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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:

W SQUARE TENANCY AGREEMENTS

The Directors are pleased to announce that on 20 June 2008 the Company's indirect wholly-owned subsidiary, USIPL, entered into the W Square Tenancy Agreements in respect of various spaces in W Square, Nos. 314-324 Hennessy Road, Wanchai, Hong Kong for a term of 2 years with Winnion.

Winnion is a wholly-owned subsidiary of Winsor. As Winsor's subsidiary, Allied Effort Limited, is the holder of 10% or more of the issued share capital of two subsidiaries of the Company, Winsor and its subsidiaries (including Winnion) are connected persons of the Company under the Listing Rules and the W Square Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The consideration of the W Square Tenancy Agreements and the consideration of the Unimix Tenancy Agreements in aggregate, on an annual basis, fall within the threshold prescribed in Rule 14A.34 of the Listing Rules, and therefore are exempted from independent shareholders' approval requirements but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

** For identification purpose only*

The W Square Tenancy Agreements

The Directors are pleased to announce that on 20 June 2008 the Company's indirect wholly-owned subsidiary, USIPL, entered into the W Square Tenancy Agreements. Particular of the W Square Tenancy Agreements are set out below:-

Date:	20 June 2008	
Landlord:	Winnion	
Tenant:	USIPL	
Premises:	a) 6 th Floor of W Square, with a total gross floor area of approximately 5,511 sq.ft.	b) 25 th Floor and penthouse of W Square, with a total gross floor area of approximately 8,091 sq.ft.

Term:	Two years from 20 June 2008 to 19 June 2010 (both days inclusive).	Two years from 9 July 2008 to 8 July 2010 (both days inclusive).
Break Clause	USIPL shall have the right to terminate any one or both of the W Square Tenancy Agreements by serving Winnion a not less than 3-month prior notice at any time after the first anniversary of the Tenancy Agreement concerned.	
Rental:	HK\$352,950 per month payable in cash, exclusive of management fees, government rates and other outgoings.	
Management Fee:	HK\$74,658.30 per month payable in cash (subject to adjustment).	

Annual Caps

Annual Caps under W Square Tenancy Agreements

The maximum considerations payable by USIPL to Winnion pursuant to the terms of the W Square Tenancy Agreements during the financial years ending 31 December 2008, 31 December 2009, 31 December 2010 amount to approximately HK\$2.56 million, HK\$5.18 million and HK\$2.62 million respectively.

Annual Caps under Unimix Tenancy Agreements

In the Company's announcement dated 12 December 2007, the Company announced that various subsidiaries of the Company entered into the Unimix Tenancy Agreements with Unimix Properties Limited, a subsidiary of Winsor, and that the aggregate amounts payable under the Unimix Tenancy Agreements would not exceed 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.

Aggregated Annual Caps

The W Square Annual Caps and the Unimix Annual Caps, aggregated together under Rule 14A.25 of the Listing Rules, amount to HK\$16.66 million, HK\$20.58 million and HK\$18.72 million for the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

Reasons for and benefits of the W Square Tenancy Agreements

The Group requires spaces of approximately 14,000 sq.ft. in a decent and accessible area on the Hong Kong Island for the purpose of its property development business. The Premises meet the Group's requirements and are available and being offered for renting. The terms of the W Square Tenancy Agreements have been negotiated on an arm's length

basis between USIPL and Winnion and are on normal commercial terms. The rentals of the Premises have been arrived at by reference to (i) the area size and location of the Premises; and (ii) the prevailing rentals payable by independent third party tenants.

The Directors consider that the terms of the W Square Tenancy Agreements are in the ordinary and usual course of the business of the Group, and on normal commercial terms, being not less favourable than terms available to or from independent third parties, and the same and the W Square Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Requirements of the Listing Rules

Winnion is a wholly-owned subsidiary of Winsor. As Winsor's subsidiary, Allied Effort Limited, is the holder of 10% or more of the issued share capital of two subsidiaries of the Company, Winsor and its subsidiaries (including Winnion) are connected persons of the Company under the Listing Rules and the W Square Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The relevant Percentage Ratios (other than the profits ratio) for the W Square Tenancy Agreements, the W Square Annual Caps or the Aggregated Annual Caps on an annual basis exceed 0.1 per cent but are less than 2.5 per cent. The W Square Tenancy Agreements, the W Square Annual Caps and the Aggregated Annual Caps are therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the requirement to obtain independent shareholders' approval.

Information about the Company

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

Information about Winsor and Winnion

Winsor is an investment holding company. Its principal subsidiaries are engaged in property investment and management, warehousing and investment holding. Winsor and its subsidiaries also involve from time to time in property development activities.

Winnion is an indirect subsidiary of Winsor. Winnion is holding W Square (including the Premises) as investment properties for rental income.

Definitions

Aggregated Annual Caps means the W Square Annual Caps and the Unimix Annual Caps, aggregated together for each of the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010.

“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.
“connected person(s)”	has the meaning ascribed to it under the Listing Rules.
“Directors”	means the directors of the Company.
“Group”	means the Company and its subsidiaries.
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong.
“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.
“Premises”	means the 6 th Floor, 25 th Floor and penthouse of W Square, with a total gross floor area of approximately 13,602 sq.ft.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“USIPL”	means USI Properties Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company.
“Unimix Annual Caps	means the maximum considerations payable under the Unimix Tenancy Agreements for each of the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010 as disclosed in the announcement of the Company dated 12 December 2007.
“Unimix Tenancy Agreements”	The agreements entered into between Unimix Properties Limited, a subsidiary of Winsor, and certain subsidiaries of the Company 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 Limited to certain subsidiaries of the Company, as amended and supplemented by the tenancy side letters issued to such subsidiaries of the Company by Unimix Properties Limited on 28 December 2007 to record the Unimix Annual Caps.

“W Square Annual Caps”	means the maximum considerations payable by USIPL to Winnion pursuant to the terms of the W Square Tenancy Agreements for each of the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010, taking into account expected revision to the management fees payable under the W Square Tenancy Agreements.
“W Square Tenancy Agreements”	the agreements dated 20 June 2008 entered into between USIPL and Winnion in relation to the Premises.
“W Square”	a 25-storey commercial office composite building at Nos.314-324 Hennessy Road, Wanchai, Hong Kong.
“Winnion”	means Winnion Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Winsor.
“Winsor”	means Winsor Properties Holdings Limited, a limited liability company incorporated in the Cayman Islands, a direct subsidiary of the Company, and the issued shares of which are listed on the Stock Exchange.

By Order of the Board of
USI HOLDINGS LIMITED
Fung Ching Man, Janet

Company Secretary & Chief Financial Officer

Hong Kong, 20 June 2008

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

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

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

Independent Non-executive Directors: Mr. Simon Murray, Mr. Fang Hung, Kenneth and Mr. Yeung Kit Shing, Jackson