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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)**

### **PROPOSED RIGHTS ISSUE OF UP TO 330,458,722 RIGHTS SHARES AT HK\$1.70 EACH ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) SHARES HELD ON THE RECORD DATE AND RESUMPTION OF TRADING**

**Underwriter to the Rights Issue**

**CAZENOVE ASIA**

A Standard Chartered group company

**Financial adviser to the Company**

**CAZENOVE ASIA**

A Standard Chartered group company

#### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than HK\$560,682,620 before expenses by way of the Rights Issue of up to 330,458,722 Rights Shares at the Subscription Price of HK\$1.70 per Rights Share on the basis of one (1) Rights Share for every three (3) Shares held as at the close of business on the Record Date.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every three (3) Shares held as at the close of business on the Record Date. Fractional entitlements to Rights Shares will not be provisionally allotted but will be aggregated and allotted to satisfy excess applications and/or sold for the benefit of the Company. Depending on the number of Shares issued prior to the Record Date in respect of vested outstanding Share Options and Incentive Awards that are exercised, and assuming that otherwise no other Shares are issued prior to the Record Date, the Rights Issue will involve the issue of not less than 329,813,306 Rights Shares and not more than 330,458,722 Rights Shares at a subscription price of HK\$1.70 per Rights Share payable in full on application. Qualifying Shareholders are entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess applications.

The Rights Issue is not available to the Excluded Shareholders.

The estimated net proceeds of the Rights Issue of not less than approximately HK\$549 million will expand the equity base of the Company and reduce its gearing ratio and will be applied by the Group towards

funding future acquisitions and investments and providing additional working capital for the Company and its subsidiaries.

The Underwritten Rights Shares will be fully underwritten by Cazenove Asia on the terms and subject to the conditions set out in the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement (see sub-section headed "Termination of the Underwriting Agreement" below) or the conditions of the Rights Issue (see sub-section headed "Conditions of the Rights Issue" below) are not fulfilled, the Rights Issue will not proceed and will lapse.

**As the Rights Issue may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser(s). Moreover, investors' attention is drawn to the section headed "Warning of the risks of dealing in the Shares and the nil-paid Rights Shares" below.**

**The last day of dealing in the Shares on a cum-rights basis is Friday, 20 November 2009. The Shares will be dealt with on an ex-rights basis from Monday, 23 November 2009. The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 1 December 2009 to Wednesday, 9 December 2009 (both days inclusive). To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company as at the close of business on the Record Date. In order to be registered as a member of the Company at the close of business on the Record Date, any transfer of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company's share registrar, Tricor Standard Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Tuesday, 24 November 2009. The Acceptance Date is expected to be on Monday, 14 December 2009 or such other date as the Company and the Underwriter may agree in writing.**

**Any dealings in the Shares from now up to the date on which all conditions to which the Rights Issue are subject must be satisfied before the Rights Issue becomes unconditional (which is expected to be 4:00 p.m. on Wednesday, 16 December 2009), or in the Rights Shares in nil-paid form on the Stock Exchange during the period in which they may be traded in their nil-paid form, will bear the risk that the Rights Issue may not become unconditional or may not proceed.**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

The Prospectus containing, among other things, further details of the Rights Issue will be despatched by the Company to the Qualifying Shareholders on the Posting Date. The provisional allotment letters and the forms of application for excess Rights Shares will also be sent to the Qualifying Shareholders on the Posting Date.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. Monday, 9 November 2009 pending the issue of this announcement, and an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. Tuesday, 10 November 2009.

*\* For identification purposes only*

## **PROPOSED RIGHTS ISSUE**

Basis of the Rights Issue:	One (1) Rights Share for every three (3) Shares held as at the close of business on the Record Date
Subscription Price:	HK\$1.70 per Rights Share
Number of Shares in issue:	989,439,918 Shares as at the date of this announcement
Number of Rights Shares:	Not less than 329,813,306 Rights Shares and not more than 330,458,722 Rights Shares
Underwriter:	Cazenove Asia

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued on or before the Record Date pursuant to the exercise of the outstanding Share Options and Incentive Awards granted pursuant to the Share Option Scheme and the Share Incentive Scheme and which vest on or before the Record Date. As at the date of this announcement, the outstanding Share Options which vest on or before the Record Date entitle the Share Optionholders to subscribe for 1,000,000 Shares and the outstanding Incentive Awards which vest on or before the Record Date entitle the Share Incentiveholders to subscribe for 936,250 Shares.

