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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: TWO LANDMARK EAST PRELIMINARY TENANCY AGREEMENT

The Directors are pleased to announce that on 20 July 2009 the Company's indirect wholly-owned subsidiary, USIL, entered into the Preliminary Tenancy Agreement for the rental of the whole of the 27th Floor, Two Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong with Begin Land.

Begin Land is an indirect 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 Begin Land) are the Connected Persons of the Company under the Listing Rules. The Preliminary Tenancy Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The consideration of the Preliminary Tenancy Agreement, on an annual basis, falls within the threshold prescribed in Rule 14A.34 of the Listing Rules, and therefore the Preliminary Tenancy Agreement and Annual Caps are exempted from independent shareholders' approval requirements but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Preliminary Tenancy Agreement

The Directors are pleased to announce that on 20 July 2009 the Company's indirect wholly-owned subsidiary, USIL, entered into the Preliminary Tenancy Agreement with Begin Land. Particulars of the Preliminary Tenancy Agreement are set out below:-

Date:	20 July 2009
Landlord:	Begin Land
Tenant:	USIL
Premises:	Whole of the 27 th Floor, Two Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong (including the right to use up to 3 car parking spaces within Landmark East).
Term:	Approximately 31 months commencing from 1 January 2010 to 24 July 2012 (both days inclusive)
Rental, management fee and other charges:	Approximately HK\$4,032,000 per annum, which includes rental (exclusive of government rates and all other tenant's outgoings), management fee, air-conditioning charges, chilled water charges and car parking licence fee.

**For identification purposes only*

Hand-over Date and Licence Period	25 July 2009 and USIL will have a rent-free fitting-out licence period commencing from 25 July 2009 to 31 December 2009. During the licence period, USIL shall be required to pay management fee, air-conditioning charges, chilled water charges, car parking licence fee and government rates.
Rent-Free Period	Three calendar months over the term of tenancy. During the rent-free period, USIL shall be required to pay management fee, air-conditioning charges, chilled water charges, car parking licence fee and government rates.
Security Deposit	Two months' rental, management fee and government rates in cash.

Annual Caps

The maximum considerations payable by USIL to Begin Land pursuant to the terms of the Preliminary Tenancy Agreement during the four years ending 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012 will not exceed the Annual Caps of HK\$590,000, HK\$4,435,000, HK\$4,435,000 and HK\$2,536,000 respectively. The Annual Cap for the year ending 31 December 2009 represents the maximum amount of management fee, air-conditioning charges, chilled water charges, car parking licence fee and government rates payable by USIL during the rent free fitting-out licence period as stated above.

The Annual Caps were determined with reference to, among other things, (i) the rental rate stated in the Preliminary Tenancy Agreement; (ii) the rate of management fee and air-conditioning charges as stated in the Preliminary Tenancy Agreement which are subject to change from time to time; (iii) projected increase in the management fee and air-conditioning charges; (iv) the chilled water charges as stated in the Preliminary Tenancy Agreement; and (v) projected additional air-conditioning charges due to additional usage of air-conditioning.

Reasons for and benefits of the Preliminary Tenancy Agreement

The Group requires spaces of approximately 20,000 sq.ft. in a decent and accessible area to consolidate the Group's various offices located in different areas of Hong Kong and to cater for the need of additional office spaces to support the business expansion. The Premises meet the Group's requirements and are available and being offered for renting. The Preliminary Tenancy Agreement creates the first tenancy of the Premises since the occupation permit thereof was issued. The terms of the Preliminary Tenancy Agreement have been negotiated on an arm's length basis between Begin Land and USIL and are on normal commercial terms. The rental of the Premises has been arrived at by reference to (i) the area size and location of the Premises; (ii) the prevailing rentals payable by tenants in respect of other spaces of Landmark East; and (iii) the prevailing market conditions.

The Directors (including the independent non-executive directors) consider that the Preliminary Tenancy Agreement is entered into in the ordinary and usual course of the business of the Group and the terms of which are on normal commercial terms. The Preliminary Tenancy Agreement and the Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Requirements of the Listing Rules

Begin Land is an indirect 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 Begin Land) are the Connected Persons of the Company under the Listing Rules.

The relevant Percentage Ratios (other than the profits ratio) for the Annual Caps exceed 0.1 per cent but are less than 2.5 per cent. The Preliminary Tenancy Agreement and the 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 Company is an investment holding 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 other investing activities.

Information about Winsor and Begin Land

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

Begin Land is an indirect subsidiary of Winsor. Begin Land is holding Landmark East (including the Premises) as investment properties for rental income.

Definitions

“Annual Caps”	the maximum considerations payable by USIL to Begin Land pursuant to the terms of the Preliminary Tenancy Agreement during the four years ending 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012 pursuant to the Preliminary Tenancy Agreement;
“Begin Land”	Begin Land Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Winsor;
“Company”	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”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Landmark East”	An office development located at 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong with two high-rise office towers and carparking facilities;
“Listing Rules”	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;
“Preliminary Tenancy Agreement”	the preliminary tenancy agreement entered into between Begin Land and USIL in relation to the rental of the Premises on 20 July 2009;
“Premises”	the whole of the 27 th Floor, Two Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Two Landmark East”	Tower Two of Landmark East;

“USIL” United Success International Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company;

“Winsor” Winsor Properties Holdings Limited, a limited liability company incorporated in the Cayman Islands, a 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 July 2009

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