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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)

**CONNECTED TRANSACTION:
DISPOSAL OF THE ENTIRE INTERESTS IN A WHOLLY-OWNED GARMENT SUBSIDIARY**

The Directors of the Company are pleased to announce that on 18 December 2008, Unimix Holdings as guarantor and the Seller (both being wholly-owned subsidiaries of the Company) entered into the Universal Glory Agreement with the Purchaser. Pursuant to the Universal Glory Agreement, the Seller has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital of Universal Glory at a consideration of HK\$5,200,000.

The Purchaser is a wholly-owned subsidiary of Wing Tai which is a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, each of the Purchaser and Wing Tai is a connected person (as defined in the Listing Rules) of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios in respect of the Disposal exceed 0.1% but are less than 2.5%, the Disposal is only subject to reporting and announcement requirements and is exempt from the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

1. DISPOSAL OF THE ENTIRE INTERESTS IN WHOLLY-OWNED GARMENT SUBSIDIARY

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2. THE UNIVERSAL GLORY AGREEMENT

Date

18 December 2008

Seller

Unimix Limited, a wholly-owned subsidiary of the Company and Unimix Holdings and the immediate holding company and beneficial owner of all of the issued share capital of and in Universal Glory

Purchaser

Everfield Holdings Limited, a company incorporated in the British Virgin Islands with limited liability

Guarantor

Unimix Holdings, a wholly owned subsidiary of the Company

Assets to be disposed of

The entire issued share capital of and in Universal Glory. Universal Glory Cambodia is a wholly-owned subsidiary of Universal Glory. Universal Glory and Universal Glory Cambodia were incorporated by the Group in 2000 and 2006 respectively. Universal Glory and Universal Glory Cambodia will cease to be subsidiaries of the Company on completion of the Universal Glory Agreement.

Consideration

The consideration is HK\$5,200,000 (subject to adjustments as described below), which was arrived at after arm's length negotiations between the Seller and the Purchaser with reference to the consolidated net asset value of Universal Glory as at the Completion Date.

Payment term

The consideration will be payable in cash on completion of the Universal Glory Agreement.

Post-Completion Adjustment of Consideration

The consideration payable under the Universal Glory Agreement shall be adjusted upwards or downwards (as the case may be) based on the Completion Accounts on a dollar-for-dollar basis as follows:

- a) a payment by the Purchaser to the Seller equal to the amount by which the consolidated net asset value of Universal Glory as set out in the Completion Accounts exceeds HK\$20,253; or
- b) a payment by the Seller to the Purchaser equal to the amount by which the consolidated net asset value of Universal Glory as set out in the Completion Accounts is below HK\$20,253.

The aforementioned amount of HK\$20,253 is the projected consolidated net asset value as at 31 December 2008 of Universal Glory made on the basis of (i) the consolidated net asset value of Universal Glory as at 30 June 2008 and (ii) the projected consolidated profit and loss of Universal Glory for the period from 1 July 2008 to 31 December 2008 (the "Original Projection").

It is estimated on the basis of the latest available information that the consolidated operating results of Universal Glory for the period from 1 July 2008 to 31 December 2008 will be better than the Original Projection by approximately HK\$608,000, that the consideration as adjusted as aforesaid (the "Adjusted Consideration") will amount to approximately HK\$5,808,000 and that the Adjusted Consideration will not exceed HK\$6,000,000.

In the event that the amount of the Adjusted Consideration will cause any of the applicable percentage ratios reaches or exceeds 2.5%, the Universal Glory Agreement will not be completed until the Company has complied with the relevant requirements of Chapter 14A of the Listing Rules.

Completion

Completion is expected to take place on 31 December 2008 or such other date as may be agreed by the parties.

Loans owed by Universal Glory and Universal Glory Cambodia

Certain loans owed by Universal Glory and Universal Glory Cambodia to the Seller (in the amount of approximately HK\$18.4 million) shall be offset against the cumulated consolidated losses of Universal Glory and Universal Glory Cambodia on or before completion and the other loans (in the amount of approximately HK\$5.2 million) shall be repayable in five equal monthly installments commencing from one calendar month after completion.

3. INFORMATION ON UNIVERSAL GLORY

Universal Glory is a company in Hong Kong with limited liability and a wholly-owned subsidiary of the Company.

Universal Glory is an investment holding company. It holds the entire issued share of and in Universal Glory Cambodia. Universal Glory Cambodia is engaged in the business of garment manufacturing.

