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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult 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.

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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)

**DISCLOSABLE AND CONNECTED TRANSACTIONS:
DISPOSAL OF EQUITY INTERESTS BY
INDIRECTLY HELD SUBSIDIARIES**

A letter from the Independent Board Committee is set out on page 16 of this circular.

* *For identification purposes only*

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DEFINITIONS

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

“Agreements”	means the Unimix Properties Agreement, the Grandeur Agreement and the Winnion Agreement;
“Allied Effort”	means Allied Effort Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of Winsor;
“Annual Caps”	means the maximum consideration payable under the Tenancy Agreements and the Tenancy Side Letters for each of the three financial years ending 31 December 2008, 31 December 2009 and 31 December 2010;
“Business Day”	means a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong;
“Company”	means USI Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange;
“Completion”	means completion of the Transaction;
“Completion Date”	means: <ul style="list-style-type: none">(i) if the Conditions are satisfied before 24 December 2007, 31 December 2007; or(ii) if the Conditions are satisfied after 24 December 2007, the third Business Day following the day on which the Conditions shall have been satisfied; or(iii) such other date as the parties may agree;
“Conditions”	means the conditions precedent to completion of each of the Unimix Properties Agreement, the Grandeur Agreement and the Winnion Agreement, as the case may be;
“Continuing Connected Transactions”	means the continuing connected transactions in relation to the lease/licence of certain units and car parks and provision of management services in Unimix Industrial Centre by Unimix Properties to the Tenants pursuant to the Tenancy Agreements and the Tenancy Side Letters;
“Directors”	means the directors of the Company;

DEFINITIONS

“Grandeur”	means Grandeur Investments Limited, a company incorporated in the British Virgin Islands with limited liability and, as at the Latest Practicable Date, an indirect wholly-owned subsidiary of the Company;
“Grandeur Agreement”	means the conditional sale and purchase agreement dated 22 November 2007 entered into between USIPI, as the seller, Winsor Properties, as the purchaser, the Company and Winsor in relation to the sale and purchase of the issued share capital of Grandeur and certain related intra-group receivables;
“Group”	means the Company and its subsidiaries and, unless otherwise specified, excludes Winsor and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	means the committee of independent directors of the Company, comprising of the independent non-executive Directors of the Company (Mr. Simon Murray, Mr. Fang Hung, Kenneth and Mr. Yeung Kit Shing, Jackson), formed to advise the Independent Shareholders in respect of the Agreements;
“Independent Shareholders”	means the Shareholders other than any Shareholder with a material interest in the Transaction and its associates;
“Latest Practicable Date”	means 7 December 2007, the latest practicable date prior to the issue of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules;
“SFO”	means the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong;
“Shareholders”	means the holders of the Share(s);
“Shares”	means the ordinary shares of HK\$0.50 each in the issued share capital of the Company and “ Share ” shall be construed accordingly;

DEFINITIONS

“Shui Hing Centre”	means all that piece or parcel of ground situate lying and registered at the Land Registry as New Kowloon Inland Lot No.5890 and the messauges erections and building thereon and all the appurtenances thereto and known as Shui Hing Centre, No.13 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Tenants”	means certain subsidiaries of the Company;
“Tenancy Agreements”	means the existing licence and tenancy agreements entered into between Unimix Properties and the Tenants in relation to the lease/licence of certain units and car parks and the provision of management services in Unimix Industrial Centre by Unimix Properties to the Tenants;
“Tenancy Side Letters”	means the side letters to be issued by Unimix Properties to the Tenants to, <i>inter alia</i> , record that the aggregate amounts payable under the Tenancy Agreements will not exceed the Annual Caps;
“Transaction”	means the sale and transfer of the Company’s indirect interests in the entire issued share capital of Unimix Properties and Grandeur and 70% of the issued share capital of Winnion to subsidiaries of Winsor;
“Unimix Industrial Centre”	means all that piece or parcel of ground situate lying and registered at the Land Registry as New Kowloon Inland Lot No.4899 and the messauges erections and building thereon and all the appurtenances thereto and known as Unimix Industrial Centre, No. 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong;
“Unimix Properties”	means Unimix Properties Limited, a company incorporated in Hong Kong with limited liability and, as at the Latest Practicable Date, an indirect subsidiary of the Company;
“Unimix Properties Agreement”	means the conditional sale and purchase agreement dated 22 November 2007 entered into between USIPI, as the seller, Winsor Properties, as the purchaser, the Company and Winsor in relation to the sale and purchase of the issued share capital of Unimix Properties and certain related intra-group receivables;

DEFINITIONS

“USIPI”	means USI Properties International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Winnion”	means Winnion Limited, a company incorporated in Hong Kong with limited liability and, as at the Latest Practicable Date, an indirect subsidiary of the Company;
“Winnion Agreement”	means the conditional sale and purchase agreement dated 22 November 2007 entered into between USIPI, as the seller, Allied Effort, as the purchaser, the Company and Winsor in relation to the sale and purchase of 70 per cent. of the issued share capital of Winnion and certain related intra-group receivables;
“Winsor EGM”	means the extraordinary general meeting of Winsor to be held for the purpose of considering and, if thought fit, approving the Transaction;
“Winsor”	means Winsor Properties Holdings Limited, a company incorporated in the Cayman Islands with limited liability, an direct subsidiary of the Company, and the issued shares of which are listed on the Stock Exchange;
“Winsor Properties”	means Winsor Properties (Hong Kong) Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of Winsor; and
“W Square”	means all that piece or parcel of ground situate lying and registered at the Land Registry as The Remaining Portion of Marine Lot No. 122 and Section D of Marine Lot No. 122 and the messauges erections and building thereon and all the appurtenances thereto and known as W Square, Nos. 314-324 Hennessy Road, Wanchai, Hong Kong.

