
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in USI Holdings Limited (the “**Company**”), 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

USI Holdings Limited
富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

CONTINUING CONNECTED TRANSACTIONS

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**

Piper Jaffray

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 7 of this circular and a letter from Piper Jaffray Asia Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice is set out on pages 8 to 14 of this circular.

A notice convening a special general meeting to be held at 25th Floor, Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong on Tuesday, 30 December 2008 at 2:30 p.m. is set out on page 25 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Hong Kong Branch Share Registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

15 December 2008

* *For identification purpose only*

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Letter from the Independent Board Committee	7
Letter from Piper Jaffray Asia Limited	8
Appendix – General Information	15
Notice of Special General Meeting	25

DEFINITIONS

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

“Board”	the board of directors of the Company;
“Company”	USI Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange;
“Connected Person”	has the meaning as ascribed to it under the Listing Rules;
“Directors”	directors of the Company;
“GBP”	Great British Pound, being the lawful currency of the United Kingdom;
“Gieves”	Gieves Limited, a wholly-owned subsidiary Gieves & Hawkes plc;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent committee of the board of directors of the Company comprising the 3 independent non-executive directors of the Company (being Simon Murray, Fang Hung, Kenneth and Yeung Kit Shing, Jackson) formed to advise the Independent Shareholders in respect of the 2008 Agreement, the Transactions and the Annual Caps;
“Independent Shareholders”	the Shareholders other than those who are required by Rule 14A.18 of the Listing Rules to abstain from voting on the resolution(s) approving the 2008 Agreement, the Transactions and the Annual Caps;
“Latest Practicable Date”	8 December 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 Issuers;

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the 2008 Agreement, the Transactions and the Annual Caps;
“Shareholders”	the holders of the ordinary shares in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wensum”	Wensum Tailoring Limited, a wholly-owned subsidiary of Wing Tai;
“Wing Tai”	Wing Tai Corporation Limited, a substantial shareholder of the Company incorporated in Hong Kong with limited liability; and
“Winsor”	Winsor Properties Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which is a subsidiary of the Company and the issued shares of which are listed on the Stock Exchange.

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

15 December 2008

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

BACKGROUND

Reference is made to:–

- (i) the announcement made by the Company dated 3 November 2006 that, among other things, an agreement was entered into between Gieves and Wensum on 31 October 2006 (the “**2006 Agreement**”) under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for a term from 31 October 2006 to 31 December 2008; and

* *For identification purpose only*

LETTER FROM THE BOARD

- (ii) the announcement made by the Company dated 21 August 2008 that it was estimated that the maximum aggregate annual value of the transactions contemplated under the 2006 Agreement for the year ending 31 December 2008 would increase from GBP2,000,000 to GBP3,500,000.

The 2006 Agreement will expire on 31 December 2008.

The Directors announced on 4 December 2008 that an agreement was entered into between Gieves and Wensum (the “**2008 Agreement**”) on that day. The 2008 Agreement sets out the terms and conditions under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the 3 years ending on 31 December 2011. The transactions contemplated under the 2008 Agreement (the “**Transactions**”) will constitute continuing connected transactions of the Company for the purposes of the Listing Rules.

SUMMARY OF THE 2008 AGREEMENT

Date of Agreement	:	4 December 2008
Seller	:	Wensum
Buyer	:	Gieves
Term	:	from 1 January 2009 to 31 December 2011

Pursuant to the 2008 Agreement, Gieves may buy certain finished tailored menswear or their components as specified in orders to be issued by Gieves to Wensum from time to time during the term. According to the 2008 Agreement, the purchases are on 30 days credit and 2.5% early settlement discount is allowed if payment is made within 30 days.

The terms of the 2008 Agreement are determined after arm’s length negotiations between Gieves and Wensum and are similar to those of the 2006 Agreement.

THE CAP AMOUNTS

All orders will be placed by Gieves with Wensum at Wensum’s quoted prices (which will be determined based upon market situation, including market prices from time to time and the prices of goods of quantities, specifications and types similar to those sold by Wensum to independent third parties). It is estimated that the maximum aggregate annual values of the Transactions for the three years ending 31 December 2009, 31 December 2010 and 31 December 2011 will be GBP4,000,000, GBP4,500,000 and GBP5,000,000 respectively (the “**Annual Caps**”). These estimates are made after taking into account the previous sales volumes, the expected business expansion of Gieves and the upward trend of the prices of raw materials and components. The aggregate sales volume for the year ended 31 December 2007 amounted to GBP1,497,000. The aggregate sale volume for the period from 1 January 2008 to 31 October 2008 amounted to approximately GBP2,662,000. The Annual Caps do not represent any commitment on the part of Gieves but are estimates on the maximum business volume between Gieves and Wensum during the term of the 2008 Agreement.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Wensum has been a supplier of finished tailored menswear or their components to Gieves for many years and therefore mutual-trust business relationship between Wensum and Gieves has been built up over time. A stable and uninterrupted supply of quality goods from a trustworthy supplier is vital to the business operations of Gieves.

