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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: TENANCY AGREEMENTS

The Company and various of its subsidiaries have entered into leases of various units and car parks and the provision of management services in Unimix Industrial Centre, No.2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong with Unimix Properties with effect from 25 August 2007, 1 September 2007 and 1 November 2007 each for a term of 12 months in the case of units and on a monthly basis in the case of car parks.

Unimix Properties is currently a wholly-owned subsidiary of the Company but, with effect from completion of the sale of Unimix Properties to Winsor Properties under the Unimix Properties Agreement, the Tenancy Agreements will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The transaction amounts under the Tenancy Agreements on an annual basis fall within the threshold prescribed in Rule 14A.34 of the Listing Rules, and therefore the Tenancy Agreements will be exempt from independent shareholders' approval requirement but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

* For identification purposes only

12 December 2007

The board of directors of USI Holdings Limited (the “**Company**”) announces that the following tenancy agreements (together, the “**Tenancy Agreements**”) have been entered into:

TENANCY AGREEMENTS WITH EFFECT FROM 25 AUGUST 2007 AND 1 SEPTEMBER 2007

The Company and various of its subsidiaries (SHTI, Impact Textiles, United Success, USIP and Fore Prosper) have entered into tenancy agreements, as tenant, with Unimix Properties, as landlord, for a term of 12 months commencing on 25 August 2007 and 1 September 2007 up to and including 31 August 2008. The Tenancy Agreements relate to units on Floors 3, 5, 8, 12, 15, 17, 18, 20, 23 and 24 (covering an aggregate gross area of 59,694 square feet) and car parks. The aggregate gross monthly rent and other payments amount to approximately HK\$0.6 million and are payable monthly in advance.

TENANCY AGREEMENTS WITH EFFECT FROM 1 NOVEMBER 2007

The Company and various of its subsidiaries (Unimix, Telwin, Technic Enterprises, Teamdoor Investments, Unimix Exporters and Unimix International) have entered into tenancy agreements, as tenant, with Unimix Properties, as landlord, for a term of 12 months commencing on 1 November 2007 up to and including 31 October 2008. The Tenancy Agreements relate to units on Floors 3, 4, 6, 23, 24 and 25 (covering an aggregate gross area of 45,495 square feet) and car parks. The aggregate gross monthly rental, management fees and air-conditioning charges amount to approximately HK\$0.4 million and are payable monthly in advance.

THE CAP AMOUNTS

Under the Unimix Properties Agreement, the Company and USIPI have agreed to procure that the Tenancy Side Letters be entered into between Unimix Properties and the tenants of the Tenancy Agreements to, inter alia, record that the aggregate amounts payable under the Tenancy Agreements will not exceed the Annual Caps of HK\$14.1 million, HK\$15.4 million and HK\$16.1 million for the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The Annual Caps were determined with reference to, among other things, (i) the area size and location of units currently leased by the Group in Unimix Industrial Centre; (ii) the prevailing rental payable by Independent Third Party tenants; (iii) the historical growth of rental rates of Independent Third Party tenants in Unimix Industrial Centre; and (iv) the estimated potential growth of rental in the Unimix Industrial Centre for the three years ending 31 December 2010.

REASONS FOR THE TRANSACTION

The purpose of entering into the Tenancy Agreements was to renew the occupation of the Company and its various subsidiaries at Unimix Industrial Centre.

The terms of the Tenancy Agreements have been negotiated on arm's length basis between Unimix Properties and the Company and its various subsidiaries, as the case may be, and are on normal commercial terms. The rental of the premises has been arrived at by reference to the prevailing market rate of similar leases in the same building.

The Directors of the Company (including the independent non-executive directors) consider that the terms of the Tenancy Agreements and the Tenancy Side Letters are in the ordinary and usual course of business of the Company and its subsidiaries (excluding Winsor and its subsidiaries), and on normal commercial terms, being not less favourable than terms available from independent third parties, and the same and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of the Percentage Ratios (other than the profits ratio) for the Tenancy Agreements, in aggregate, on an annual basis and the Annual Caps are less than 2.5 per cent. The Tenancy Agreements and the Tenancy Side Letters and the Annual Caps are therefore subject to the reporting and announcement requirements under the Listing Rules, but exempt from the requirement to obtain independent shareholder approval.

As the previous arrangements were between the Company and various of its subsidiaries on the one hand and Unimix Properties, itself a subsidiary of the Company, on the other hand the Company was not previously required to report and make an announcement in relation to them under the Listing Rules.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND UNIMIX PROPERTIES

The Company is an exempted company incorporated in Bermuda with limited liability the shares of which are listed on the Stock Exchange. It is an investment holding company and its principal subsidiaries are engaged in property development, property investment and management, hospitality management, garment manufacturing and trading, branded products distribution and investing activities.