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 *JP*

(*Chief Executive and Deputy Chairman*)

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

13 December 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSABLE AND CONNECTED TRANSACTION:
DISPOSAL OF EQUITY INTERESTS BY INDIRECTLY HELD SUBSIDIARIES AND
CONTINUING CONNECTED TRANSACTIONS**

INTRODUCTION

On 23 November 2007, the Directors of the Company announced that the Company and its indirect wholly-owned subsidiary, USIPI, entered into share sale and purchase agreements with Winsor and its wholly-owned subsidiaries, Winsor Properties and Allied Effort (together, the “**Purchasers**”). Pursuant to the Agreements, USIPI has agreed to sell and the Purchasers have agreed

* *For identification purposes only*

LETTER FROM THE BOARD

to purchase the entire issued share capital of Unimix Properties and Grandeur and 70 per cent. of the issued share capital of Winnion, being the Company's entire interest in Winnion, and certain related intra-group receivables for an aggregate consideration of approximately HK\$1,125 million, subject to adjustment (based on the audited accounts of Unimix Properties, Grandeur and Winnion as at the date of completion of the Transaction).

The entities being sold own three properties in Hong Kong — namely Unimix Industrial Centre, No.2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong; Shui Hing Centre, No.13 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong; and W Square, Nos. 314-324 Hennessy Road, Wanchai, Hong Kong.

The disposals also constitute, in aggregate, a discloseable transaction of the Company under Chapter 14 of the Listing Rules. In addition, Winsor and its subsidiaries are connected persons of the Company under the Listing Rules and the disposals constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Winsor is a non wholly-owned subsidiary of the Company. The Stock Exchange has granted a waiver to the Company from the requirement for approval by shareholders in general meeting and the appointment of an independent financial adviser to provide advice to the independent board committee and the independent shareholders.

The Continuing Connected Transactions comprise leases/licences of various units and car parks and the provision of management services in Unimix Industrial Centre by Unimix Properties to the Tenants pursuant to the Tenancy Agreements which were entered into prior to the date of the Agreements. Upon completion of the Unimix Properties Agreement, Unimix Properties will become a subsidiary of Winsor and the Tenancy Agreements, the Tenancy Side Letters and the Continuing Connected Transactions contemplated thereunder will constitute connected transactions of the Company that are subject to the reporting and announcement requirements under the Listing Rules, but exempt from the requirement to obtain independent shareholder approval.

An Independent Board Committee, comprising of the independent non-executive Directors of the Company (Mr. Simon Murray, Mr. Fang Hung, Kenneth and Mr. Yeung Kit Shing, Jackson), has been formed by the Board to consider whether the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and its subsidiaries (excluding Winsor and its subsidiaries), on normal commercial terms, being not less favourable than terms available from independent third parties, and the Continuing Connected Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The purpose of this circular is to provide you with information relating to the details of the Agreements and the Continuing Connected Transactions, and to set out the view of the Independent Board Committee in respect of the Agreements and the Continuing Connected Transactions and the Annual Caps.

THE TRANSACTION

The principal terms of each of the Agreements are set out below. Completion of each Agreement is not conditional upon completion of the remaining Agreements.

LETTER FROM THE BOARD

THE AGREEMENTS

Unimix Properties Agreement

- Date : 22 November 2007
- Vendor : USIPI
- Purchaser : Winsor Properties
- Assets to be disposed : The entire issued share capital of Unimix Properties (“**Unimix Properties Sale Shares**”) and certain intra-group receivables owed by Unimix Properties to USIPI (the “**Unimix Properties Intra-Group Receivables**”) at Completion
- Property : Unimix Properties holds the legal and beneficial title to Unimix Industrial Centre
- Consideration : The aggregate consideration is approximately HK\$498 million, comprising approximately HK\$475 million for the Unimix Properties Sale Shares and approximately HK\$23 million for the Unimix Properties Intra-Group Receivables. The aggregate consideration is subject to adjustments as described below
- Payment term : The aggregate consideration will be payable in cash in full on Completion
- Conditions : (i) The passing by the independent shareholders of a resolution to approve the arrangements described in the Unimix Properties Agreement at the Winsor EGM; and
- (ii) due diligence having proved to the reasonable satisfaction of Winsor Properties that Unimix Properties is the registered and beneficial owner of and has good marketable title to Unimix Industrial Centre.
- The long stop date for satisfaction of the Conditions is 28 February 2008 (or such later date as the parties may agree).
- Completion : Completion shall take place on the Completion Date, which is expected to occur on 31 December 2007

LETTER FROM THE BOARD

The aggregate consideration was arrived at after arm's length negotiations between the Company, USIPI, Winsor and Winsor Properties, with reference to the unaudited net asset value of Unimix Properties and the unaudited amount of the Unimix Properties Intra-Group Receivables as at 30 September 2007.