The Directors, including the independent non-executive directors, are of the view that the 2008 Agreement has been, and the Transactions will be, entered into in the ordinary and usual course of businesses of the Group and that the terms of the 2008 Agreement, the Transactions and the Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE COMPANY, GIEVES AND WING TAI

The Company is an investment holding company. Its principal subsidiaries and jointly controlled entities are engaged in property development, property investment and management, hospitality investment and management, garment manufacturing and trading, branded products distribution and investing activities.

Gieves is a wholly-owned subsidiary of Gieves & Hawkes plc which is a wholly-owned subsidiary of the Company. Gieves & Hawkes plc is principally engaged in retailing, wholesaling and licensing of menswear.

Wensum is principally engaged in the business of supplying garment products. It is a wholly-owned subsidiary of Wing Tai and therefore a Connected Person of the Company.

LISTING RULES REQUIREMENTS

Wensum is a wholly-owned subsidiary of Wing Tai which is a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, each of Wensum and Wing Tai is a Connected Person of the Company and the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Each of Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis (Directors of the Company) has an indirect interest in the issued share capital of Wing Tai and Wensum. Mr. Cheng Wai Sun, Edward is also the Chief Executive of the Company.

As it is anticipated that the highest applicable percentage ratio for the Annual Caps exceeds 2.5%, the Transactions and the Annual Caps are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all independent non-executive directors of the Company has been formed to advise the Independent Shareholders in respect of the 2008 Agreement, the Transactions and the Annual Caps. Piper Jaffray Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in these regards. The Transactions are conditional upon, among other things, the approval of the Independent Shareholders.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

The SGM will be held to consider and, if thought fit, to approve the 2008 Agreement, the Transactions and the Annual Caps. The Shareholders who are required by Rule 14A.18 of the Listing Rules to abstain from voting on the resolution(s) approving the 2008 Agreement, the Transactions and the Annual Caps, including Wing Tai and its associates, will abstain from voting on the same at the SGM. Insofar as the Company is aware, having made all reasonable enquiries, as at the Latest Practicable Date, these Shareholders controlled or were entitled to exercise control over the voting rights in respect of their Shares.

A notice convening the SGM to be held at 25th Floor, Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong on Tuesday, 30 December 2008 at 2:30 p.m. is set out on page 25 of this circular. An ordinary resolution will be proposed at the SGM to approve the 2008 Agreement, the Transactions and the Annual Caps. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong Branch Share Registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish. Voting at the SGM will be taken by a poll. Details of the poll procedure are set out in the Appendix to this circular.

RECOMMENDATION

The Board considers that the 2008 Agreement has been, and the Transactions will be, entered into in the ordinary and usual course of businesses of the Group and that the terms of the 2008 Agreement, the Transactions and the Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the 2008 Agreement, the Transactions and the Annual Caps.

Your attention is drawn to the letter from the Independent Board Committee on page 7 of this circular and the letter from Piper Jaffray Asia Limited to the Independent Board Committee and Independent Shareholders on pages 8 to 14 of this circular.

GENERAL INFORMATION

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

USI Holdings Limited 富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 369)

15 December 2008

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 15 December 2008 of the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the 2008 Agreement has been, and the Transactions will be, entered into in the ordinary and usual course of businesses of the Group and that the terms of the 2008 Agreement, the Transactions and the Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders taken as a whole.

We wish to draw your attention to the “Letter from the Board” as set out on pages 3 to 6 of the Circular and the “Letter from Piper Jaffray Asia Limited” as set out on pages 8 to 14 of the Circular which contains, inter alia, its advice and recommendation to us and the Independent Shareholders regarding the terms of the 2008 Agreement, the Transactions and the Annual Caps together with the principal factors and reasons for its advice and recommendation.