The table below shows the consolidated net asset/(liabilities) value, consolidated profit/(loss) before tax and consolidated profit/(loss) after tax of Universal Glory for the period ended 31 October 2008 and for the financial years ended 31 December 2007 and 31 December 2006 respectively:

| | For the period ended 31 October 2008 | For the financial year ended 31 December 2007 | For the financial year ended 31 December 2006 |
|--|---|---|---|
| | HK\$'000 | HK\$'000 | HK\$'000 |
| Consolidated net asset/ (liabilities) value | (18,609) | (16,949) | (2,627) |
| Consolidated profit/(loss) before tax | (1,660) | (14,322) | (2,640) |
| Consolidated profit/(loss) after tax | (1,660) | (14,322) | (2,640) |

4. GUARANTEE

Unimix Holdings, a wholly-owned subsidiary of the Company, is a party to the Universal Glory Agreement in order to guarantee the obligations of its wholly-owned subsidiary (the Seller) under the Universal Glory Agreement.

5. REASONS FOR AND BENEFITS OF THE DISPOSAL

As stated in the 2007 annual report of the Company, the Group has performed a thorough review of the businesses of the Group and decided to restructure the entire apparel operation by closing down certain non-profitable apparel businesses (including the business of Universal Glory Cambodia) by phases.

If Universal Glory Cambodia were to be liquidated, its assets would be expected to be sold at liquidation value. In light of this, the disposal of Universal Glory as a going concern is expected to avoid the losses which would otherwise be incurred by the Group if Universal Glory Cambodia were to be liquidated. On this basis, the Disposal is expected to be more beneficial to the Group than the liquidation of the business of Universal Glory.

The Disposal is not expected to result in any significant gain or loss to the Company. On the basis of a consideration of HK\$5,200,000 for the Disposal, it is estimated that a profit (before tax and expenses) of approximately HK\$5,200,000 (subject to audit) will accrue to the Company with reference to the projected net asset value of Universal Glory as at the Completion Date.

The Company intends to use the net proceeds of the Disposal as general working capital.

Having considered the terms of the Universal Glory Agreement and the reasons and benefits as aforesaid, the Directors, including the independent non-executive directors, are of the view that the terms of the Universal Glory Agreement are fair and reasonable, on normal commercial terms, and in ordinary and usual course of business of the Group and the Disposal is in the interests of the Company and its shareholders as a whole.

6. LISTING RULES REQUIREMENTS

The Purchaser is a wholly-owned subsidiary of Wing Tai, which is a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, each of the Purchaser and Wing Tai is a connected person (as defined in the Listing Rules) of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios in respect of the Disposal exceed 0.1% but are less than 2.5%, the Disposal is only subject to the reporting and announcement requirements and is exempt from the Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

7. GENERAL

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

Unimix Holdings is a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is engaged in the businesses of garment manufacturing and trading and investment holding.

The Seller is a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is engaged in the businesses of garment manufacturing and trading and investment holding.

The Purchaser is a wholly-owned subsidiary of Wing Tai (a substantial shareholder of the Company). The Purchaser is engaged in the business of garment manufacturing and trading and investment holding.

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; |
| “Completion Date” | the date on which the completion of Universal Glory Agreement shall take place which is target on 31 December 2008 or such other date as may be agreed by the parties; |
| “Completion Accounts” | the audited consolidated balance sheet of Universal Glory as at the Completion Date and the audited consolidated profit and loss accounts of Universal Glory for the period from 1 January 2008 up to and including the Completion Date; |
| “Directors” | directors of the Company; |
| “Disposal” | the disposal of the entire interests in Universal Glory pursuant to the Universal Glory Agreement; |
| “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 People's Republic of China; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Purchaser” | Everfield Holdings Limited, a wholly-owned subsidiary of Wing Tai incorporated in the British Virgin Islands with limited liability; |
| “Seller” | Unimix Limited, a wholly-owned subsidiary of Unimix Holdings incorporated in Hong Kong with limited liability; |

| | |
|-----------------------------|---|
| “Shareholders” | the holders of the ordinary shares in the issued share capital of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Unimix Holdings” | Unimix Holdings Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability; |
| “Universal Glory” | Universal Glory Holdings (HK) Limited, a wholly-owned subsidiary of the Seller incorporated in Hong Kong with limited liability; |
| “Universal Glory Agreement” | the conditional sale and purchase agreement dated 18 December 2008 entered into between the Seller (as the seller), the Purchaser (as the purchaser) and Unimix Holdings (as the guarantor) in relation to the issued share capital of Universal Glory; |
| “Universal Glory Cambodia” | Universal Glory (Cambodia) Ltd., a wholly-owned subsidiary of Universal Glory incorporated in the Kingdom of Cambodia with limited liability; and |
| “Wing Tai” | Wing Tai Corporation Limited, a substantial shareholder of the Company incorporated in Hong Kong with limited liability. |

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

Hong Kong, 18 December 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 purpose only*