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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)

CONTINUING CONNECTED TRANSACTIONS – INCREASE IN THE ANNUAL CAP

In the Previous Announcement, the Company announced, amongst other things, that an agreement was entered into between Gieves and Wensum on 31 October 2006 (the “Agreement”) under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the term from 31 October 2006 to 31 December 2008.

The transactions contemplated under the Agreement (the “Transactions”) constitute continuing connected transactions of the Company for the purposes of the Listing Rules.

It was estimated that the maximum aggregate annual value of the Transactions for 2006 and each of the two years ending 31 December 2007 and 31 December 2008 would be GBP800,000, GBP1,500,000 and GBP2,000,000 respectively.

The Company estimates that the maximum aggregate annual value of the Transactions for the year ending 31 December 2008 will exceed the Existing 2008 Annual Cap of GBP2,000,000 and will amount to GBP3,500,000 (the “Revised 2008 Annual Cap”). As a result thereof, the Company is required to re-comply with Rule 14A.35(3) of the Listing Rules in relation to the Revised 2008 Annual Cap.

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

As each of the applicable percentage ratios (other than the profits ratio) of the Revised 2008 Annual Cap exceeds 0.1% but is less than 2.5%, the Transactions for the year ending 31 December 2008 are subject to the reporting and announcement requirements but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

In the Previous Announcement, the Company announced, amongst other things, that Gieves, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Wensum under which Gieves may place orders with Wensum for supply of certain finished tailored menswear or their components for the term from 31 October 2006 to 31 December 2008. It was estimated that the maximum aggregate annual value of the Transactions for 2006 and each of the two years ending 31 December 2007 and 31 December 2008 would be GBP800,000, GBP1,500,000 and GBP2,000,000 respectively.

The Company estimates that the maximum aggregate annual value of the Transactions for the year ending 31 December 2008 will exceed the Existing 2008 Annual Cap of GBP2,000,000 and will amount to the Revised 2008 Annual Cap of GBP3,500,000.

SUMMARY OF THE AGREEMENT

Date of Agreement : 31 October 2006

Seller : Wensum

Buyer : Gieves

Pursuant to the 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 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 Agreement were made after arm's length negotiations between Gieves and Wensum.

THE REVISED 2008 ANNUAL CAP

All goods will be sold by Wensum to Gieves 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 value of the Transactions for the year ending 31 December 2008 will amount to GBP3,500,000. This estimate was made after taking into account the previous sales volumes, the expected business expansion of Gieves and the trend of price increase in respect of raw material and components. The estimated maximum aggregate annual value of the Transactions for the year ending 31 December 2008 does not represent any commitment on the part of Gieves but is an estimate on the maximum business volume between Gieves and Wensum for that year.

The aggregate value of the Transactions for the period ended 31 December 2006 and the year ended 31 December 2007 amounted to GBP556,000 and GBP1,497,000 respectively. The aggregate value of the Transactions for the period from 1 January 2008 to 31 July 2008 amounted to approximately GBP1,879,000.

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 Transactions under the Agreement are entered into in the usual and ordinary course of businesses of the Group and the terms of the Agreement and the Revised 2008 Annual Cap are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

Wensum is an indirect wholly-owned subsidiary of WTC which is a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, each of Wensum and WTC is the Connected Person of the Company and the transactions pursuant to the Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Revised 2008 Annual Cap exceeds the Existing 2008 Annual Cap, the Company is required to re-comply with Rule 14A.35(3) of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) exceeds 0.1% but is less than 2.5%, the Transactions for the year ending 31 December 2008 are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company is an investment holding company. Its principal subsidiaries 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 an indirect 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 an indirect wholly-owned subsidiary of WTC and therefore the Connected Person of the Company.

DEFINITIONS

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

“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
“Existing 2008 Annual Cap”	the annual cap of the agreement dated 31 October 2006 in the amount of GBP2,000,000 for the year ending 31 December 2008
“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
“HK\$”	Hong Kong Dollars, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Announcement”	an announcement of the Company dated 3 November 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wensum”	Wensum Tailoring Limited, an indirect wholly-owned subsidiary of WTC
“WTC”	Wing Tai Corporation Limited, a substantial shareholder of the Company

By Order of the Board
USI HOLDINGS LIMITED
FUNG Ching Man, Janet
Company Secretary and Chief Financial Officer

Hong Kong, 21 August 2008

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John, Ng Tak Wai, Frederick and Au Hing Lun, Dennis

Non-executive Directors:

Kwok Ping Luen, Raymond, Wong Yick Kam, Michael (also an alternate to Mr. Kwok Ping Luen, Raymond), Hong Pak Cheung, William and Loh Soo Eng

Independent Non-executive Directors:

Simon Murray, Fang Hung, Kenneth and Yeung Kit Shing, Jackson

** For identification purposes only*