Having taken into account the advice and recommendation of Piper Jaffray Asia Limited as stated in its letter, we consider that the 2008 Agreement has been, and the Transactions will be, entered into in the ordinary and usual course of businesses of the Group and that the terms of the 2008 Agreement, the Transactions and the Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders taken as a whole. Accordingly, we recommend that the Independent Shareholders should vote in favour of the resolution to be proposed to approve the terms of the 2008 Agreement, the Transactions and the Annual Caps.

Yours faithfully,
For and on behalf of
Independent Board Committee
Simon Murray
Fang Hung, Kenneth
Yeung Kit Shing, Jackson
Independent Non-Executive Directors

* *For identification purpose only*

LETTER FROM PIPER JAFFRAY ASIA LIMITED

The following is the letter of advice from Piper Jaffray Asia Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.

PiperJaffray®

3902B, 39th Floor, Tower 1
Lippo Centre
89 Queensway
Hong Kong

15 December 2008

*To: the Independent Board Committee and
the Independent Shareholders of USI Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 2008 Agreement, the Transactions and the Annual Caps. Details of the Transactions are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 15 December 2008 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Wensum is a wholly-owned subsidiary of Wing Tai which is a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, each of Wensum and Wing Tai is a Connected Person of the Company and the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As it is anticipated that the highest applicable percentage ratio for the Annual Caps exceeds 2.5%, the Transactions and the Annual Caps are subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all independent non-executive directors of the Company has been formed to advise the Independent Shareholders in respect of the 2008 Agreement, the Transactions and the Annual Caps.

BASIS OF OPINION

In formulating our opinions and recommendations, we have relied on the statements, information, opinions and representations (other than those about, of or given by us) contained or referred to in the Circular (together, the “**Relevant Information**”). We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular were true, complete and accurate in all respects at the time they were made and/or given and continue to be true in all respects as at the date of this letter of advice (the “**Letter**”). We have also assumed that all statements of belief, opinion, assumptions and intention made by the Directors in the Circular were reasonably

LETTER FROM PIPER JAFFRAY ASIA LIMITED

made after due and careful enquiry and were honestly made. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us and the statements made by the Directors in connection with the Circular or the truth, accuracy and completeness of any other Relevant Information and we have been advised by the Directors that no material facts in respect of the Company and/or the Group have been omitted from the information and representations provided and referred to in the Circular.

We consider that we have been provided with sufficient information to enable us to reach an independent view to justify our reliance on the truth, accuracy and completeness of the Relevant Information and to provide a reasonable basis for our recommendations. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the Relevant Information untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the Relevant Information, nor have we conducted any independent investigation into any related transactions referred to in the Circular, or into the businesses, affairs or prospects of the Company.

We are a licensed securities dealer and corporate finance adviser under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and together with our affiliates provide a full range of financial advisory and broking services. In the course of normal trading activities, we and our affiliates may from time to time effect transactions and hold securities, including derivative securities, of the Company for our own account or the accounts of our customers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion, we have considered the following principal factors and reasons:

(I) Background of the Transactions

The Company is an investment holding company. Its principal subsidiaries and jointly controlled entities are engaged in property development, property investment and management, hospitality investment and management, garment manufacturing and trading, branded products distribution and investing activities. Gieves is a wholly-owned subsidiary of Gieves & Hawkes plc (“**Gieves Plc**”) which in turn is a wholly-owned subsidiary of the Company. Gieves Plc is principally engaged in retailing, wholesaling and licensing of menswear.

Wensum is principally engaged in the business of supplying garment products. It is a wholly-owned subsidiary of Wing Tai and therefore a Connected Person of the Company.

We noted from the announcement of the Company dated 3 November 2006 (the “**2006 CCT Announcement**”) that, Gieves had been previously sourcing finished tailored menswear from Wensum Clothing Company PLC (“**Wensum Clothing**”) which was an independent third party to the Company, prior to the acquisition of business and certain assets and liabilities of Wensum Clothing by Wensum in 2006 (the “**Wensum Acquisition**”). Since Wensum is a subsidiary of Wing Tai, the supply of finished tailored menswear by Wensum to Gieves has become a continuing connected transaction for the Company after the Wensum Acquisition under the Listing Rules. As disclosed in the 2006 CCT Announcement, the 2006 Agreement was entered into between Gieves and Wensum and under which Gieves would place orders with

LETTER FROM PIPER JAFFRAY ASIA LIMITED

Wensum for supply of certain finished tailored menswear or their components for a term from 31 October 2006 to 31 December 2008. Thereafter, the Company announced on 21 August 2008 (the “**2008 CCT Announcement**”) that the maximum aggregate annual value of the transactions contemplated under the 2006 Agreement for the year ending 31 December 2008 would increase from GBP2,000,000 (equivalent to approximately HK\$23,000,000) to GBP3,500,000 (equivalent to approximately HK\$40,000,000).

