Land China, Hongkong Land BVI and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Jumbo Broad is owned by USI BVI and Hongkong Land BVI as to 40% and 60%, respectively.

The obligation of the shareholders of Jumbo Broad under the Shareholders' Agreement to provide funds to the Joint Venture Group is subject to the approval of shareholders holding in aggregate more than 75% of the shares of Jumbo Broad, including (on the basis of the current ownership of Jumbo Broad), the approval of USI BVI.

On 18 December 2007, a wholly-owned subsidiary of Jumbo Broad, Best Joy, and Sonicworld formed a joint venture through a joint venture company Raise Up. Best Joy and Sonicworld are interested in 50.51% and 49.49%, respectively, of the issued share capital of Raise Up. On the same date, Raise Up completed its acquisition of the entire issued share capital of Gao Bao. Gao Bao is

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interested in a number of sites in the Shenbei District in Shenyang, the Liaoning Province in the Pan Bohai Rim Region. To the best of the Directors' information, knowledge and belief having made all reasonable enquiry, the seller of Gao Bao and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

On 10 June 2008, USI BVI and Hongkong Land BVI agreed to make further capital commitments for the benefit of the Joint Venture Group such that the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Group's capital commitment reached 5% on the same date. USI BVI has agreed to make a total capital commitment for the benefit of the Joint Venture Group in an aggregate amount of approximately HK\$261 million, all of which has been or will be made by the Group in cash and which represents 40% of the total capital commitment by the shareholders of Jumbo Broad for the benefit of the Joint Venture Group. (The Group has made a total capital commitment of approximately HK\$215 million (of the total capital commitment of approximately HK\$261 million which USI BVI has agreed to make).) The shareholders of Jumbo Broad determine the amount of capital commitments for the benefit of the Joint Venture Group by reference to the funding requirements of the Joint Venture Group in its businesses. The Joint Venture Group has used, and intends to continue to use, these capital commitments from USI BVI and Hongkong Land BVI in funding the acquisitions and clearance of sites with a total site area of approximately 960,000 square metres in the Shenbei District and the Hunnan District in Shenyang (including those sites in which Gao Bao is interested) for the purposes of the development of high quality residences. The Joint Venture Group has not decided to acquire any other sites.

The Joint Venture Group has not commenced any business other than the acquisition of sites. In particular, the Joint Venture Group has not commenced any construction work on any of its sites.

The Group has funded and intends to continue to fund its capital commitments for the benefit of the Joint Venture Group from the Group's internal resources and/or bank borrowings.

Information about the Company

The principal subsidiaries of the Company are engaged in property development, property investment and management, hospitality investment and management, garment manufacturing and trading, branded products distribution and investing activities.

Information about Hongkong Land China

The Hongkong Land China Group owns and manages some five million square feet of prime office and retail space in the heart of Hong Kong's Central business district and is developing a range of property activities in Hong Kong, Macau and mainland China.

Hongkong Land China is a wholly-owned subsidiary of Hongkong Land Holdings Limited, one of Asia's leading property investment, management and development groups.

LETTER FROM THE BOARD

Information about Sonicworld

Sonicworld is an investment holding company principally engaged in property investment activities.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiry, Sonicworld and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Reasons for entering into the transaction

The Directors are optimistic about the property market in mainland China. The Board believes that the austerity measures being implemented in mainland China will help to create a healthier property market and will offer more opportunities for the Group to further its expansion into comprehensive development in mainland China. The Directors also expect that the robust economic growth in the PRC, its urbanization and the appreciation of RMB will continue to drive local demand for quality properties in the PRC.

The Directors consider that the Shareholders' Agreement and the capital commitment by the Company for the benefit of the Joint Venture Group have been agreed on normal commercial terms, which are fair and reasonable so far as the Company and the Shareholders are concerned, and that they are in the interests of the Company and the Shareholders as a whole.