## **QUALIFYING SHAREHOLDERS**

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company as at the close of business on the Record Date. In order to be registered as a member of the Company at the close of business on the Record Date, any transfer of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company's share registrar by 4:30 p.m. on Tuesday, 24 November 2009.

Holders of outstanding Share Options vesting on or before the Record Date who wish to participate in the Rights Issue should exercise their Share Options in accordance with their terms before 4:30 p.m. on Tuesday, 24 November 2009 so as to enable them to be registered as members of the Company by the close of business on the Record Date.

Awardees of outstanding Incentive Awards vesting on or before the Record Date who wish to participate in the Rights Issue should exercise their Incentive Awards in accordance with their terms before 4:30 p.m. on Tuesday, 24 November 2009 so as to enable them to be registered as members of the Company by the close of business on the Record Date.

The share registrar of the Company is Tricor Standard Ltd., 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The Company will send the Rights Issue Documents to the Qualifying Shareholders on the Posting Date.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 25 November 2009 to Thursday, 26 November 2009, both days inclusive, for the purpose of establishing entitlements to the Rights Issue. No transfers of Shares will be registered during this period.

## **TERMS OF THE RIGHTS ISSUE**

### **Subscription Price**

HK\$1.70 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of 37.0% to the closing price of HK\$2.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of 34.1% to the average closing price of HK\$2.58 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (c) a discount of 35.4% to the average closing price of HK\$2.63 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a discount of 29.1% to the average closing price of HK\$2.40 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day; and
- (e) a discount of 30.6% to the theoretical ex-right price of HK\$2.45 based on the closing price of HK\$2.70 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market price of the Shares and current market conditions.

The Directors consider the terms of the Rights Issue and the Subscription Price to be fair and reasonable and the Rights Issue to be in the best interests of the Group and Shareholders as a whole.

### **Basis of Provisional Allotments**

One (1) Rights Share (in nil-paid form) for every three (3) Shares held by Qualifying Shareholders as at the close of business on the Record Date.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with all Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

### **Certificates for the Rights Shares**

Subject to the fulfilment by the Company of the conditions of the Rights Issue as contained in the Underwriting Agreement, certificates for all fully-paid Rights Shares are expected to be posted by ordinary mail on or about Friday, 18 December 2009 to those Qualifying Shareholders who have paid for and have accepted the Rights Shares, at such Qualifying Shareholders' own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted by ordinary mail on or about Friday, 18 December 2009 at such Shareholders' own risk.

### **Fractions of the Rights Shares and Rights Shares which would have been allotted to Excluded Shareholders had they been Qualifying Shareholders**

The Company will not provisionally allot and issue, and will not accept applications for, any fractions of the Rights Shares. The Company may sell in the market any nil-paid Rights Shares created by adding fractions of the Rights Shares, if any, and if the Company does so it will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess Rights Shares applications.

In the case of Rights Shares (excluding fractional entitlements) which would have been allotted to Excluded Shareholders had they been Qualifying Shareholders, the Company shall use its reasonable endeavours to procure that all or as many as possible of such Rights Shares are sold on the Stock Exchange nil-paid at such a premium in excess of the expenses of sale as may reasonably be obtained as soon as reasonably practicable after the commencement of dealings in the nil-paid Rights Shares but before the latest time for dealings in nil paid Rights Shares. The Company will distribute to the Excluded Shareholders the net proceeds of such sale of the Rights Shares (pro-rata to their entitlement to Rights Shares had they been Qualifying Shareholders) except that a sum due to any Excluded Shareholder of less than HK\$100 will not be distributed but will be retained, along with the proceeds of the sale of fractional entitlements, by the Company for its own use and benefit. In the event that such Rights Shares are not sold on the Stock Exchange, they will become part of the excess Rights Shares available for application by the Qualifying Shareholders.

### **Excluded Shareholders**

The Directors will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders.