On 4 December 2008, the 2008 Agreement was entered into between Gieves and Wensum. The 2008 Agreement sets out the terms and conditions under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the three years ending on 31 December 2011. As stated in the Letter from the Board, the Annual Caps for the Transactions for the three years ending 31 December 2009, 31 December 2010 and 31 December 2011 would be GBP4,000,000 (equivalent to approximately HK\$46,000,000), GBP4,500,000 (equivalent to approximately HK\$51,000,000) and GBP5,000,000 (equivalent to HK\$57,000,000) respectively.

(II) Reasons for and benefits of the Transactions

As set out in the Letter from the Board, Wensum is principally engaged in the business of supplying garment products.

We understand from our discussion with the management of the Company that, based on the past experience of dealing with Wensum and Wensum’s expertise and experience in the apparel manufacturing industry in the United Kingdom (the “**U.K.**”), the management of the Company considers that Wensum is a trustworthy supplier and has built up mutual-trust and stable relationship with the Company for a long period of time. In order to have a better understanding of Wensum, we have reviewed information of Wensum provided by the Company and obtained from public domains. We noted that Wensum supplies own label luxury tailored garments to a number of leading international menswear brands and niche retailers such as Harrods, John Lewis Partnership, Austin Reed, Hackett and Aquascutum in the U.K. for over 60 years. Wensum also provides personal tailoring service which allows their customers to individualise their suits, jackets and trousers.

As advised by the management of the Company, Gieves had built up business relationship with Wensum Clothing since 1995 and Wensum Clothing has been a key production partner for Gieves. According to the Company, the amounts of the purchases by Gieves from Wensum for the period from May 2006 to 31 December 2006, the year ended 31 December 2007 and the first ten months of 2008 represented approximately 13.1%, 22.0% and 44.6% of Gieves’s total purchases for each of the relevant period.

Having considered the aforesaid, we consider that given the history and prolonged establishment of Wensum and its expertise and experience in the garment industry in the U.K., Wensum should be able to serve as one of the major suppliers of Gieves. The 2008 Agreement seeks to ensure a stable and uninterrupted supply of goods to Gieves and to maintain their business relationship which has been built up for many years. We therefore concur with the view of the Directors that it is in the interests of the Group and the Shareholders as a whole to continue the purchases with Wensum as contemplated under the 2008 Agreement.

LETTER FROM PIPER JAFFRAY ASIA LIMITED

(III) Major terms of the 2008 Agreement

As set out in the Letter from the Board, the terms of the 2008 Agreement entered into between Gieves and Wensum on 4 December 2008 are similar to those of the 2006 Agreement. We are further advised by the management of the Company that Gieves is also currently sourcing finished tailored menswear and their components from other manufacturers which are third parties independent of the Group and its connected persons (the “**Independent Manufacturers**”).

To assess the fairness and reasonableness of the terms of the 2008 Agreement, we have reviewed the 2006 Agreement. Based on our review, we noted that the major terms of the 2008 Agreement, including but not limited to those governing placement of purchase orders, use of trade mark, quality control, delivery, disposal of seconds and termination of the agreement and purchase orders, are similar to those available to the 2006 Agreement. The Company also confirms that the independent non-executive directors of the Company have reviewed the previous continuing connected transactions contemplated under the 2006 Agreements. We are further advised by the Company that the pricing and payment terms for the purchases by Gieves from Wensum are determined after arm’s length negotiation between the relevant parties with reference to the market prices from time to time and prices quoted by Wensum to its other independent customers who source similar merchandise as Gieves. The management of the Company also confirms that the pricing and payment terms of the purchases by Gieves offered by Wensum are no less favorable than those offered by its Independent Manufacturers.

Furthermore, we have discussed with the management of the Company regarding the internal procedures on the procurement of goods by Gieves from its suppliers. Based on our discussion, we understand that Gieves regularly reviews pricing from both Wensum and other Independent Manufacturers. For machine-made menswear suits, Gieves will compare price quotations on goods with similar nature and quality obtained from several vendors at first stage of procurement process. Before placing any orders for prototypes which will then be subject to quality inspection, each supplier is asked to provide quotation. These quotations are then compared with Gieves’ target costs and profit margin requirements and will become the subject of negotiation and Gieves, from time to time, will make counter quotation to ensure that they are competitive. Gieves will place orders with Wensum only when the quotations submitted by Wensum are competitive as compared to those of the Independent Manufacturers.