Financial effect of the transaction

The commitment of the Group to the Joint Venture Group will be funded by internal resources and/or bank borrowings. To the extent that such commitment is financed by internal resources, this transaction will not have any effect on either the total assets or the net assets of the Group. To the extent that such commitment is financed by bank borrowings, the total assets and the total liabilities of the Group will be increased by the amount of such borrowings and hence this transaction will not have any effect on the net assets of the Group. The Joint Venture Group has not commenced any business other than the acquisition of sites and is therefore not expected to bring in positive contribution for the earnings of the Group for the financial year ending 31 December 2008.

GENERAL

On 10 June 2008, USI BVI agreed to make a further capital commitment for the benefit of the Joint Venture Group such that the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Group's total capital commitment for the benefit of the Joint Venture Group reached 5%. The highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the total capital commitment by the Group for the benefit of the Joint Venture Group has exceeded 5% but is less than 25%. Any further capital contribution by the Group for the benefit of the Joint Venture Group is not expected to cause any of the applicable percentage ratios to reach or exceed 25%. On this basis, this transaction constitutes a discloseable transaction of the Company under the Listing Rules.

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In the event that the total capital commitment by the Group for the benefit of the Joint Venture Group increases to such an extent that any of the applicable percentage ratios reaches or exceeds 25%, the Company will re-classify the transaction and comply with the relevant requirements of Chapter 14 of the Listing Rules.

GENERAL INFORMATION

Your attention is drawn to the general information set out in the Appendix to this circular.

Yours faithfully
For and on behalf of
USI HOLDINGS LIMITED
Cheng Wai Chee, Christopher
Chairman

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

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO or have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

1. Interests in shares in the Company (Long Position)

Name of Director	Number of Shares held				Total	Percentage of the Company's issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests		
Cheng Wai Chee, Christopher	2,594,249	—	148,439,086 (Note b)	332,152,024 (Note c)	483,185,359	48.91%
Cheng Wai Sun, Edward	2,654,750	—	—	332,152,024 (Note c)	334,806,774	33.89%
Cheng Man Piu, Francis	—	—	—	332,152,024 (Note c)	332,152,024	33.62%
Ng Tak Wai, Frederick	150,500	762,000	—	—	912,500	0.09%
Au Hing Lun, Dennis	546,750	—	—	—	546,750	0.05%
Kwok Ping Luen, Raymond	—	—	—	6,918,425 (Note d)	6,918,425	0.70%

Notes:

- (a) The total number of issued Shares as at the Latest Practicable Date was 987,997,168.
- (b) Mr. Cheng Wai Chee, Christopher was deemed to be interested in 148,439,086 Shares beneficially owned by Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited by virtue of his corporate interests in these companies through Wing Tai (Cheng) Holdings Limited, Renowned Development Limited and Wing Tai Corporation Limited. Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited were the beneficial owners of 68,747,996, 66,698,122 and 12,992,968 Shares respectively.

- (c) Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries of a family trust whose assets include indirect interests in 332,152,024 Shares beneficially owned by Brave Dragon Limited, Wing Tai Retail Pte. Ltd. (formerly Wing Tai Garment Manufactory (Singapore) Pte Limited) and Crossbrook Group Limited as set out under the section headed "Substantial Shareholders" below.
- (d) Mr. Kwok Ping Luen, Raymond was a beneficiary of a trust the assets of which include interests in 6,918,425 Shares.

2. Interests in underlying shares of the Company (Long Position)

(a) *Share options*

Details of the share options granted to an independent non-executive Director under the share option scheme of the Company and outstanding as at the Latest Practicable Date are as follows:-

Name of Director	Date of grant	Number of share options	Exercisable period	Exercise price per ordinary share
Simon Murray	19.4.2005	1,000,000	19.4.2006 to 18.4.2010	HK\$2.125

Note: The share options granted are exercisable during the period from 19 April 2006 to 18 April 2010 and subject to a vesting scale in tranches of 25 per cent per annum starting from the first anniversary of the date of grant. The options were granted under the share option scheme of the Company adopted on 10 June 2003.