Accordingly, the Rights Issue will not be extended to the Excluded Shareholders and no Rights Shares will be provisionally allotted to them. The basis of exclusion of the Excluded Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus. A letter from the Company explaining the treatment of Excluded Shareholders under the Rights Issue shall be posted to all Excluded Shareholders on the Posting Date.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

### **Application for excess Rights Shares**

A Qualifying Shareholder shall be entitled to apply for (a) any unsold Rights Shares created by adding together fractions of the Right Shares; and (b) any Rights Shares provisionally allotted but not accepted by other Qualifying Shareholders.

Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion on a fair and reasonable basis (such as pro-rata basis by reference to the number of excess Rights Shares applied for by each Qualifying Shareholder), and may give preference to topping-up odd lots to whole board lots. The Directors consider such an allocation basis to be fair and reasonable.

### **Application for Listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 2,000 (as the Shares are currently traded on the Stock Exchange in board lots of 2,000). Dealing in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon, amongst other things, the following:

- (a) this announcement being released to the public;
- (b) all necessary approvals, permits, waivers, consents and authorisations having been obtained for the Rights Issue, the provisional allotment and allotment of the Rights Shares;
- (c) the Stock Exchange granting or agreeing to grant (subject to allotment) listing of, and permission to deal, in all the Rights Shares, in their nil-paid and fully paid forms, either unconditionally or subject to conditions (the "**Listing Approval**") which are satisfied by not later than the latest time for acceptance;
- (d) the Stock Exchange not having withdrawn or revoked the Listing Approval on the second Business Day following the latest time for acceptance;
- (e) the delivery on or before the Posting Date of one copy of each of the Rights Issue Documents to the Underwriter and the Stock Exchange signed by or on behalf of all of the Directors;
- (f) the filing and registration on or prior to the Posting Date of one signed copy of each of the Rights Issue Documents (and all other documents required to be attached) with the Registrar of Companies in Hong Kong, insofar as such is required to comply with the Companies Ordinance;
- (g) the filing on or prior to the Posting Date of one signed copy of each of the Rights Issue Documents (and all other documents required to be attached thereto) with the Registrar of Companies in Bermuda, insofar as such is required to comply with the Companies Act;

- (h) if required, the Bermuda Monetary Authority granting its consent to the issue of the Rights Shares on or prior to the Posting Date; and
- (i) the posting of the Rights Issue Documents to the Qualified Shareholders on or before the Posting Date (or such later date as the Underwriter may agree with the Company).

In the event that any of the above conditions has not been fulfilled on or before 4:00 p.m. on the second Business Day after the latest time for acceptance, the Underwriting Agreement shall terminate and the obligations of the Company and the Underwriter shall cease and be null and void upon such termination and neither the Company nor the Underwriter shall, save in respect of certain provisions of the Underwriting Agreement and any right or liability accrued under the Underwriting Agreement before such termination, have any right against or liability towards the other arising out of or in connection with the Underwriting Agreement.

Pursuant to Rule 7.19(6)(a) of the Listing Rules, since the Rights Issue would increase the issued share capital of the Company by no more than 50%, the Rights Issue is not conditional on approval by the Shareholders.

## THE UNDERTAKINGS

As at the date of this announcement, Wing Tai Holdings Limited, Wing Tai (Cheng) Holdings Limited, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward are beneficially interested in a total of 501,290,609 Shares ("**Existing Shares**"), being approximately 50.66 % of the Company's current issued share capital.

Wing Tai Holdings Limited, Wing Tai (Cheng) Holdings Limited, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward have irrevocably undertaken to the Company and the Underwriter, among other things, to and to procure that its associates shall:

- (a) subscribe for all of the Rights Shares to be provisionally allotted to them and their associates in respect of the Existing Shares pursuant to the terms of the Rights Issue, procure that the acceptances in respect of the aforesaid Rights Shares shall be lodged with the Registrars or the Company, and make payment to the Company in accordance with the terms of the Rights Issue by 4:00 p.m. on the second Business Day preceding the Acceptance Date;
- (b) remain beneficially interested in all of the shares referred to in (a) above as at the close of business on the Record Date;
- (c) if any additional Rights Shares are provisionally allotted to them pursuant to the terms of the Rights Issue, in respect of any further shares acquired by them on or before the close of business on the Record Date, to subscribe for those additional Rights Shares by 4:00 p.m. on the Acceptance Date;
- (d) procure that (so far as applicable) companies controlled by them do not, dispose of or transfer or create any rights in respect of any shares of the Company, or any interests therein from the date hereof up to and including two business days after the Acceptance Date; and
- (e) notwithstanding whether the terms of the Prospectus will confer rights of withdrawal on accepting shareholders, shall not withdraw any application for or acceptance of the Rights Issue in respect of

the Rights Shares and shall procure that no rights to withdraw any application or acceptance in respect of such Rights Shares are exercised.