We have compared some price quotations and invoices by Wensum and a sales agent for an Independent Manufacturer in Italy on certain finished tailored menswear parts and components, which are considered by the Gieves’s management as the best comparable products in nature and quality supplied by the two different suppliers. We noted that the unit cost of purchasing finished tailored menswear from Wensum in general is comparable to that from such Independent Manufacturer. We have also reviewed the historical purchases records of Gieves in 2008 on a sample basis, including the corresponding purchase orders, and noted that, for the sample purchase orders we have reviewed, the payment terms stated in those purchase orders placed by the Gieves to Wensum are similar to those available to the abovementioned Independent Manufacturer.

LETTER FROM PIPER JAFFRAY ASIA LIMITED

Based on the above, we consider that the pricing and payment terms offered by Wensum under the 2008 Agreement are no less favorable than those provided by the Independent Manufacturers of Gieves and the terms of the 2008 Agreement are fair and reasonable, within the ordinary and usual course of business, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

(IV) Basis of the Annual Caps

As set out in the Letter from the Board, the Directors estimated that the Annual Caps for the three years ending 31 December 2009, 31 December 2010 and 31 December 2011 will be GBP4,000,000, GBP4,500,000 and GBP5,000,000 respectively.

To assess the reasonableness and fairness of the Annual Caps, we have discussed with the management of the Company regarding the relevant underlying principal assumptions and the basis adopted for the determination of the Annual Caps, and understand that the Company has taken into account the following factors:

(i) *Historical transaction amounts between Gieves and Wensum*

Set out below is a summary of the historical purchase amounts by Gieves from Wensum as set out in the Letter from the Board and in the 2008 CCT Announcement:

(GBP)	For the year ended 31 December		For the year ending 31 December
	2006	2007	2008
Annual cap	800,000	1,500,000	3,500,000 <i>(Note 3)</i>
Annual cap/revenue of garment segment (%) <i>(Note 1)</i>	0.07%	0.13%	0.79% <i>(Note 4)</i>
Actual transaction amount	556,000 <i>(Note 2)</i>	1,497,000	2,662,000 <i>(Note 5)</i>
Actual transaction amount/ annual cap (%)	69.5%	99.8%	76.1%

Notes:

- Revenue of garment segment refers to the total revenue of the garment manufacturing and trading and branded products distribution segments of the Group as disclosed in the annual reports for the two years ended 31 December 2007 and the interim report for the six months ended 30 June 2008 of the Group.
- The actual transaction amount covered the period from May 2006 to 31 December 2006 as disclosed in the annual report for the year ended 31 December 2006 of the Group.

LETTER FROM PIPER JAFFRAY ASIA LIMITED

3. The Company has revised the annual cap for the year ended 31 December 2008 from GBP2,000,000 to GBP3,500,000 as disclosed in the 2008 CCT Announcement.
4. The percentage ratio was calculated based on the total revenue of the garment manufacturing and trading and branded products distribution segments for the six months ended 30 June 2008 of the Group.
5. The actual transaction amount covered the period for the ten months ending 31 October 2008.

As seen from the above table, Gieves purchased finished tailored menswear and/or their components from Wensum with an actual amount of GBP556,000 in 2006 (or an average of approximately GBP69,500 per month), approximately GBP1,497,000 in 2007 (or an average of approximately GBP124,750 per month, representing an approximately 79.5% growth as compared with that of 2006) and approximately GBP2,662,000 for the first ten months of 2008 (or an average of approximately GBP266,200 per month, representing an approximately 113% increase as compared with that of the whole year of 2007). According to the management of the Company, such significant growth of purchase by Gieves from Wensum was mainly due to the change of selection of manufacturers from a previous supplier to Wensum for better quality and make of goods.

(ii) The expected business development of Gieves in the near future

As advised by the Company, the assumed growth rate adopted by the Company when determining the Annual Caps for Gieves is mainly attributable to (i) the historical revenue growth of Gieves's menswear retail business; and (ii) the management's expectation on the performance of Gieves's personal tailoring business in the coming years.

