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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
DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE
FOR REDEVELOPMENT OF LAND IN HONG KONG

The Board announces that the Company and WDC have established a joint venture company for the purpose of acquiring the Land for redevelopment. The Company, WDC, the Manager, the Developer, Real Sincere, the JV Company and the Project Company entered into the MOA on 2 November 2007. Pursuant to the terms of the MOA, the Developer, a wholly-owned subsidiary of the Company, has acquired a 30% interest in the JV Company. The remaining 70% interest in the JV Company has been acquired by Real Sincere, a wholly-owned subsidiary of WDC. The Project Company, which is a wholly-owned subsidiary of the JV Company, entered into a provisional sale and purchase agreement with the Vendor on 2 November 2007 for the acquisition of the Land.

Pursuant to the MOA, the Developer and Real Sincere agree to advance shareholder loans to fund 50% of the consideration for the Land and agree that the remainder of the consideration for the Land and the construction costs will be funded by external financing on a without recourse basis (save to the extent of any costs overrun guarantee required by the lender of such external financing). (On this basis, the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the JV Company is less than 5%.) It is estimated that if the JV Group is unable to obtain such external financing and the Developer and Real Sincere agree also to fund such remainder of the consideration for the Land and the construction costs by shareholder loans in proportion to their shareholdings in the JV Company, the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the JV Company will exceed 5% but will be less than 25%. On this basis, this transaction will constitute a discloseable transaction of the Company under the Listing Rules. A circular giving further details of the transaction will be dispatched to the Shareholders as soon as practicable.

* *For identification purposes only.*

DETAILS OF THE TRANSACTION

The joint venture

On 2 November 2007, the Company, WDC, the Manager, the Developer, Real Sincere, the JV Company and the Project Company entered into the MOA to establish a joint venture company for the purpose of acquiring the Land for redevelopment. Pursuant to the terms of the MOA, the Developer, a wholly-owned subsidiary of the Company, has acquired a 30% interest in the JV Company. The remaining 70% interest in the JV Company has been acquired by Real Sincere, a wholly-owned subsidiary of WDC. The Project Company is a wholly-owned subsidiary of the JV Company. The business of the JV Group is to own and redevelop the Land, demolish the existing structures on the Land, construct residential properties on the Land and manage, lease and/or sell those residential properties. The Project Company entered into a provisional sale and purchase agreement with the Vendor on 2 November 2007 for the acquisition of the Land. The Manager, a wholly-owned subsidiary of the Company, shall be the project manager.

Under the terms of the MOA, the Company guarantees the performance of the Developer's and the Manager's obligations under the MOA and WDC guarantees the performance of Real Sincere's obligations under the MOA.

Parties to the MOA

1. the Company
2. WDC
3. the Developer
4. Real Sincere
5. the Manager
6. the JV Company
7. the Project Company

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

Ownership of the JV Company

The JV Company allotted shares to Real Sincere and the Developer at a price of US\$1.00 per share immediately after signing of the MOA. The JV Company's current shareholding structure is set out below:

Shareholder	Number of issued shares held	Percentage shareholding
Real Sincere	7,000	70%
Developer	3,000	30%
Total	<u>10,000</u>	<u>100%</u>

Management of the JV Group

Real Sincere is entitled to appoint 4 directors and the Developer is entitled to appoint 2 directors to the board of each member of the JV Group. Real Sincere and the Developer have appointed 3 directors and 2 directors, respectively, to the board of each member of the JV Group.