Grandeur Agreement

Date	: 22 November 2007
Vendor	: USIPI
Purchaser	: Winsor Properties
Assets to be disposed	: The entire issued share capital of Grandeur (" Grandeur Sale Shares ") and certain related intra-group receivables owed by Grandeur to USIPI (" Grandeur Intra-Group Receivables ") at Completion
Property	: Grandeur holds the legal and beneficial title to Shui Hing Centre
Consideration	: The aggregate consideration is approximately HK\$314 million, comprising approximately HK\$135 million for the Grandeur Sale Shares and approximately HK\$179 million for the Grandeur Intra-Group Receivables. The aggregate consideration is subject to adjustments as described below
Payment term	: The aggregate consideration will be payable in cash in full on Completion
Conditions	: (i) The passing by the independent shareholders of a resolution to approve the arrangements described in the Grandeur Agreement at the Winsor EGM; (ii) due diligence having proved to the reasonable satisfaction of Winsor Properties that Grandeur is the registered and beneficial owner of and has good marketable title to Shui Hing Centre. The long stop date for satisfaction of the Conditions is 28 February 2008 (or such later date as the parties may agree).
Completion	: Completion shall take place on the Completion Date, which is expected to occur on 31 December 2007

The aggregate consideration was arrived at after arm's length negotiations between the Company, USIPI, Winsor and Winsor Properties, with reference to the unaudited net asset value of Grandeur and the unaudited amount of the Grandeur Intra-Group Receivables as at 30 September 2007.

LETTER FROM THE BOARD

Winnion Agreement

- Date : 22 November 2007
- Vendor : USIPI
- Purchaser : Allied Effort
- Assets to be disposed : 70 per cent. of the issued share capital of Winnion (“**Winnion Sale Shares**”), being the Company’s entire interest in Winnion, and certain related intra-group receivables owed by Winnion to USIPI (“**Winnion Intra-Group Receivables**”) at Completion
- Property : Winnion holds the legal and beneficial title to W Square
- Consideration : The aggregate consideration is approximately HK\$313 million, comprising approximately HK\$110 million for the Winnion Sale Shares and approximately HK\$203 million for the Winnion Intra-Group Receivables. The aggregate consideration is subject to adjustments as described below
- Bank debt : Allied Effort will (by virtue of its acquisition of the Winnion Sale Shares) assume responsibility for USIPI’s 70 per cent. share of the outstanding bank debt owed by Winnion to The Bank of East Asia Limited amounting to an estimated principal amount of approximately HK\$281 million on Completion
- Payment term : The aggregate consideration will be payable in cash in full on completion of the Winnion Agreement
- Conditions : (i) The passing by the independent shareholders of a resolution to approve the arrangements described in the Winnion Agreement at the Winsor EGM; and
- (ii) due diligence having proved to the reasonable satisfaction of Winsor Properties that Winnion is the registered and beneficial owner of and has good marketable title to W Square.
- The long stop date for satisfaction of the Conditions is 28 February 2008 (or such later date as the parties may agree).
- Completion : Completion shall take place on the Completion Date, which is expected to occur on 31 December 2007

LETTER FROM THE BOARD

The aggregate consideration was arrived at after arm's length negotiations between the Company, USIPI, Winsor and Allied Effort, with reference to the unaudited estimated adjusted net asset value of Winnion and the balance of the Winnion Intra-Group Receivables as at the date of Completion.

MAJOR AND CONNECTED TRANSACTION FOR WINSOR

Each of the Agreements constitutes a connected transaction from Winsor's perspective for the purposes of the Listing Rules, and the Transaction as a whole constitutes a major acquisition for Winsor for the purposes of the Listing Rules.

Accordingly, Completion of each of the Agreements is conditional upon the approval of the shareholders of Winsor to the extent required by, and in accordance with, the Listing Rules. In accordance with the Listing Rules, the Company and its associates will not exercise the votes attaching to any shares in Winsor held by them at the Winsor EGM.

POST-COMPLETION ADJUSTMENT

The consideration payable under each of the Agreements is subject to adjustment (upwards and downwards) on a dollar for dollar basis after Completion of the relevant Agreement to reflect the difference between the net asset value of Unimix Properties and Grandeur as at 30 September 2007, and the estimated adjusted net asset value of Winnion as at Completion versus the net asset value of the relevant company as at the relevant Completion Date. The adjustment will be on the basis of an agreed value for investment property, leasehold land and property under development of HK\$545 million, HK\$345 million and HK\$975 million for the relevant Property under the Unimix Properties Agreement, the Grandeur Agreement and the Winnion Agreement respectively.