We have obtained from the Company the audited consolidated financial statements for the 52 weeks ended 30 December 2006 and the 52 weeks ended 29 December 2007 and the unaudited management accounts for the six months ended 30 June 2008 of Gieves Plc and its subsidiaries (the "**Gieves Group**"), we noted that the sales revenue of the Gieves Group from its retailing, wholesaling and licensing of menswear operation recorded a growth rate of approximately 8% in 2006 and a slight drop of 3% in 2007 and a slight growth rate of 0.5% for the first six months of 2008 as compared with the same period of the preceding financial year.

Despite the lack of significant growth of the Gieves Group's revenues in the past two years, we are advised by the management of the Company that, the Gieves Group intends to expand its menswear retail business in 2009 and 2010. Despite the current global economic recession, the Company expects that the like-for-like store growth for Gieves will continue in the near future and has prepared preliminary budget for the growth. We have reviewed the preliminary budget and capital expenditure plan of Gieves and noted that Gieves intends to increase its capital investment in the coming years to support its plan for improving sourcing, increasing seasonal buys and quality staff in a number of key growth stores. It is expected that, based on the above factors, more purchase orders of menswear will have to be made by Gieves in the near future to support its expansion plan.

LETTER FROM PIPER JAFFRAY ASIA LIMITED

Having considered the aforesaid factors, we consider that the Annual Caps are in line with Gieves's historical sales growth in its retail menswear distribution business and its future business development. We are of the view that the Annual Caps are fair and reasonable as far as the Company and its shareholders as a whole are concerned.

For the purposes of this Letter, amounts denominated in GBP have been converted into HK\$ at the rate of HK\$11.40 =GBP 1.

RECOMMENDATION

We note that the 2008 Agreement is subject to a number of conditions, including approval of the 2008 Agreements, the Transactions and the Annual Caps by the Independent Shareholders at the SGM.

Having considered the above principal factors and reasons, and in particular:

- the long-term relationship established between Gieves and Wensum and the advantage of a stable supply of goods for Gieves;
- the terms of the 2008 Agreement and the previous 2006 Agreement are comparable;
- the quoted prices of certain finished tailored menswear components of similar nature and quality supplied by Wensum and the Independent Manufacturer are comparable and the prices quoted by Wensum are no less favourable than those of the Independent Manufacturer;
- the growth of historical purchase amounts by Gieves from Wensum and the expansion plan of Gieves's menswear retail business; and
- all of the other analyses, reasons and factors mentioned in the Letter,

we consider that the 2008 Agreement, the Transactions and the Annual Caps are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM. We also advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

Yours faithfully,
For and on behalf of
Piper Jaffray Asia Limited
Steven Chiu
Principal

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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 and chief executive

As at the Latest Practicable Date, the interests 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:

I. Interests in the Company

Name of Director	Number of Shares held				Number of underlying shares held under equity derivatives (Note e)	Aggregate interests	Percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests			
Cheng Wai Chee, Christopher	3,030,749	-	148,439,086 (Note b)	346,466,024 (Note c)	895,250	498,831,109	50.44%
Cheng Wai Sun, Edward	2,954,750	-	-	346,466,024 (Note c)	895,250	350,316,024	35.42%
Cheng Man Piu, Francis	-	-	-	346,466,024 (Note c)	-	346,466,024	35.03%
Ng Tak Wai, Frederick	195,500	762,000	-	-	70,500	1,028,000	0.10%
Au Hing Lun, Dennis	621,750	-	-	-	334,250	956,000	0.09%
Kwok Ping Luen, Raymond	-	-	-	6,918,425 (Note d)	-	6,918,425	0.70%
Simon Murray	-	-	-	-	1,000,000	1,000,000	0.10%

Notes:

- (a) The total number of issued Shares as at the Latest Practicable Date was 988,980,418.
- (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 346,466,024 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.
- (e) These interests represented the interests in underlying shares in respect of the share options and incentive shares granted by the Company to these directors as beneficial owners, details of which are set out in the section below headed “Share Option Scheme” or “Share Incentive Scheme”.

II. Interests in associated corporation, Winsor

Name of Director	Number of ordinary shares held				Aggregate interests	Percentage of the issued share capital of Winsor (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 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 (“Winsor Shares”) beneficially owned by Twin Dragon Investments Limited (42,900,887 Winsor Shares), Shui Hing Textiles International Limited (90,500 Winsor Shares) and the Company (162,844,458 Winsor Shares).

III. Share Option Scheme

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.