(b) *Incentive shares*

Details of the incentive shares awarded to certain executive Directors under the share incentive scheme of the Company and outstanding as at the Latest Practicable Date are as follows:-

Name of Director	Date of award	Number of incentive shares	Vesting date/period
Cheng Wai Chee, Christopher	13.9.2005	300,000	13.9.2008
	25.4.2006	409,500	12.1.2008 to 12.1.2009
	26.7.2007	245,250	8.2.2009 to 8.2.2010
Cheng Wai Sun, Edward	13.9.2005	300,000	13.9.2008
	25.4.2006	273,000	12.1.2009
	26.7.2007	245,250	8.2.2009 to 8.2.2010
Ng Tak Wai, Frederick	13.9.2005	45,000	13.9.2008
	25.4.2006	29,500	12.1.2009
Au Hing Lun, Dennis	13.9.2005	75,000	13.9.2008
	25.4.2006	55,000	12.1.2009
	26.7.2007	98,250	8.2.2009 to 8.2.2010

Notes:

- (a) Awards of the incentive shares are rights given to selected employees (including executive directors) to subscribe in cash for Shares under the share incentive scheme approved by shareholders of the Company on 17 June 2005.
- (b) Subscription price per share is the nominal value of one Share. Funds for subscription of Shares will be provided by the Company when the right to subscribe for Shares is exercised.

(c) *Long position in shares of an associated corporation, Winsor Properties*

Name of Director	Number of ordinary shares held				Total	Percentage of the issued share capital of Winsor Properties (Note a)
	Personal interests	Family interests	Corporate interests	Other interests		
Cheng Wai Chee, Christopher	—	27,000	—	205,835,845 (Note b)	205,862,845	79.27%
Cheng Wai Sun, Edward	—	—	—	205,835,845 (Note b)	205,835,845	79.26%
Cheng Man Piu, Francis	—	—	—	205,835,845 (Note b)	205,835,845	79.26%
Chow Wai Wai, John	2,713,000	—	—	—	2,713,000	1.04%
Kwok Ping Luen, Raymond	500	—	—	—	500	0.0002%

Notes:

- (a) The total number of issued shares in the capital of Winsor Properties as at the Latest Practicable Date was 259,685,288 shares.
- (b) Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries of a family trust whose assets include indirect interests in 205,835,845 shares of Winsor Properties (“Winsor Shares”) beneficially owned by Twin Dragon Investments Limited (42,900,887 Winsor Shares), Shui Hing Textile International Limited (90,500 Winsor Shares) and the Company (162,844,458 Winsor Shares).

All the interests in shares disclosed above under this section represent long position in the shares and underlying shares of the Company or its associated corporations (within the meaning of the SFO). Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO) which has been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO and have been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Number of Shares beneficially held	Percentage of shareholding (Note 1)
Brave Dragon Limited	106,345,862	10.76%
Crossbrook Group Limited	202,808,162	20.53%
Wing Tai Holdings Limited	332,152,024	33.62% (Note 2)
Deutsche Bank International Trust Co. (Jersey) Limited	332,152,024	33.62% (Note 3)
Deutsche Bank International Trust Co. (Cayman) Limited	332,152,024	33.62% (Note 3)
Bestime Resources Limited	68,747,996	6.96%
Pofung Investments Limited	66,698,122	6.75%
Wing Tai Corporation Limited	135,446,118	13.71% (Note 4)
Renowned Development Limited	135,446,118	13.71% (Note 4)
Wing Tai (Cheng) Holdings Limited	148,439,086	15.02% (Note 5)
Wesmore Limited	83,946,158	8.50%
Sun Hung Kai Properties Limited	136,956,400	13.86% (Note 6)
Gala Land Investment Co. Limited	76,184,600	7.71%
Franham Group Limited	76,184,600	7.71% (Note 7)
Chou Wen Hsien	112,824,744	11.42% (Note 8)
Chou Yim Wan Chun, Ina	112,824,744	11.42% (Note 8)
Chow Chung Kai	112,609,202	11.40% (Note 9)
Chow Yu Yue Chen	112,609,202	11.40% (Note 9)