All profit and loss of the relevant company up to and including the Completion Date of the relevant Agreement shall accrue to or be for the account of the relevant seller and be dealt with by an appropriate adjustment in the Completion accounts.

GUARANTEE

The Company is a party to each of the Agreements in order to guarantee the obligations of its subsidiary, USIPI, to each of the Agreements.

REASONS FOR AND BENEFIT OF THE TRANSACTION AND ITS EFFECT

The Directors consider this strategic move forms part of the group's restructuring and growth strategy following the corporate restructuring program undertaken in July this year, resulting in the Company holding approximately 79.26 per cent. of the issued share capital of Winsor at the Latest Practicable Date. The group's growth strategy is for the Company to focus upon development projects and to grow its earnings through development gains and capital value appreciation, while Winsor will focus on its investment enhancement and yield-driven strategy. The Directors consider that, with this assets injection, the Company is able to optimize its asset holding structure, and hence be able to best

LETTER FROM THE BOARD

deploy its financial resources and capacity. All these will enable the Company and Winsor to build a critical mass in the shortest possible time. The injection will provide a cash consideration of approximately HK\$1,125 million to the Company supporting its expansion into new development projects and improving the financial position of the Company.

The Directors therefore believe that the Company's interest in the three properties, the subject of the Transaction, should more appropriately be held by Winsor which possesses expertise in property investment and will achieve economics of scale for management of an enlarged portfolio of investment properties.

The Transaction is not expected to result in any significant gain or loss to the Company nor have any material adverse effect on the earnings and assets and liabilities of the Company because the Company's indirect interests in Unimix Properties, Grandeur and Winnion will be transferred to subsidiaries of Winsor, an indirect non wholly-owned subsidiary of the Company and each of them will remain indirect subsidiaries of the Company. Unimix Properties, Grandeur and Winnion will therefore remain indirect subsidiaries of the Company, through the Company's subsidiary Winsor, after completion of the Transaction.

The Company intends to use the net proceeds of the Transaction as general working capital, to repay certain bank loans and to fund further capital investment projects.

In the circumstances, the Directors believe that the Transaction has no material adverse effect on the Company and is in the best interests of the Company.

The Directors consider the terms and conditions of the Transaction to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANIES

Unimix Properties is a company incorporated in Hong Kong with limited liability and, as at the date of this circular, an indirect subsidiary of the Company. Unimix Properties is the legal and beneficial owner of Unimix Industrial Centre, No.2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong.

The table below shows the net asset value, profit before tax and profit after tax attributable to Unimix Properties for the financial years ended 31 December 2006 and 31 December 2005:

	Net asset value <i>HK\$m</i>	Profit before tax <i>HK\$m</i>	Profit after tax <i>HK\$m</i>
Financial year ended 31 December 2006	364	84	69
Financial year ended 31 December 2005	295	44	37

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Grandeur is a company incorporated in the British Virgin Islands with limited liability and, as at the date of this circular, an indirect wholly-owned subsidiary of the Company. Grandeur is the legal and beneficial owner of Shui Hing Centre, No. 13 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The table below shows the net asset value, profit before tax and profit after tax attributable to Grandeur for the financial years ended 31 December 2006 and 31 December 2005:

	Net asset value	Profit before tax	Profit after tax
	<i>HK\$m</i>	<i>HK\$m</i>	<i>HK\$m</i>
Financial year ended 31 December 2006	82	54	45
Financial year ended 31 December 2005	37	57	51

Winnion is a company incorporated in Hong Kong with limited liability and, as at the Latest Practicable Date, an indirect subsidiary of the Company (of which 30 per cent. of the issued share capital is held indirectly through Winsor). Winnion is the legal and beneficial owner of W Square, Nos. 314-324 Hennessy Road, Wanchai, Hong Kong.

The table below shows the net asset value and loss before tax and loss after tax attributable to Winnion for the financial year ended 31 December 2006 and for the period from 13 October 2004 (date of incorporation) to 31 December 2005:

	Net asset value	Loss before tax	Loss after tax
	<i>HK\$m</i>	<i>HK\$m</i>	<i>HK\$m</i>
Financial year ended 31 December 2006	(2)	1	1
Financial period ended 31 December 2005	(1)	1	1

INFORMATION ON THE PROPERTIES

In the first half of 2007, the Group's industrial buildings, comprising Unimix Industrial Centre and Shui Hing Centre, recorded a gross fair value gain of HK\$67.0 million and achieved occupancy rates of around 85% throughout the period (unaudited interim accounts 2007).

W Square is currently in the process of pre-leasing and will be available for occupation in January 2008.

The approximate gross floor area, in square feet, of Unimix Industrial Centre, Shui Hing Centre and W Square is 394,000, 187,000 and 115,000 respectively.

A valuation report produced by Savills Valuation and Professional Services Limited is set out in Appendix I to this circular.