In the event that Wing Tai Holdings Limited, Wing Tai (Cheng) Holdings Limited, Mr. Cheng Wai Chee, Christopher or Mr. Cheng Wai Sun, Edward should fail to comply with the undertakings given above, the defaulting party has irrevocably authorised the Company in its discretion to treat the Undertaking as its/his acceptance of such of the Rights Shares provisionally allotted to it/him on the terms of the Prospectus (save as regards the time for acceptance and payment), to allot and issue the same in its/his name and to procure the registration of the same in its/his name.

## **UNDERWRITING AGREEMENT**

Date:	Monday, 9 November 2009
Underwriter:	Cazenove Asia Limited
Number of Underwritten Rights Shares:	means all of the Rights Shares excluding those Rights Shares subject to the Undertakings. The maximum number of Underwritten Rights Shares shall be 163,062,519.
Commission:	3 per cent on the aggregate value at the Subscription Price of the maximum number of Underwritten Rights Shares.

### **Termination of the Underwriting Agreement**

If, at any time prior to 5.00 p.m. on the second Business Day following the date on which the latest time for acceptance falls:

- (a) there shall develop, occur, exist or come into effect:
- (i) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, Singapore or Bermuda;
  - (ii) any change in local, national or international financial, political, military, industrial, economic, currency or market conditions; or
  - (iii) any change in the conditions of local, national or international securities markets (including the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances); or
  - (iv) any material change in the business or in the financial or trading position or prospects of the Group; or



- (v) any act of God, war, riot, public disorder, any outbreak or escalation of hostilities, declaration of emergency, calamity, crisis, epidemic, terrorism or any event or a series of events beyond the control of the Underwriter;

which, in the reasonable opinion of the Underwriter, has a material adverse effect on the Group or the Rights Issue or has a material adverse effect on the level of Rights Shares taken up; or

(b) there comes to the notice of the Underwriter:

- (i) any matter or event showing any of the Warranties or any undertakings of the Company under the Underwriting Agreement to be untrue or misleading in any material respect or as having been breached in any material respect and, in each case, which will materially and adversely affect the Group; or
- (ii) any change in Hong Kong taxation or exchange control which materially and adversely affects the Group,

then and in any such case the Underwriter may (but shall not be bound to), upon giving notice to the Company, terminate the Underwriting Agreement with immediate effect.

In the event the Underwriter exercises its right to terminate the Underwriting Agreement, the obligations of the parties shall cease and be null and void and none of the parties shall, save in respect of any right or liability accrued under the Underwriting Agreement before such termination, have any right against or liability towards the others arising out of or in connection with the Underwriting Agreement.

## **CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE**

As at the date of this announcement, the Company has 989,439,918 Shares in issue and:-

- (a) 1,000,000 Share Options outstanding which entitle the holders thereof to subscribe for 1,000,000 Shares, all of which have vested before the Record Date; and
- (b) 8,613,000 Incentive Awards outstanding which entitle the holders thereof to subscribe for 8,613,000 Shares, of which a total of 936,250 Incentive Awards have vested before the Record Date,

entitling the holders thereof to subscribe for 1,936,250 Shares (the “**Vesting Shares**”).

Set out below are the shareholding structures of the Company under various scenarios before and immediately upon completion of the Rights Issue:

Name of Shareholder	Existing shareholding		After completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		After completion of the Rights Issue (assuming the issue of all of the Vesting Shares on or before the close of business on the Record Date but that otherwise no other Shares (other than the Rights shares) are allotted and issued before completion of the Rights Issue)	
	Shares	%	Shares	%	Shares	%
Brave Dragon Limited	106,345,862	10.75	141,794,482	10.75	141,794,482	10.73
Crossbrook Group Limited	202,808,162	20.50	270,410,882	20.50	270,410,882	20.46
Wing Tai Holdings Limited	346,866,024	35.06 (Note 2)	462,488,032	35.06	462,488,032	34.99
Deutsche Bank International Trust Co. (Jersey) Limited	346,866,024	35.06 (Note 3)	462,488,032	35.06	462,488,032	34.99
Deutsche Bank International Trust Co. (Cayman) Limited	346,866,024	35.06 (Note 3)	462,488,032	35.06	462,488,032	34.99
Wing Tai Corporation Limited	135,446,118	13.69 (Note 4)	180,594,824	13.69	180,594,824	13.66
Renowned Development Limited	135,446,118	13.69 (Note 4)	180,594,824	13.69	180,594,824	13.66
Wing Tai (Cheng) Holdings Limited	148,439,086	15.00 (Note 5)	197,918,781	15.00	197,918,781	14.97
Sun Hung Kai Properties Limited	136,956,400	13.84 (Note 6)	182,608,533	13.84	182,608,533	13.81
HSBC Trustee (C.I.) Limited	136,956,400	13.84 (Note 7)	182,608,533	13.84	182,608,533	13.81
Cheng Wai Chee, Christopher	3,030,749	0.31 (Note 8)	4,040,998	0.31	4,639,665	0.35
Cheng Wai Sun, Edward	2,954,750	0.30 (Note 9)	3,939,666	0.30	4,538,333	0.34
Public	341,660,239	34.53	455,546,985	34.53	455,546,985	34.46

Notes:

- (1) The total number of issued Shares as at 9 November 2009 was 989,439,918.
- (2) Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 37,712,000 Shares.
- (3) Deutsche Bank International Trust Co. (Jersey) Limited was the trustee of a family trust (of which Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries) which held all units of a unit trust ("Unit Trust"). Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust which beneficially owned 100% of the issued shares of Wing Tai Asia Holdings Limited and 61.3% of the issued shares of Terebene Holdings Inc. Wing Tai Asia Holdings Limited, through its wholly-owned subsidiary, Wing Sun Development Private Limited, held 28.01% of the issued shares of Wing Tai Holdings Limited. Terebene Holdings Inc. held 59.3% of the issued shares of Winlyn Investment Pte Ltd. which in turn held 9.16% of the issued shares of Wing Tai Holdings Limited.
- (4) Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited ("Bestime") and Pofung Investments Limited ("Pofung") and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in 68,747,996 Shares and 66,698,122 Shares held by Bestime and Pofung respectively.

By virtue of the corporate interest of Renowned Development Limited in Wing Tai Corporation Limited, the former was deemed to be interested in the latter's interest in the Shares.

- (5) By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned Development Limited and Broxbourne Assets Limited, Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned Development Limited and Broxbourne Assets Limited in the Shares. Broxbourne Assets Limited beneficially owned 12,992,968 Shares.
- (6) Soundworld Limited, Units Key Limited and Triple Surge Limited held 15,651,992, 3,502,000 and 28,260,000 Shares respectively. As Fourseas Investments Limited ("Fourseas") owned the entire issued share capital of each of such companies, Fourseas was deemed to be interested in a total of 47,413,992 Shares by virtue of the SFO.

In addition, Charmview International Limited ("Charmview"), Techglory Ltd. ("Techglory") and Erax Strong Development Ltd. ("Erax Strong") held 5,356,200, 144,000 and 96,050 Shares respectively. As Sunrise Holdings Inc. ("Sunrise"), Junwall Holdings Ltd. ("Junwall") and Country World Limited ("Country World") owned the entire issued share capital of Charmview, Techglory and Erax Strong respectively, Sunrise, Junwall and Country World were deemed to be interested in 5,356,200, 144,000 and 96,050 Shares respectively by virtue of the SFO.

As Sun Hung Kai Properties Limited ("SHKP") owned the entire issued share capital of Fourseas, Sunrise, Junwall, Country World and Wesmore Limited, which held 83,946,158 Shares, SHKP was therefore deemed to be interested in 136,956,400 Shares by virtue of the SFO.

- (7) HSBC Trustee (C.I.) Limited was the trustee of certain discretionary trusts which beneficially owned 42.01% of the issued share capital of SHKP. By virtue of its trustee interest in SHKP, it was deemed to be interested in 136,956,400 Shares.
- (8) Mr. Cheng Wai Chee, Christopher's personal interest in the Shares.
- (9) Mr. Cheng Wai Sun, Edward's personal interest in the Shares.

