

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

USI HOLDINGS LIMITED

富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

CONNECTED TRANSACTION

The Directors of the Company are pleased to announce that on 4 February 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, the Seller agreed to sell and the Purchaser agreed to purchase 600,000 ordinary shares of HK\$1.00 each of Shui Pang, representing 30% of the issued share capital of Shui Pang for a consideration of HK\$2,550,000. After completion of the Acquisition, Shui Pang will become an indirect wholly-owned subsidiary of the Company.

The Seller is a director of certain subsidiaries of the Company and a substantial shareholder (as defined in the Listing Rules) of Shui Pang. Therefore, the Seller is a connected person (as defined in the Listing Rules) of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 2.5%, the Acquisition 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.

1. The Acquisition

The Directors of the Company are pleased to announce that on 4 February 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, the Seller agreed to sell and the Purchaser agreed to purchase 600,000 ordinary shares of HK\$1.00 each, representing 30% of the issued share capital of Shui Pang for a consideration of HK\$2,550,000. After completion of the Acquisition, Shui Pang will become an indirect wholly-owned subsidiary of the Company.

2. The Sale and Purchase Agreement

Date

4 February 2009

Purchaser

Shui Hing Textiles International Limited, an indirect wholly-owned subsidiary of the Company

Seller

Mr. Hung Chi Kin, a director of certain subsidiaries of the Company and a holder of 600,000 ordinary shares of HK\$1.00 each of Shui Pang, representing 30% of the total issued share capital of Shui Pang

Asset to be acquired

600,000 ordinary shares of HK\$1.00 each of Shui Pang, representing 30% of the issued share capital of Shui Pang

Consideration

The consideration is HK\$2,550,000, which was arrived at after arm's length negotiations between the Seller and the Purchaser with reference to (i) the unaudited consolidated net asset value of Shui Pang as at 30 September 2008 which amounted to approximately HK\$6 million and (ii) the value of the intangible asset of Shui Pang.

Payment Terms

The consideration will be payable as to HK\$1,800,000 on completion of the Acquisition and as to HK\$750,000 on the first anniversary of completion.

Completion of the Acquisition

The completion of the Acquisition is expected to take place on or before 6 February 2009.

3. Information on Shui Pang

Shui Pang is a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company. Prior to the completion of the Acquisition, the Company has an indirect interest in 70% of the entire issued share capital of Shui Pang with the remaining 30% held by the Seller. The Seller acquired the 30% interest in Shui Pang during the period from October 1987 to November 1993 at an original acquisition cost of HK\$1,158,350.

Shui Pang is engaged in the businesses of investment holding, garment manufacturing and garment trading. Shui Pang has six subsidiaries whose principal activities are garment manufacturing, garment trading and investment holding.

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

	For the financial year ended	
	31 December 2007	31 December 2006
	HK\$'000	HK\$'000
Consolidated net asset/ (liabilities) value	5,957	12,268
Consolidated profit/(loss) before tax	(6,096)	(3,252)
Consolidated profit/(loss) after tax	(6,096)	(3,305)

4. Reasons for the Acquisition

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.

Following the completion of the Acquisition, Shui Pang will become an indirect wholly-owned subsidiary of the Company. The Acquisition enables the Company to increase its stake in Shui Pang, consolidate the fine-knit divisions and leverage management expertise for the fine-knit production operations.

Having considered the terms of the Sale and Purchase Agreement and the reasons as aforesaid, the Directors of the Company, including the independent non-executive directors, are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms, and in the ordinary and usual course of business of the Group and the Acquisition is in the interests of the Company and Shareholders as a whole.

5. Listing Rules Requirements

The Seller is a director of certain subsidiaries of the Company and a substantial shareholder (as defined in the Listing Rules) of Shui Pang. Therefore, the Seller is a connected person (as

defined in the Listing Rules) of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 2.5%, the Acquisition 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.

DEFINITIONS

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

“Acquisition”	the acquisition of 600,000 ordinary shares of HK\$1.00 each of Shui Pang, representing 30% of the issued share capital of Shui Pang, pursuant to the Sale and Purchase Agreement;
“Company”	USI Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, being the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	Shui Hing Textiles International Limited, an indirect wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	a sale and purchase agreement dated 4 February 2009 entered into between the Seller (as the seller) and the Purchaser (as the purchaser) in relation to the Acquisition;
“Seller”	Mr. Hung Chi Kin, a director of certain subsidiaries of the Company and a substantial shareholder of Shui Pang;
“Shareholders”	the holders of the ordinary shares in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Shui Pang”	Shui Pang Garment & Knitting Factory Limited, a 70% owned indirect subsidiary of the Company incorporated in Hong Kong with limited liability.

By Order of the Board
Fung Ching Man, Janet
Company Secretary and Chief Financial Officer

4 February 2009, Hong Kong

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 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*