LETTER FROM THE BOARD

CONTINUING CONNECTED TRANSACTIONS

Upon completion of the Unimix Properties Agreement, Unimix Properties will become a subsidiary of Winsor and the Tenancy Agreements, the Tenancy Side Letters and the Continuing Connected Transactions contemplated thereunder will constitute connected transactions of the Company.

The Continuing Connected Transactions comprise leases/licences of various units and car parks and the provision of management services in Unimix Industrial Centre by Unimix Properties to the Tenants pursuant to the Tenancy Agreements which were entered into in August, September and November 2007 prior to the date of the Agreements and are for a term of 12 months in the case of units and on a monthly basis in the case of car parks.

The aggregate rent and other payments payable under the Tenancy Agreements amounted to approximately HK\$12.2 million per annum on an annualised basis.

Under the Unimix Properties Agreement, USI and USIPI have agreed to procure that the Tenancy Side Letters be issued to the Tenants to, inter alia, record that the aggregate amounts payable under the Tenancy Agreements will not exceed the Annual Caps of HK\$14.1 million, HK\$15.4 million and HK\$16.1 million for the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The Annual Caps were determined with reference to, among other things, (i) the area size and location of units currently leased by the Group in Unimix Industrial Centre; (ii) the prevailing rental payable by Independent Third Party tenants; (iii) the historical growth of rental rates of Independent Third Party tenants in Unimix Industrial Centre; and (iv) the estimated potential growth of rental in the Unimix Industrial Centre for the three years ending 31 December 2010.

The Tenancy Agreements and the Tenancy Side Letters are on normal commercial terms and each of the Percentage Ratios (other than the profits ratio) for the Tenancy Agreements, in aggregate, on an annual basis and the Annual Caps are less than 2.5 per cent. The Tenancy Agreements, the Tenancy Side Letters and the Annual Caps are therefore subject to the reporting and announcement requirements under the Listing Rules, but exempt from the requirement to obtain independent shareholder approval.

The Directors consider that the terms and conditions of the Tenancy Agreements and the Tenancy Side Letters are in the ordinary and usual course of business of the Company and its subsidiaries (excluding Winsor and its subsidiaries) and on normal commercial terms, and the same and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

PRINCIPAL BUSINESS ACTIVITIES OF WINSOR AND THE PURCHASERS

Winsor Properties and Allied Effort are wholly-owned subsidiaries of Winsor. Winsor is a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the Stock Exchange. It is an investment holding company and its principal subsidiaries are engaged in property investment, development and management, warehousing and investment holding.

The Company holds approximately 79.26 per cent. of the issued share capital of Winsor as at the Latest Practicable Date.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is an exempted company incorporated in Bermuda with limited liability the shares of which are listed on the Stock Exchange. It is an investment holding company and its principal subsidiaries are engaged in property development, property investment and management, hospitality management, garment manufacturing and trading, branded products distribution and investing activities.

RELATIONSHIP BETWEEN THE COMPANY AND WINSOR

The Company holds approximately 79.26 per cent. of the issued share capital of Winsor. Mr. John Chow, an executive director of the Company and a director and the Managing Director of Winsor, holds approximately 1 per cent. of the issued share capital of Winsor. Mr. Cheng Wai Chee, Christopher (the Chairman of the Company and of Winsor) is interested in 27,000 shares in Winsor held by his spouse (representing less than 0.01 per cent. of the issued share capital of Winsor). Mr. Cheng Wai Keung, a member of the Cheng family, is interested in 165,000 shares in Winsor held by his spouse (representing less than 0.06 per cent. of the issued share capital of Winsor).

There are certain relationships between subsidiaries of the Company and Winsor as follows:

- (a) USIPI, a wholly-owned subsidiary of the Company, owns 70 per cent. of the issued share capital of Winnion Limited (being the Winnion Sale Shares). The other 30 per cent. is owned by Allied Effort, a wholly-owned subsidiary of Winsor;
- (b) USI Holdings (B.V.I.) Limited, a wholly-owned subsidiary of the Company, owns 80 per cent. of the issued share capital of Pangold Development Limited. The other 20 per cent. is owned by Allied Effort; and
- (c) USIPI, a wholly-owned subsidiary of the Company, owns 80 per cent. of the issued share capital of Universal Plus Limited. The other 20 per cent. is owned by Allied Effort. Universal Plus Limited is a joint venture company which owns 50 per cent. of another joint venture with parties independent of both the Company and Winsor.

LETTER FROM THE BOARD

Save as disclosed in this and the following sections and in Appendix II, to the best of the Directors' information, knowledge and belief having made all reasonable enquiry, Winsor, Winsor Properties and Allied Effort and their beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REQUIREMENTS OF THE LISTING RULES

The Agreements constitute, in aggregate, a discloseable transaction of the Company under Chapter 14 of the Listing Rules. In addition, Winsor and its subsidiaries are connected persons of the Company under the Listing Rules and the disposals constitute connected transactions for the Company under Chapter 14A of the Listing Rules. Winsor is a non wholly-owned subsidiary of the Company. The Stock Exchange has granted a waiver to the Company from the requirement for approval by shareholders in general meeting and the appointment of an independent financial adviser to provide advice to the independent board committee and the independent shareholders.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee has been established to consider whether the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and its subsidiaries (excluding Winsor and its subsidiaries), on normal commercial terms, being not less favourable than terms available from independent third parties, and the Continuing Connected Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
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)

13 December 2007

To the Independent Shareholders

Dear Sir/Madam,

DISCLOSABLE AND CONNECTED TRANSACTION

We refer to the circular dated 13 December 2007 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 terms of the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and its subsidiaries (excluding Winsor and its subsidiaries), on normal commercial terms, being not less favourable than terms available from independent third parties, and the Continuing Connected Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the “Letter from the Board” set out on pages 5 to 15 of the Circular which contains, *inter alia*, information on the Agreements and the Continuing Connected Transactions.

