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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)

ANNOUNCEMENT
MAJOR TRANSACTION
A JOINT VENTURE GROUP
FOR THE PURSUIT OF REAL ESTATE OPPORTUNITIES IN THE PRC

On 10th June, 2008, the Board announced that USI BVI and Hongkong Land BVI had established the Joint Venture Group pursuant to the Shareholders' Agreement for the purposes of pursuing real estate opportunities in the Territory. The Group's total capital commitment for the benefit of the Joint Venture Group on that date reached such an amount that the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of such total capital commitment exceeded 5%. On this basis, the transaction at that time constituted a discloseable transaction of the Company under the Listing Rules. A circular in respect of that discloseable transaction was sent to the Shareholders on 27th June, 2008.

As indicated in the Company's announcement of 10th June, 2008 and circular of 27th June, 2008, in the event that the total capital commitment by the Group for the benefit of the Joint Venture Group increases to such an extent that any of the applicable percentage ratios reaches or exceeds 25%, the Company will re-classify the transaction and comply with the relevant requirements of Chapter 14 of the Listing Rules. On 23rd December, 2008, the Group has agreed to make a further capital commitment of approximately HK\$188 million to the Joint Venture Group which has caused the Group's total capital commitment for the benefit of the Joint Venture Group to reach such an amount that the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of such total capital commitment has exceeded 25%. On this basis, this transaction now constitutes a major transaction of the Company under the Listing Rules. The Major Shareholders have approved in writing in accordance with Rule 14.44 of the Listing Rules the further capital commitment as aforesaid for the benefit of the Joint Venture Group pursuant to the Shareholders' Agreement. A circular giving further details of the transaction will be dispatched to the Shareholders as soon as practicable.

The transaction

On 10th June, 2008, the Board announced that Hongkong Land BVI (a wholly-owned subsidiary of Hongkong Land China), Hongkong Land China, USI BVI (a wholly-owned subsidiary of the Company), the Company and Jumbo Broad entered into the Shareholders' Agreement on 8th October, 2007, pursuant to which, USI BVI and Hongkong Land BVI had established the Joint Venture Group for the purposes of pursuing real estate opportunities in the Territory. The Joint Venture Group intends to focus on comprehensive property developments in first tier cities and fast-growing second-tier cities in the PRC, particularly those in the Pan Bohai Rim Region, the Yangtze River Delta and South Western China.

The Company and Hongkong Land China guarantee the performance of the obligations of USI BVI and Hongkong Land BVI, respectively, under the Shareholders' Agreement.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiry, Hongkong Land China, Hongkong Land BVI and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Jumbo Broad is owned by USI BVI and Hongkong Land BVI as to 40% and 60%, respectively.

The obligation of the shareholders of Jumbo Broad under the Shareholders' Agreement to provide funds to the Joint Venture Group is subject to the approval of shareholders holding in aggregate more than 75% of the shares of Jumbo Broad, including (on the basis of the current ownership of Jumbo Broad) the approval of USI BVI.

On 18th December, 2007, a wholly-owned subsidiary of Jumbo Broad, Best Joy, and Sonicworld formed a joint venture through a joint venture company Raise Up. Best Joy and Sonicworld are interested in 50.51% and 49.49%, respectively, of the issued share capital of Raise Up. Raise Up is interested in a number of sites in the Shenbei District in Shenyang, the Liaoning Province in the Pan Bohai Rim Region.

On 10th June, 2008, USI BVI and Hongkong Land BVI agreed to make further capital commitments for the benefit of the Joint Venture Group such that the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Group's total capital commitment reached 5% on the same date. The transaction on that date constituted a discloseable transaction of the Company under the Listing Rules. A circular in respect of that discloseable transaction was sent to the Shareholders on 27th June, 2008.

As indicated in the Company's announcement of 10th June, 2008 and circular of 27th June, 2008, in the event that the total capital commitment by the Group for the benefit of the Joint Venture Group increases to such an extent that any of the applicable percentage ratios reaches or exceeds 25%, the Company will re-classify the transaction and comply with the relevant requirements of Chapter 14 of the Listing Rules. On 23rd December, 2008, the Group has agreed to make a further capital commitment of approximately HK\$188 million to the Joint Venture Group which has caused the Group's total capital commitment for the benefit of the

Joint Venture Group to reach an aggregate amount of approximately HK\$563 million. The Group has made or intends to make all of its capital commitment to the Joint Venture Group in cash and/or by way of corporate guarantees. On the basis that Jumbo Broad is owned by USI BVI and Hongkong Land BVI as to 40% and 60%, respectively, the Group's total capital commitment to the Joint Venture Group represents 40% of the total capital commitment by the shareholders of Jumbo Broad for the benefit of the Joint Venture Group. (The Group has made a total capital commitment of approximately HK\$361 million (of the total capital commitment of approximately HK\$563 million which USI BVI has agreed to make).) The shareholders of Jumbo Broad determine the amount of capital commitments for the benefit of the Joint Venture Group by reference to the funding requirements of the Joint Venture Group in its businesses. As disclosed in the announcement of 10th June, 2008, the Joint Venture Group has used, and intends to continue to use, these capital commitments from USI BVI and Hongkong Land BVI in funding the acquisitions and clearance of sites with a total site area of approximately 960,000 square metres in the Shenbei District and the Hunnan District in Shenyang for the purposes of the development of high quality residences (including funding the planning and design work and construction work in relation to those sites). The Joint Venture Group has completed the acquisition of these sites and has not acquired and has not decided to acquire any other sites.

The Joint Venture Group has started master planning and design work for the initial phase of the residential development and plans to commence construction in 2009.