IV. Share Incentive Scheme

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	Exercisable period
Cheng Wai Chee, Christopher	25.4.2006	273,000	12.1.2009	12.1.2009 to 11.1.2016
	26.7.2007	245,250	8.2.2009 to 8.2.2010	8.2.2009 to 26.7.2017
	8.7.2008	377,000	30.1.2009 to 30.1.2011	30.1.2009 to 8.7.2018
Cheng Wai Sun, Edward	25.4.2006	273,000	12.1.2009	12.1.2009 to 11.1.2016
	26.7.2007	245,250	8.2.2009 to 8.2.2010	8.2.2009 to 26.7.2017
	8.7.2008	377,000	30.1.2009 to 30.1.2011	30.1.2009 to 8.7.2018
Ng Tak Wai, Frederick	25.4.2006	29,500	12.1.2009	12.1.2009 to 11.1.2016
	8.7.2008	41,000	30.1.2009 to 30.1.2011	30.1.2009 to 8.7.2018
Au Hing Lun, Dennis	25.4.2006	55,000	12.1.2009	12.1.2009 to 11.1.2016
	26.7.2007	98,250	8.2.2009 to 8.2.2010	8.2.2009 to 26.7.2017
	8.7.2008	181,000	30.1.2009 to 30.1.2011	30.1.2009 to 8.7.2018

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 par value of one Share. Funds for subscription of shares will be provided by the Company when the right to subscribe for Shares is exercised.

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 or 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.

(b) 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:

Long Positions in the Shares of the Company

Name of Shareholder	Number of Shares beneficially held	Percentage of shareholding (Note 1)	
Brave Dragon Limited	106,345,862	10.75%	
Crossbrook Group Limited	202,808,162	20.51%	
Wing Tai Holdings Limited	346,466,024	35.03%	(Note 2)
Deutsche Bank International Trust Co. (Jersey) Limited	346,466,024	35.03%	(Note 3)
Deutsche Bank International Trust Co. (Cayman) Limited	346,466,024	35.03%	(Note 3)
Wing Tai Corporation Limited	135,446,118	13.70%	(Note 4)
Renowned Development Limited	135,446,118	13.70%	(Note 4)
Wing Tai (Cheng) Holdings Limited	148,439,086	15.01%	(Note 5)
Sun Hung Kai Properties Limited	136,956,400	13.85%	(Note 6)
Gala Land Investment Co. Ltd	76,184,600	7.70%	
Franham Group Ltd	76,184,600	7.70%	(Note 7)
Chou Wen Hsien	112,824,744	11.41%	(Note 7)
Chou Yim Wan Chun, Ina	112,824,744	11.41%	(Note 7)
Chow Chung Kai	112,609,202	11.39%	(Note 8)
Chow Yu Yue Chen	112,609,202	11.39%	(Note 8)

Notes:

- (1) The total number of issued Shares as at the Latest Practicable Date was 988,980,418.
- (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 37,312,000 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 68,747,996 Shares and 66,698,122 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"). Wesmore held 83,946,158 Shares.

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.

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.

- (8) 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.

(c) Interests in other members of the Group

Name of non wholly-owned subsidiaries of the Company	Name of registered substantial shareholder(s)	Number of shares held by substantial shareholder(s)	Holding percentage
Eternal Way (Cambodia) Limited	Van Sou Ieng	100,000 ordinary shares	10%
Fore Prosper Limited	Dragon Eye Holding Limited	400 ordinary shares	40%
Myanmar Unimix International Limited (In Liquidation)	Union of Myanmar Economic Holding Limited	9,550 ordinary shares	40%
Shanghai Lifestyle Plaza Limited	Lifestyle Enterprises Limited (formerly Boom Big International Limited)	200 ordinary shares	20%
Shui Pang Garment & Knitting Factory Limited	Hung Chi Kin	600,000 ordinary shares	30%
Sun Hung International Limited	Lam Hon Hung	1,500,000 ordinary shares	20%
Winner Godown Limited	Chang Hong Kwai Chang Hong Song	225,000 ordinary shares 225,000 ordinary shares	15% 15%

Save as disclosed above, the directors and the chief executive of the Company are not aware that there is any person (other than any directors or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered into the register required to be kept under Section 336 of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The interests of the Directors and their respective 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. Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Chow Wai Wai, John are interested in the equity of Winsor. Winsor became a subsidiary of the Company since June 2007. The property development business of Winsor 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.

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.