We consider that the terms of the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and its subsidiaries (excluding Winsor and its subsidiaries), on normal commercial terms, being not less favourable than terms available from independent third parties, and the Continuing Connected Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

* *For identification purposes only*

The following is the text of the letter, summary of values and valuation certificates prepared for inclusion in this circular received from Savills Valuation and Professional Services Limited, being an independent valuer, in connection with their valuation as at 30 September 2007 of Unimix Industrial Centre, Shui Hing Centre and W Square.



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The Directors
USI Holdings Limited
25th Floor
Unimix Industrial Centre
2 Ng Fong Street
San Po Kong
Kowloon
Hong Kong

13 December 2007

Dear Sirs

VALUATION OF VARIOUS PROPERTY INTERESTS IN HONG KONG

In accordance with your instructions for us to value the various property interests, as shown in the attached summary of values, held by USI Holdings Limited (referred to as the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) located in Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of these property interests as at 30 September 2007 for public circular purposes.

Our valuation of each of the property interests is our opinion of its market value which we would define as intended to mean “the estimated amount for which a Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property interest is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation is prepared in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of Listing Rules published by the Stock Exchange of Hong Kong Limited.

In valuing the property interests in Group I, which is held by the Group for investment, we have valued the property interests with reference to sales evidence as available on the market and where appropriate on the basis of capitalisation of the net income shown on schedules handed to us. We have allowed for outgoings and in appropriate cases made provision for reversionary income potential.

In valuing the property interest in Group II, which is held by the Group as a refurbishment project, we have valued the property interest on the basis that the property will be renovated and completed in accordance with the Group's latest renovation proposals provided to us. We have assumed that approvals for the proposals have been obtained. In arriving at our opinion of value, we have valued the property by making reference to comparable transactions in the locality and have also taken into account the renovation cost that will be expended to complete the renovation to reflect the quality of the renovated property. The "market value when completed" represents our opinion of the aggregate selling prices of the property on vacant possession basis assuming that its renovation were completed as at the date of valuation.

We have not been provided with any title documents relating to the property interests but we have caused searches to be made at the Land Registry for the property interests. We have not, however, inspected the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies obtained by us.

We have relied to a very considerable extent on information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development proposal, building plans, development costs, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by the Group that no material facts have been omitted from the information provided.

We have inspected the exterior of the properties valued and, where possible, we have also inspected the interior of the premises. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free from rot, infestation or any other structural defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions, and outgoings of an onerous nature which could affect their values.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited
Charles C K Chan
MSc FRICS FHKIS MCI Arb RPS (GP)
Managing Director

Note: Mr Charles K C Chan, Chartered Estate Surveyor, MSC, FRICS, FHKIS, MCI Arb, RPS(GP), has been a qualified valuer since June 1987 and has about 23 years' experience in the valuation of properties in Hong Kong.

SUMMARY OF VALUES

Property	Capital value in existing state as at 30 September 2007	Interest attributable to the Group	Capital value in existing state as at 30 September 2007 attributable to the Group
Group I — Property interests held by the Group in Hong Kong for investment			
1. Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Kowloon	HK\$345,000,000	100%	HK\$345,000,000
2. Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon	HK\$545,000,000	100%	HK\$545,000,000
	Sub-Total:		HK\$890,000,000
Group II — Property interests held by the Group in Hong Kong as a refurbishment project			
3. W Square, 314-324 Hennessy Road, Wan Chai, Hong Kong	HK\$850,000,000	70%	HK\$595,000,000
	Sub-Total:		HK\$595,000,000
	Grand Total:		HK\$1,485,000,000

VALUATION CERTIFICATE

Group I — Property interests held by the Group in Hong Kong for investment

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2007
1. Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Kowloon New Kowloon Inland Lot No. 5890	<p>The property comprises a site with a registered site area of approximately 1,696.00 sq m (18,256 sq ft).</p> <p>Currently standing on the site is a 12-storey industrial building (including a Mezzanine Floor and a Basement) completed in about 1986. The Basement and Ground Floor of the building are designated for workshops, carparking spaces and loading and unloading spaces whilst the upper floors are planned for workshops.</p> <p>The total gross floor area of the building is approximately 17,356.65 sq m (186,827 sq ft).</p> <p>The property also comprises 10 private carparking spaces, 9 lorry parking spaces and 1 container parking space on the Basement and Ground Floor of the building.</p> <p>New Kowloon Inland Lot No. 5890 is held under Conditions of Sale No. 11538 for a term expiring on 30 June 2047.</p>	<p>The property is mostly let under various tenancies mostly for terms of two years with the latest expiring in February 2010 at a total monthly rent of approximately HK\$1,250,000 mostly exclusive of rates and management fees.</p> <p>The carparking spaces are let on monthly or hourly basis with an income of approximately HK\$86,000 in September 2007.</p>	<p>HK\$345,000,000 (100% interest attributable to the Group HK\$345,000,000)</p>