Notes:

- (1) The total number of issued Shares as at the Latest Practicable Date was 987,997,168.
- (2) Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. (formerly Wing Tai Garment Manufactory (Singapore) Pte Limited). Wing Tai Retail Pte. Ltd. owned 22,998,000 Shares.
- (3) Deutsche Bank International Trust Co. (Jersey) Limited was the trustee of a family trust (of which Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries) whose held all units of a unit trust ("Unit Trust"). Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust which beneficially owned 100% of the issued shares of Wing Tai Asia Holdings Limited and 61.3% of the issued shares of Terebene Holdings Inc. Wing Tai Asia Holdings Limited, through its wholly-owned subsidiary, Wing Sun Development Private Limited, held 28.08% of the issued shares of Wing Tai Holdings Limited. Terebene Holdings Inc. held 59.3% of the issued shares of Winlyn Investment Pte Ltd. which in turn held 9.19% of the issued shares of Wing Tai Holdings Limited.

- (4) Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited (“Bestime”) and Pofung Investments Limited (“Pofung”) and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in the Shares held by Bestime and Pofung.

By virtue of the corporate interest of Renowned Development Limited in Wing Tai Corporation Limited, the former was deemed to be interested in the latter’s interest in the Shares.

- (5) By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned Development Limited and Broxbourne Assets Limited, Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned Development Limited and Broxbourne Assets Limited in the Shares. Broxbourne Assets Limited beneficially owned 12,992,968 Shares.

- (6) Sun Hung Kai Properties Limited (“SHKP”) beneficially owned 100% of the issued share capital of Wesmore Limited (“Wesmore”), Fourseas Investments Limited (“Fourseas”), Junwall Holdings Ltd (“Junwall”), Sunrise Holdings Inc. (“Sunrise”) and Country World Ltd. (“Country World”).

Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited (“Soundworld”), Units Key Limited (“Units Key”) and Triple Surge Limited (“Triple Surge”). Soundworld, Units Key and Triple Surge were the beneficial owners of 15,651,992, 3,502,000 and 28,260,000 Shares respectively.

Junwall beneficially owned 100% of the issued share capital of Techglory Limited (“Techglory”). Techglory was the beneficial owner of 144,000 Shares.

Sunrise beneficially owned 100% of the issued share capital of Charmview International Ltd (“Charmview”). Charmview was the beneficial owner of 5,356,200 Shares.

Country World beneficially owned 100% of the issued share capital of Erax Strong Development Ltd (“Erax Strong”). Erax Strong was the beneficial owner of 96,050 Shares.

By virtue of the corporate interest of SHKP in the aforesaid companies, SHKP was deemed to be interested in the interest of Wesmore, Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.

- (7) Franham Group Ltd beneficially owned 100% of the issued share capital of Gala Land Investment Co. Ltd (“Gala Land”), therefore, it was deemed to be interested in the Shares held by Gala Land in the Company by virtue of its corporate interest in it.

- (8) Mr. Chou Wen Hsien and his wife, Madam Chou Yim Wan Chun, Ina held 28,910,696 and 7,729,448 Shares respectively.

Mr. Chou Wen Hsien was entitled to exercise 50% of the voting power of Franham Group Ltd, which in turn owned 100% of the issued share capital of Gala Land.

By virtue of the family interest and the corporate interest in Franham Group Ltd, each of Mr. Chou Wen Hsien and Madam Chou Yim Wan Chun, Ina was deemed to be interested in 112,824,744 Shares.

- (9) Mr. Chow Chung Kai and his wife, Madam Chow Yu Yue Chen held 36,399,177 and 25,425 Shares respectively.