4. DIRECTORS’ INTERESTS IN ASSETS/CONTRACTS

The Company proposed to dispose of Universal Glory Holdings (HK) Limited (the “Proposed Disposal”), a wholly-owned subsidiary of the Company holding the entire issued share capital of and in Universal Glory (Cambodia) Ltd., to a wholly-owned subsidiary of Wing Tai in which each of Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis has an indirect interest. As at the Latest Practicable Date, no agreement has yet been entered into in relation to the Proposed Disposal.

On 23 April 2008, the Company, DNP Holdings Berhad (“DNP”) and Kualiti Gold Sdn Bhd (the “JV Company”) entered into a joint venture and shareholders’ agreement (the “JV Agreement”) relating to the JV Company for the purposes of acquiring a building in Kuala Lumpur (the “Development”), fitting out and operating the Development as serviced apartments (the “Transaction”). The total commitment of the Group to the JV Company is not expected to exceed HK\$258,750,000. The Transaction was approved by the Independent Shareholders at a special general meeting of the Company held on 6 June 2008. Details of the Transaction were disclosed in the announcement and circular of the Company issued on 24 April 2008 and 22 May 2008 respectively.

As DNP, a party to the JV Agreement, is an associate (as defined under the Listing Rules) of each Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis, each of Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis was taken as having a material interest in the JV Agreement which was significant in relation to the business of the Group subsisting as of the date of this circular.

Save as disclosed in this circular, none of the Directors and proposed Directors have any interest, direct or indirect, in any assets which have been, since 31 December 2007 (being the date to which the latest published audited accounts of the Group were made up), 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 and the Directors confirmed that there is no contract or arrangement subsisting at the date of this circular in which any of them is materially interested and which is significant in relation to the business of the Group.

5. 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 that member of the Group within one year without payment of compensation (other than statutory compensation)).

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the Group since 31 December 2007 (the date to which the latest published audited financial statements of the Group were made up).

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Piper Jaffray Asia Limited	A licensed corporation to perform Type 1 and Type 6 regulated activities under SFC

Piper Jaffray Asia Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, Piper Jaffray Asia Limited confirmed that (1) it did not have any interest, direct or indirect, in any assets which have been, since 31 December 2007 (being the date to which the latest published audited accounts of the Group were made up), 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; and (2) it did not have any shareholding in the Group or 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. PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 71 of the Bye-laws of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (iv) any member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which the aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Since the Listing Rules require that any vote taken at a meeting which is held to seek approval of a connected transaction must be taken by poll, the chairman of the SGM will exercise his power under Bye-law 71(i) of the Bye-laws of the Company to put the ordinary resolution proposed in the SGM to the vote by way of a poll.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at 25th Floor, Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong, during normal business hours up to and including 29 December 2008:

- (i) the 2006 Agreement;
- (ii) the 2008 Agreement;
- (iii) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 7 of this circular;
- (iv) the letter issued by Piper Jaffray Asia Limited, the text of which is set out on pages 8 to 14 of this circular; and
- (v) the written consent referred in the paragraph headed “Qualification and Consent of Expert” in this appendix.

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

NOTICE OF SPECIAL GENERAL MEETING

USI Holdings Limited 富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of USI Holdings Limited (the “**Company**”) will be held at 25th Floor, Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong on Tuesday, 30 December 2008 at 2:30 p.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (i) the terms of the 2008 Agreement (as defined in the circular of the Company dated 15 December 2008 (the “Circular”)) and the Transactions (as defined in the Circular) and the execution of the 2008 Agreement by Gieves Limited, a wholly-owned subsidiary of the Company (a copy of which has been produced to this meeting and initialled by the Chairman of this meeting for identification purpose) be and are hereby confirmed, approved and ratified;
- (ii) the Annual Caps (as defined in the Circular) for the three year ending 31 December 2011 be and are hereby approved; and
- (iii) any one of the directors of the Company be authorized to sign and execute all such further documents and to do all such things as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the 2008 Agreement, the Transactions and the Annual Caps.”

By Order of the Board of
USI Holdings Limited
Fung Ching Man, Janet
Company Secretary & Chief Financial Officer

Hong Kong, 15 December 2008

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company but must be present in person to represent the shareholder. Completion and return of an instrument appointing a proxy will not preclude a shareholder from attending and voting in person at the above meeting.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the proxy form duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the Company's Hong Kong Branch Share Registrars Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
4. A circular containing information in connection with this notice has been sent to Shareholders of the Company.