Notes:

- (1) The registered owner of the property is Grandeur Investments Limited, in which the Company has a 100% attributable interest.
- (2) The property is subject to Tripartite Legal Charge/Mortgage to secure banking facilities and a Rental Assignment both in favour of Standard Chartered Bank.
- (3) The property currently lies within an area zoned "Other Specified Uses" annotated "Business" on Ngau Tau Kok and Kowloon Bay Outline Zoning Plan No. S/K13/25 dated 22 September 2006.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2007
2. Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon New Kowloon Inland Lot No. 4899.	<p>The property comprises a site with a registered site area of approximately 2,357.86 sq m (25,380 sq ft).</p> <p>Currently standing on the site is a 26-storey industrial building (including Lower Ground Floor) completed in about 1978. The Lower Ground Floor of the building is planned as staff canteen whilst the Ground and Second Floors of the building are designated for workshops, carparking spaces and loading and unloading spaces. The 3rd to 25th Floors are planned for workshops. The First Floor is omitted from floor numbering.</p> <p>The total gross floor area of the building is approximately 36,588.81 sq m (393,842 sq ft).</p> <p>The property also comprises 75 private carparking spaces and 8 lorry parking spaces on the Ground and Second Floors of the building.</p> <p>New Kowloon Inland Lot No. 4899 is held under a Government lease for a term expiring on 30 June 2047.</p>	<p>The property is mostly let under various tenancies mostly for terms of one to two years with the latest expiring in February 2010 at a total monthly rent of approximately HK\$1,500,000 mostly exclusive of rates and management fees.</p> <p>The carparking spaces are let on monthly or hourly basis with an income of approximately HK\$199,000 in September 2007.</p>	<p>HK\$545,000,000 (100% interest attributable to the Group HK\$545,000,000)</p>

Notes:

- (1) The registered owner of the property is Unimix Properties Limited, in which the Company has a 100% attributable interest.
- (2) The property is subject to Tripartite Legal Charge/Mortgage to secure banking facilities and a Rental Assignment both in favour of Standard Chartered Bank.
- (3) The property currently lies within an area zoned "Other Specified Uses" annotated "Business" on Tsz Wan Shan, Diamond Hill and San Po Kong Outline Zoning Plan No. S/K11/22 dated 16 November 2007.

Group II — Property interest held by the Group in Hong Kong as a refurbishment project

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2007
3. W Square, 314-324 Hennessy Road, Wan Chai, Hong Kong	The property comprises a rectangular site with an area of approximately 710.89 sq m (7,652 sq ft). Currently standing on the site is a 25-storey commercial/office composite building completed in 1978.	The property is currently in final stage of renovation and is scheduled for completion by the end of 2007.	HK\$850,000,000 (70% interest attributable to the Group HK\$595,000,000)
The Remaining Portion and Section D of Marine Lot No. 122.	The building is planned to be renovated into a commercial/office building with a total gross floor area of approximately 10,659.36 sq m (114,737 sq ft). Marine Lot No. 122 is held under a Government lease for a term of 999 years from 26 December 1860.		

Notes:

- (1) The registered owner of the property is Winnion Limited, in which the Company has a 70% attributable interest.
- (2) The property currently lies within an area zoned “Commercial/Residential” on Wan Chai Outline Zoning Plan No. S/H5/25 dated 16 November 2007.
- (3) We have been supplied with a set of approved building plans dated 25 October 2007 for the current renovation of the property.
- (4) We have been advised that the total estimated renovation cost (inclusive of professional fees) for the property is approximately HK\$160,000,000. The total renovation cost incurred up to the date of valuation is HK\$74,700,000 whilst the total estimated outstanding renovation cost for completing the development as at the date of valuation is around HK\$85,300,000.
- (5) The market value of the property when completed as at the date of valuation on vacant possession basis is in the sum of HK\$975,000,000.

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.