Mr. Chow Chung Kai was entitled to exercise 50% of the voting power of Franham Group Ltd, which in turn owned 100% of the issued share capital of Gala Land.

By virtue of the family interest and corporate interest in Franham Group Ltd, each of Mr. Chow Chung Kai and Madam Chow Yu Yue Chen was deemed to be interested in 112,609,202 Shares.

All the interests in shares disclosed under this section represent long position in the shares of the Company. Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any other person (other than the Directors and the chief executive of the Company) who has an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company pursuant to section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. LITIGATION

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

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The interests of the Directors and their associates in competing businesses required to be disclosed pursuant to Rule 8.10 of the Listing Rules are as follows:

Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis are substantial shareholders of Wing Tai (Cheng) Holdings Limited and Pacific Investment Exponents Inc. (the "Group One Companies"). Mr. Cheng Wai Chee, Christopher and Mr. Cheng Man Pui, Francis are directors of Wing Tai (Cheng) Holdings Limited. Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis are directors of Pacific Investment Exponents Inc.

Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis are beneficiaries of a family trust which is a substantial shareholder of Wing Tai Garment Industrial Holdings Limited (the "Group Two Company"). Mr. Cheng Wai Chee, Christopher and Mr. Cheng Man Piu, Francis are directors of the Group Two Company.

Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis are beneficiaries of a family trust which is a substantial shareholder of Wing Tai Asia Holdings Limited and Terebene Holdings Inc. (the "Group Three Companies").

Certain companies controlled by the Group One Companies and the Group Two Company carry on garment business in China which might be regarded as competitive to the Group's apparel business.

Certain companies affiliated with the Group Three Companies carry on garment business in Malaysia which might be regarded as competitive to the Group's apparel business.

The Company's independent non-executive directors and the members of the Company's Audit Committee will ensure that the Group is capable of carrying on its business independently of, and at arm's length from the aforesaid garment businesses.

Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward, Mr. Chow Wai Wai, John and Mr. Au Hing Lun, Dennis are directors of Winsor Properties. Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Chow Wai Wai, John are interested in the equity of Winsor Properties. Winsor Properties became a subsidiary of the Company since June 2007. The property development business of Winsor Properties may be regarded as competitive to the Group's property development business.

The independent non-executive directors of the Company and the members of the Company's Audit Committee will ensure that the Group is capable of carrying on its businesses independently of, and at arm's length from the aforesaid property development business of Winsor Properties.

Mr. Kwok Ping Luen, Raymond and Mr. Wong Yick Kam, Michael are directors of Sun Hung Kai Properties Limited ("SHKP"). Businesses of SHKP consist of property development and investment. Only in this respect they are regarded to be interested in the relevant competing business with the Group.

Mr. Kwok Ping Luen, Raymond is a director of Transport International Holdings Limited ("TIH"). Businesses of TIH consist of property development and investment. Only in this respect he is regarded to be interested in the relevant competing business with the Group.

The aforesaid competing businesses, in which Mr. Kwok Ping Luen, Raymond and Mr. Wong Yick Kam, Michael are regarded to be interested, are managed by separate publicly listed companies with independent management and administration. In this respect, coupled with the diligence of its independent non-executive directors and the Audit Committee, the Group is capable of carrying on its business independently of, and at arm's length from, the said competing businesses.

7. MISCELLANEOUS

Registered office	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
Head office and principal place of business in Hong Kong	25th Floor, Unimix Industrial Centre 2 Ng Fong Street San Po Kong Kowloon Hong Kong
Company secretary and qualified accountant	Fung Ching Man, Janet, a fellow member of the Hong Kong Institute of Certified Public Accountants
Principal share registrars and transfer office	The Bank of Bermuda Limited 6 Front Street, Hamilton HM 11 PO Box HM1020 Hamilton HM DX Bermuda
Hong Kong branch share registrars and transfer office	Tricor Standard Limited 26th Floor, Tesbury Centre 28 Queen's Road East Hong Kong

The English text of this circular shall prevail over the Chinese text.