

# USI Announces 2006 Annual Results

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**A Year of Record Growth Forms  
Strong Foundation for Sustainable Development**

## Financial Highlights

	For year ended 31 December, audited		Change
	2006 HK\$'Mil	2005 HK\$'Mil	
Turnover	<b>2,699.4</b>	1,767.9	<b>+52.7%</b>
Gross profit	<b>1,126.3</b>	566.6	<b>+98.8%</b>
Profit from operations	<b>1,016.0</b>	529.3	<b>+92.0%</b>
Profit attributable to the shareholders of the Company	<b>738.3</b>	368.5	<b>+100.4%</b>
Basic EPS (HK cents)	<b>140.0</b>	70.0	<b>+100%</b>
Total dividend per share (HK cents)	<b>11.5</b>	7.0	<b>+64.3%</b>

18 April 2007, Hong Kong - **USI Holdings Limited** ("USI" or the "Group", SEHK stock code: 369) announced the audited results for the year ended 31 December 2006. The Group reported a profit attributable to the shareholders of the Company of HK\$738.3 million, representing a remarkable increase of 100.4% over the HK\$368.5 million reported for the same period in 2005. Turnover for the Group was HK\$2,699.4 million, representing a 52.7% increase as compared with the HK\$1,767.9 million for 2005. The substantial growth in profit was attributable to the income generated from The Grandville and valuation gains on the Group's investment properties.

The Board of Directors proposed to declare a final dividend of 6.5 HK cents per share. Together with the 5.0 HK cents interim dividend, the Group will distribute a total dividend of 11.5 HK cents per share for 2006.

Mr. Christopher Cheng, Chairman of USI, said: "The year 2006 was very fruitful for USI. We took firm steps along the path towards realising the company's strategic goals with our strong beliefs in value creation, lasting partnership, professionalism, good timing and quality. I could even characterise 2006 as a year when the company really took off. We achieved record turnover and profit, and we established a clear direction to make our mark in the property industry as a focused and dynamic niche player."

The Group's property division achieved a record turnover of HK\$1.36 billion in 2006, representing a year-on-year increase of 262% and a 2-folded profit from operations. The Group has completed and handed over the units in The Grandville to the buyers in the second half of 2006. The maiden launch of Grand 8 on the Park towards the

end of 2006 received positive market response and all the remaining units of The Grandville have been sold subsequent to the year end. During the year under review, the management continued to add value to The Giverny and closely monitor the regular maintenance of the premises to ensure that they are maintained with the highest quality and are in perfect condition on delivery. Construction of Kovan Melody, a joint residential development project with Wing Tai Holdings Limited in Singapore comprising 778 apartment units, was completed. Approximately 77% of units were sold up to year end 2006 and a further 13% were sold by the end of March 2007.

The Group's hospitality investment and management business achieved remarkable results despite its short operating history. Lanson Place in Hong Kong and Shanghai consistently recorded high occupancy rate of approximately 90%. Lanson Place Jin Lin Tain Di Residences in Shanghai attained average monthly rental of US\$6,000 per month. Lanson Place Hotel in Hong Kong was admitted to the Small Luxury Hotels of the World and was named Boutique Hotel of the Year in SCMP/Harper's Bazaar StyleAwards 2007.

The Group also maintained a balanced and diverse portfolio of quality commercial and industrial properties. The industrial buildings achieved high occupancy rate throughout the year. Other investment properties comprising the former Bank of East Asia Building at Hennessy Road and the Infiniti mall in Shanghai are expected to generate steady income and cashflow for the Group.

In 2006, the operating environment remained difficult for the Group's apparel business. Improvement initiatives have been embarked to strengthen the Group's market position while halting spiraling production costs. 2007 will be a year for USI to put more emphasis on sales growth, productivity and cost efficiency.

The Group adopts a three-pronged development strategy with a strong focus on property development, especially the luxury and high-end residential market. A series of marketing campaigns are planned for the relaunch of The Giverny, scheduled for April 2007. In addition, construction of 157 Argyle Street will commence this year as the Group has recently reached an agreement with the Government on land premium and lease modification. The Group will also start planning the two residential development projects in Pak Shek Kok with its partners and will once again demonstrate its value creation capability. The Group will also seek to establish itself as a comprehensive property developer in the PRC.

In terms of property investment, the Group will continue to enhance the value of its properties through renovation initiatives, as well as explore investment opportunities for quality commercial and retail properties.

On the hospitality management front, the Group will build on Lanson Place's success to further strengthen the brand and its competitiveness in the existing markets while exploring to expand into strategic locations in Greater China and other gateway cities in Asia.

During the post-balance sheet period, the Group announced its intention to make a voluntary conditional offer to acquire the issued shares (other than those already owned by USI) of Winsor Properties Holdings Limited. The offer intends to restructure the interests of USI and Wing Tai Holdings in Winsor, through which will create enhanced value for shareholders of both USI and Winsor. The Group believes that this restructuring exercise will be instrumental to better position USI to pursue its business. Both USI and Winsor will be able to leverage from this strengthened shareholding relationship to capitalize growth opportunities in the property development and investment sector.

“If 2006 was a year of measured growth in the property market and removal of any remaining uncertainty, 2007 will be a year of full momentum. We are confident in the market as we are confident in ourselves. We will continue to strengthen the Wing Tai Asia brand as a leading high-end residential property developer while expanding into investment and retail properties. The Lanson Place brand will be our spearhead in hospitality investment and management. Our continued efforts and vision will see USI develop as a comprehensive property developer with an Asian presence and China focus,” Mr. Cheng concluded.

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### **About USI Holdings Limited**

USI develops high quality residential property projects under the Wing Tai Asia brand. Landmark projects include The Waterfront, atop the Airport Railway's Kowloon Station, The Hillgrove, at Siu Lam, The Bloomsville, at Kowloon Tong, The Grandville, at Shatin and The Giverny, at Sai Kung. The Group also engaged in hospitality investment and management under its Lanson Place brand in Hong Kong, Shanghai, Beijing, Singapore and Kuala Lumpur. In addition, the Group has a portfolio of investment projects comprising commercial and industrial properties.

USI's apparel operations is comprised of well-established garment manufacturing operations in Hong Kong, China and Southeast Asia; garment trading and branded products distribution, which includes the internationally recognized label of Gieves & Hawkes.

USI was listed on The Stock Exchange of Hong Kong Limited in 1991.

### **For further information, please contact Hill & Knowlton Asia Ltd**

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