1. 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	2,512,499	—	148,439,086 (Note b)	332,152,024 (Note c)	483,103,609	48.92%
Cheng Wai Sun, Edward	2,436,500	—	—	332,152,024 (Note c)	334,588,524	33.88%
Cheng Man Piu, Francis	—	—	—	332,152,024 (Note c)	332,152,024	33.64%
Ng Tak Wai, Frederick	135,750	762,000	—	—	897,750	0.09%
Au Hing Lun, Dennis	486,500	—	—	—	486,500	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 987,496,918.
- (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 which assets include indirect interests in 332,152,024 Shares beneficially owned by Brave Dragon Limited, 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 11.1.2009
	26.7.2007	327,000	8.2.2008 to 7.2.2010
Cheng Wai Sun, Edward	13.9.2005	300,000	13.9.2008
	25.4.2006	409,500	12.1.2008 to 11.1.2009
	26.7.2007	327,000	8.2.2008 to 7.2.2010
Ng Tak Wai, Frederick	13.9.2005	45,000	13.9.2008
	25.4.2006	44,250	12.1.2008 to 11.1.2009
Au Hing Lun, Dennis	13.9.2005	75,000	13.9.2008
	25.4.2006	82,500	12.1.2008 to 11.1.2009
	26.7.2007	131,000	8.2.2008 to 7.2.2010

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*

Name of Director	Number of ordinary shares held				Total	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%

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 which 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 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.

2. 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	10.77%
Crossbrook Group Limited	202,808,162	20.54%
Wing Tai Holdings Limited	332,152,024	33.64% (Note 2)
Deutsche Bank International Trust Co. (Jersey) Limited	332,152,024	33.64% (Note 3)
Deutsche Bank International Trust Co. (Cayman) Limited	332,152,024	33.64% (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	13.72% (Note 4)
Renowned Development Limited	135,446,118	13.72% (Note 4)
Wing Tai (Cheng) Holdings Limited	148,439,086	15.03% (Note 5)
Wesmore Limited	83,946,158	8.50%
Sun Hung Kai Properties Limited	136,956,400	13.87% (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	11.43% (Note 8)
Chou Yim Wan Chun, Ina	112,824,744	11.43% (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 987,496,918.
- (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 Garment Manufactory (Singapore) Pte Limited. Wing Tai Garment Manufactory (Singapore) Pte Limited 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) which 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 Limited beneficially owned 100% of the issued share capital of Gala Land Investment Co. Limited (“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 Limited, 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 Limited, 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 Limited, 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 Limited, 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.

3. 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)).

4. 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.

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the Group since 31 December 2006 (the date to which the latest published audited financial statements of the Group were made up).

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The interests of the Directors 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 Group’s management team is separated from and independent of those of the Group One Companies, Group Two Company and Group Three Companies. The Group’s management team has been instructed that whatever businesses to be transacted with the Group One Companies, Group Two Company, Group Three Companies and/or any companies controlled thereby or affiliated therewith shall be transacted at arm’s length. Furthermore, 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 are non-executive directors of and interested in Winsor. Mr. Au Hing Lun, Dennis is an executive director of Winsor. The industrial buildings rental business and property development business of Winsor may be regarded as competitive to the Group’s property rental business and property development business.

The Group’s management team is separated from and independent of the management team of Winsor. The Group’s management team has been instructed that whatever businesses to be transacted with Winsor and/or any companies controlled thereby or affiliated therewith shall be transacted at arm’s length. The industrial buildings rented out by the Group and Winsor are targeting at different customer bases and different market segments. Furthermore, 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 industrial property rental business and 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.

7. QUALIFICATION OF EXPERT AND CONSENT

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

Name	Qualification
Savills Valuation and Professional Services Limited	Independent property valuer

Savills Valuation and Professional Services Limited does not have any shareholding in any member of the Group (including Winsor and its subsidiaries) or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group (including Winsor and its subsidiaries).

Savills Valuation and Professional Services Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of their opinion and/or reference to its name or letter in the form and context in which it appears.

8. 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	Chung Siu Wah, Henry, an associate of the Hong Kong Institute of Chartered Secretaries
Qualified accountant	Fung Ching Man, Janet, a fellow member of the Hong Kong Institute of Certified Public Accountants
Principal share registrar and transfer office	The Bank of Bermuda Limited Bank of Bermuda Building 6 Front Street, Hamilton HM 11 Bermuda
Hong Kong branch share registrar and transfer office	Tricor Standard Limited 26th Floor, Tesbury Centre 28 Queen's Road East Hong Kong

9. GENERAL

Save as disclosed in this circular, every director or proposed director or expert (as named in this circular) confirmed that he/she/it does not have any interest, direct or indirect, in any assets which have been, since 31 December 2006 (being the date to which the latest published audited accounts of the Group (including Winsor and its subsidiaries) were made up), acquired or disposed of by or leased to any member of the Group (including Winsor and its subsidiaries), or are proposed to be acquired or disposed of by or leased to any member of the Group (including Winsor and its subsidiaries).

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 (including Winsor and its subsidiaries).

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

10. 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 27 December 2007:

- (i) the Memorandum and Bye-laws of the Company;
- (ii) the annual report of the Company for the financial year ended 31 December 2006;
- (iii) the interim report of the Company for the six months ended 30 June 2007;
- (iv) the letter, summary of values and valuation certificates from Savills Valuation and Professional Services Limited, the text of which is set out in Appendix I to this circular;
- (v) the letter of consent from Savills Valuation and Professional Services Limited referred to in the paragraph headed “7. Qualification of Expert and Consent” of this appendix; and
- (vi) the Unimix Properties Agreement, the Grandeur Agreement; and the Winnion Agreement.