## EXPECTED TIMETABLE

Last day of dealings in the Shares on a cum-rights basis	Friday, 20 November 2009
Commencement of dealings in the Shares on an ex-rights basis	Monday, 23 November 2009
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m., Tuesday, 24 November 2009
Register of members closes	Wednesday, 25 November 2009 to Thursday, 26 November 2009 (both days inclusive)
Record Date	Thursday, 26 November 2009
Register of members re-opens	Friday, 27 November 2009
Despatch of the Rights Issue Documents	Friday, 27 November 2009
First day of dealings in nil-paid Rights Shares	Tuesday, 1 December 2009
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Friday, 4 December 2009
Last day of dealings in nil-paid Rights Shares	Wednesday, 9 December 2009
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Monday, 14 December 2009
Latest time for termination of the Underwriting Agreement	5:00 p.m. on Wednesday, 16 December 2009
Announcement of results of the Rights Issue to be published in the respective websites of the Stock Exchange and the Company	Thursday, 17 December 2009
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or about	Friday, 18 December 2009
Certificates for the Rights Shares expected to be despatched on or about	Friday, 18 December 2009

All times specified in this announcement refer to Hong Kong local time. Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders in due course.

#### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

The Shares will be dealt with on an ex-rights basis from Monday, 23 November 2009. The Rights Shares will be dealt with in their nil-paid form from Tuesday, 1 December 2009 to Wednesday, 9 December 2009 (both days inclusive). If prior to 5:00 p.m. on second Business Day following the Acceptance Date, the Underwriter terminates the Underwriting Agreement (see sub-section headed "Termination of the Underwriting Agreement" above) or the conditions of the Rights Issue (see sub-section headed "Conditions of the Rights Issue" above) cannot be fulfilled, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 1 December 2009 and Wednesday, 9 December 2009, both days inclusive, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser(s).

Any dealings in the Shares from now up to the date on which all conditions to which the Rights Issue are subject must be satisfied before the Rights Issue becomes unconditional, or in the Rights Shares in nil-paid form on the Stock Exchange during the period in which they may be traded in their nil-paid form (such period to be announced by the Company as soon as possible), will bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form, and if they are in any doubt about their position, they should consult their professional adviser(s).

#### **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The estimated net proceeds of the Rights Issue of not less than approximately HK\$549 million, equivalent to the net price of approximately HK\$1.67 per Rights Share, will expand the equity base of the Company and reduce its gearing ratio and will be applied by the Group towards funding future acquisitions and investments and providing additional working capital for the Company and its subsidiaries.

#### **ADJUSTMENT TO SHARE OPTIONS AND INCENTIVE AWARDS**

In accordance with the terms of the Share Option Scheme and the Share Incentive Scheme, the Rights Issue may lead to adjustments to the number of Shares to be issued on the exercise of the Share Options and the Incentive Awards and/or the exercise price payable by each Share Optionholder and Share Incentiveholder in respect of each Share to be issued on the exercise of the Share Options and Incentive Awards.

## DESPATCH OF RIGHTS ISSUE DOCUMENTS

The Prospectus containing, among other things, further details of the Rights Issue will be despatched by the Company to the Qualifying Shareholders on the Posting Date. The provisional allotment letters and the forms of application for excess Rights Shares will also be sent to the Qualifying Shareholders on the Posting Date.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. Monday, 9 November 2009 pending the issue of this announcement, and an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. Tuesday, 10 November 2009.

## INFORMATION ABOUT THE COMPANY

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

## FINANCIAL ADVISER

Cazenove Asia has been appointed as financial adviser to advise the Company in connection with the Rights Issue.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