The Group has funded and intends to continue to fund its capital commitments for the benefit of the Joint Venture Group from the Group's internal resources and/or bank borrowings.

Information about the Company

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

Information about Hongkong Land China

The Hongkong Land China Group owns and manages some five million square feet of prime office and retail space in the heart of Hong Kong's Central business district and is developing a range of property activities in Hong Kong, Macau and mainland China.

Hongkong Land China is a wholly-owned subsidiary of Hongkong Land Holdings Limited, one of Asia's leading property investment, management and development groups.

Information about Sonicworld

Sonicworld is an investment holding company principally engaged in property investment activities.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiry, Sonicworld and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Reasons for entering into the transaction

The Directors are positive about the property market in mainland China. The Board believes that the austerity measures being implemented in mainland China will help to create a healthier property market and will offer more opportunities for the Group to further its expansion into comprehensive development in mainland China. The Directors also expect that the steady economic growth in the PRC, its urbanization and the appreciation of RMB will continue to drive local demand for quality properties in the PRC.

The Directors consider that the Shareholders' Agreement and the capital commitment by the Company for the benefit of the Joint Venture Group have been agreed on normal commercial terms, which are fair and reasonable so far as the Company and the Shareholders are concerned, and that they are in the interests of the Company and the Shareholders as a whole.

General

On 23rd December, 2008, the Group has agreed to make a further capital commitment of approximately HK\$188 million to the Joint Venture Group which has caused the Group's total capital commitment for the benefit of the Joint Venture Group to reach such an amount that the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of such total capital commitment has exceeded 25%. On this basis, this transaction now constitutes a major transaction of the Company under the Listing Rules. The Major Shareholders have approved in writing in accordance with Rule 14.44 of the Listing Rules the further capital commitment as aforesaid for the benefit of the Joint Venture Group pursuant to the Shareholders' Agreement. A circular giving further details of the transaction will be dispatched to the Shareholders as soon as practicable.

As (1) no shareholder would be required to abstain from voting if the Company were to hold a general meeting to approve the further capital commitments and (2) the Major Shareholders, a closely allied group of shareholders who together beneficially own more than 50 per cent. in nominal value of the shares in the capital of the Company giving the right to attend and vote at its general meetings, have approved in writing in accordance with Rule 14.44 of the Listing Rules the further capital commitment as aforesaid for the benefit of the Joint Venture Group pursuant to the Shareholders' Agreement, such written approval is acceptable under the Listing Rules in lieu of a general meeting to approve the further capital commitment. No general meeting will be held to approve the further capital commitment which has been approved by the Major Shareholders in writing.

The Major Shareholders beneficially own the following shares in the Company:

Name of Major Shareholder	Number of shares directly held	Direct percentage shareholding
Brave Dragon Limited	106,345,862	10.75%
Wing Tai Retail Pte. Ltd. (“ Wing Tai ”)	37,312,000	3.77%
Crossbrook Group Limited (“ Crossbrook ”)	202,808,162	20.51%
Bestime Resources Limited	68,747,996	6.95%
Pofung Investments Limited	66,698,122	6.74%
Broxbourne Assets Limited	12,992,968	1.31%
Mr. Cheng Wai Chee, Christopher (“ Mr. Christopher Cheng ”)	3,030,749	0.31%
Mr. Cheng Wai Sun, Edward (“ Mr. Edward Cheng ”)	2,954,750	0.30%
Total	500,890,609	50.64%

Mr. Christopher Cheng is taken to be interested in more than one-third of the issued share capital of Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited for the purpose of section 316 of the Securities and Futures Ordinance (Cap.571). He is also a beneficiary of a trust the assets of which include indirect interests in shares in Wing Tai Holdings Limited, which is the parent company of Brave Dragon Limited, Crossbrook and Wing Tai. (Messrs. Edward Cheng, Cheng Man Piu, Francis and certain other members of Mr. Christopher Cheng’s family, are the other beneficiaries of this trust.)

Terms used in this announcement

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

“Best Joy”	Best Joy Enterprises Limited, a wholly-owned subsidiary of Jumbo Broad incorporated in the British Virgin Islands and a member of the Joint Venture Group
“Company”	USI Holdings Limited
“Director”	a director of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars (the lawful currency of Hong Kong)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hongkong Land BVI”	King Noble International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Hongkong Land China
“Hongkong Land China”	Hongkong Land China Holdings Limited, a company incorporated in Bermuda
“Hongkong Land China Group”	Hongkong Land China and its subsidiaries
“Joint Venture Group”	Jumbo Broad and its subsidiaries
“Jumbo Broad”	Jumbo Broad Limited, a company incorporated in the British Virgin Islands and owned by USI BVI and Hongkong Land BVI as to 40% and 60%, respectively
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholders”	Brave Dragon Limited, Wing Tai Retail Pte. Ltd., Crossbrook Group Limited, Bestime Resources Limited, Pofung Investments Limited, Broxbourne Assets Limited, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward
“PRC”	the People’s Republic of China
“Raise Up”	Raise Up Enterprises Limited, a subsidiary of Best Joy incorporated in the British Virgin Islands and a member of the Joint Venture Group
“RMB”	Renminbi (the lawful currency of the PRC)
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 8 th October, 2007 between Hongkong Land BVI, Hongkong Land China, USI BVI, the Company and Jumbo Broad
“Sonicworld”	Sonicworld Investment Limited, a company incorporated in the British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Territory”	the PRC and any other territory or territories which USI BVI and Hongkong Land BVI may agree from time to time
“USI BVI”	USI Investment (China) (No. 1) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company

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

23rd December, 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 Mr. 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

** For identification purpose only.*