Unimix Properties is a company incorporated in Hong Kong with limited liability and, as at the date of the announcement, an indirect wholly-owned subsidiary of the Company. It is the legal and beneficial owner of Unimix Industrial Centre, No.2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong, the approximate gross floor area of which is 394,000 square feet.

As explained in this announcement, after Completion of the Unimix Properties Agreement, the Company and various of its subsidiaries will continue to occupy various units and car parks of Unimix Industrial Centre, No.2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong.

CONNECTION BETWEEN THE PARTIES

Winsor's wholly-owned subsidiary, Allied Effort Limited, is a substantial shareholder of two other subsidiaries of the Company and therefore a connected party of the Company. With effect from completion of the Unimix Properties Agreement, Unimix Properties will become an indirect wholly-owned subsidiary of Winsor and an associate of Allied Effort Limited and consequently a connected person of the Company.

PRINCIPAL BUSINESS ACTIVITIES OF WINSOR

Winsor is a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the Stock Exchange. It is an investment holding company and its principal subsidiaries are engaged in property investment, development and management, warehousing and investment holding.

The Company holds approximately 79.26 per cent. of the issued share capital of Winsor at the date of this announcement.

DEFINITIONS

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

“Annual Caps”	means the maximum consideration payable under the Tenancy Agreements and the Tenancy Side Letters for each of the three financial years ending 31 December 2008, 31 December 2009 and 31 December 2010;
“Company”	means USI Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange;
“Directors”	means the directors of the Company;
“Fore Prosper”	means Fore Prosper Limited, a subsidiary of the Company;

“Group”	means the Company and its subsidiaries and, unless otherwise specified, excludes Winsor and its subsidiaries;
“Impact Textiles”	means Impact Textiles Company Limited, a subsidiary of the Company;
“Independent Shareholders”	means the Shareholders other than any Shareholder with a material interest in the transaction contemplated under the Unimix Properties Agreement and its associates;
“Listing Rules”	means 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;
“Shareholders”	means the holders of the Shares;
“Shares”	means the ordinary share(s) of HK\$0.50 each in the issued share capital of the Company;
“SHTI”	means Shui Hing Textiles International Limited, a subsidiary of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Teamdoor”	means Teamdoor Investments Limited, a subsidiary of the Company;
“Technic Enterprises”	means Technic Enterprises Limited, a subsidiary of the Company;
“Telwin”	means Telwin Industrial Limited, a subsidiary of the Company;
“Tenancy Agreements”	means the existing licence and tenancy agreements entered into between Unimix Properties and certain subsidiaries of the Company in relation to the lease/licence of certain units and car parks and the provision of management services in Unimix Industrial Centre by Unimix Properties to certain subsidiaries of the Company;

“Tenancy Side Letters”	means the side letters to be issued by Unimix Properties to certain subsidiaries of the Company to, inter alia, record that the aggregate amounts payable under the Tenancy Agreements will not exceed the Annual Caps;
“Unimix”	means Unimix Limited, a subsidiary of the Company;
“Unimix Exporters”	means Unimix Exporters Limited, a subsidiary of the Company;
“Unimix Industrial Centre”	means all that piece or parcel of ground situate lying and registered at the Land Registry as New Kowloon Inland Lot No.4899 and the messauges erections and building thereon and all the appurtenances thereto and known as Unimix Industrial Centre, No.2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong;
“Unimix International”	means Unimix International (HK) Limited, a subsidiary of the Company;
“Unimix Properties”	means Unimix Properties Limited, a company incorporated in Hong Kong with limited liability and, as at the date of this announcement, an indirect subsidiary of the Company;
“Unimix Properties Agreement”	means the sale and purchase agreement dated 22 November 2007 entered into between USIPI, as the seller, Winsor Properties, as the purchaser, the Company and Winsor in relation to the issued share capital of Unimix Properties and certain related intra-group receivables, conditional upon the approval of the shareholders of the Company and the shareholders of Winsor to the extent required by, and in accordance with, the Listing Rules;
“United Success”	means United Success International Limited, a subsidiary of the Company;
“USIPI”	means USI Properties International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“USIP”	means USI Properties Limited, a subsidiary of the Company;

“Winsor” means Winsor Properties Holdings Limited, a company incorporated in the Cayman Islands with limited liability, a direct subsidiary of the Company, and the issued shares of which are listed on the Stock Exchange; and

“Winsor Properties” means Winsor Properties (Hong Kong) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of the Company and Winsor.

By order of the Board of Directors
USI HOLDINGS LIMITED
Chung Siu Wah, Henry
Company Secretary & Group Legal Counsel

12 December 2007

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

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