<b>“Acceptance Date”</b>	means Monday, 14 December 2009, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company and the Underwriter may agree in writing;
<b>“associates”</b>	shall have the meaning as ascribed to it under the Listing Rules;
<b>“Board”</b>	means the board of directors of the Company;
<b>“Business Day”</b>	means a day (other than a Saturday or Sunday or public holiday or a day on which a Storm Warning is or remains hoisted at any time between 9:00 a.m. and 4.00 p.m.) on which retail banks are open in Hong Kong;
<b>“Cazenove Asia”</b>	means Cazenove Asia Limited (a Standard Chartered group company) (to be renamed Standard Chartered Securities (Hong Kong) Limited on or around 14 December 2009), an entity incorporated in Hong Kong and licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities. Cazenove Asia Limited is a Standard Chartered group company. The mark “Cazenove” and marks

containing “Cazenove” are trade marks of Cazenove IP Limited and are used under limited licence. Cazenove Asia Limited and its subsidiaries and associates are now subsidiaries or associates of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with J.P. Morgan Cazenove Limited, Cazenove Inc., or their subsidiaries

<b>“Company”</b>	means USI Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange;
<b>“Companies Act”</b>	means the Companies Act 1981 of Bermuda (as amended);
<b>“Companies Ordinance”</b>	means Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
<b>“Directors”</b>	mean directors of the Company and shall, where the context so permits, include their alternate directors;
<b>“Excluded Shareholders”</b>	mean Overseas Shareholder(s) where the Board, after taking appropriate legal advice in the relevant jurisdictions, consider it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;
<b>“Group”</b>	means the Company and its subsidiaries;
<b>“HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the PRC;
<b>“Incentive Awards”</b>	mean awards issued under the terms of the Share Incentive Scheme which entitle the holder thereof to subscribe for new Shares;
<b>“Last Trading Day”</b>	means Friday, 6 November 2009, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Overseas Shareholders”</b>	mean Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
<b>“Posting Date”</b>	means Friday, 27 November 2009 or such other date as may be approved by the Underwriter (such approval not to be unreasonably withheld and shall be deemed to be given if such date is no later than Friday, 4 December);

<b>“PRC”</b>	means the People’s Republic of China;
<b>“Prospectus”</b>	means the prospectus to be issued by the Company in relation to the Rights Issue;
<b>“Qualifying Shareholder(s)”</b>	mean Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders;
<b>“Record Date”</b>	means Thursday, 26 November 2009 or such other date as the Company may agree with the Underwriter as the record date for determining entitlements to participate in the Rights Issue;
<b>“Rights Issue”</b>	means the proposed issue of up to 330,458,722 Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every three (3) Shares held as at the close of business on the Record Date payable in full on acceptance;
<b>“Rights Issue Documents”</b>	mean the Prospectus, the provisional allotment letters and the forms of application for excess Rights Shares to be issued by the Company;
<b>“Rights Share(s)”</b>	new Share(s) to be allotted and issued in respect of the Rights Issue;
<b>“SFO”</b>	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“Shareholders”</b>	means the holders of the Shares;
<b>“Share Incentive Scheme”</b>	means the share incentive scheme of the Company adopted by the Company on 17 June 2005;
<b>“Share Incentiveholder”</b>	mean holders of outstanding Incentive Awards;
<b>“Share Option Scheme”</b>	means the share option scheme of the Company adopted by the Company on 10 June 2003;
<b>“Share Optionholders”</b>	mean holders of outstanding Share Options;
<b>“Share Options”</b>	mean options issued under the terms of the Share Option Scheme which entitle the holder thereof to subscribe for new Shares;
<b>“Shares”</b>	means ordinary shares of HK\$0.50 each in the issued share capital of the Company;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Storm Warning”</b>	means either a tropical cyclone warning signal Number 8 or above or a “black” rainstorm warning signal;



<b>“Subscription Price”</b>	means HK\$1.70 per Rights Share;
<b>“subsidiary”</b>	has the meaning ascribed to it in the Listing Rules;
<b>“Undertakings”</b>	means the irrevocable undertakings given by Wing Tai Holdings Limited, Wing Tai (Cheng) Holdings Limited, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward in favour of the Company and the Underwriter dated Monday, 9 November 2009 as described in the section headed “Undertakings”;
<b>“Underwriter”</b>	means Cazenove Asia
<b>“Underwriting Agreement”</b>	the underwriting agreement entered into between the Company and the Underwriter dated 9 November 2009 in relation to the Rights Issue; and
<b>“Underwritten Rights Shares”</b>	means all of the Rights Shares excluding those Rights Shares subject to the Undertakings. The maximum number of Underwritten Rights Shares shall be 163,062,519.

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

Hong Kong, 9 November 2009

*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.