Consideration

Pursuant to the MOA:

- (1) the Developer:
 - (a) has subscribed for, and has been allotted, 3,000 shares in the JV Company at US\$1.00 each;
 - (b) has advanced a loan of HK\$15,000,000 to the JV Company, which represents 30% of the initial deposit paid by the Project Company for the acquisition of the Land;

- (c) will advance a further loan of HK\$29,040,000 to the JV Company, which represents 30% of the further deposit to be paid by the Project Company; and
 - (d) will advance a further loan of HK\$176,160,000 to the JV Company, which represents 30% of the amount equal to 50% of the consideration for the Land less the above two deposits, provided that the other 50% of the consideration will be funded by external financing.
- (2) Real Sincere:
- (a) has subscribed for, and has been allotted, 7,000 shares in the JV Company at US\$1.00 each;
 - (b) has advanced a loan of HK\$35,000,000 to the JV Company, which represents 70% of the initial deposit paid by the Project Company for the acquisition of the Land;
 - (c) will advance a further loan of HK\$67,760,000 to the JV Company, which represents 70% of the further deposit to be paid by the Project Company; and
 - (d) will advance a further loan of HK\$411,040,000 to the JV Company, which represents 70% of the amount equal to 50% of the consideration for the Land less the above two deposits, provided that the other 50% of the consideration will be funded by external financing.

The consideration for the Land is HK\$1,468,000,000. The construction costs are presently estimated to be HK\$440,000,000. Under the terms of the MOA, 50% of the consideration for the Land will be funded by shareholder loans in proportion to the shareholders' shareholdings in the JV Company and the remainder of the consideration and the construction costs will be financed by external financing on a without recourse basis (save to the extent of any costs overrun guarantee required by the lender of such external financing). It is presently estimated that if the JV Group is unable to obtain such external financing and the Developer and Real Sincere agree also to fund such remainder of the consideration for the Land and the construction costs by shareholder loans in proportion to their shareholdings in the JV Company, the total commitment of the Company to the JV Company in respect of the consideration for the Land and the constructions costs will be HK\$572,400,000. The Company intends to fund such commitment from its internal resources and/or bank borrowings.

About Real Sincere and WDC

Real Sincere is a wholly-owned subsidiary of WDC. WDC is a wholly-owned subsidiary of Wachovia Corporation. Wachovia Corporation is a diversified financial services company that provides a broad range of retail banking and brokerage, asset and wealth management, and corporate and investment banking products and services. The shares of Wachovia Corporation are listed on the New York Stock Exchange.

Reasons for entering into the MOA

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

The Directors are optimistic about the property market in Hong Kong, especially the luxury residential sector. The Board believes that the acquisition of an interest in the Land through the JV Group will not only enhance the Company's assets portfolio but also strengthen the edge of the Company in luxury residential market in Hong Kong. The Directors consider that the MOA and the consideration for the Land has 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

Pursuant to the MOA, the Developer and Real Sincere agree to advance shareholder loans to fund 50% of the consideration for the Land and agree that the remainder of the consideration for the Land and the construction costs will be funded by external financing on a without recourse basis (save to the extent of any costs overrun guarantee required by the lender of such external financing). (On this basis, the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the JV Company is less than 5%.) It is estimated that if the JV Group is unable to obtain such external financing and the Developer and Real Sincere agree also to fund such remainder of the consideration for the Land and the construction costs by shareholder loans in proportion to their shareholdings in the JV Company, the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the JV Company will exceed 5% but will be less than 25%. On this basis, this transaction will constitute a discloseable transaction of the Company under the Listing Rules.

In the event that there is any increase in the total commitment of the Company to the JV Company which will cause any of the applicable percentage ratios to reach or exceed 25%, the Company will re-classify the transaction and comply with the relevant requirements of Chapter 14 of the Listing Rules.

Terms used in this announcement

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

“Board”	the board of directors of the Company
“Company”	USI Holdings Limited
“Developer”	Ace Future Developments Limited, a company incorporated in the British Virgin Islands with limited liability
“Director”	a director of the Company
“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
“JV Company”	Solid Bond Limited, a company incorporated in the British Virgin Islands with limited liability
“JV Group”	the JV Company and the Project Company
“Land”	that piece of land registered in the Land Registry as Inland Lot Nos. 4626, 4627, 4628, 4629 and the Remaining Portion of Inland Lot No. 585 at 9A-9H Seymour Road and 5A, 5B, 6, 6A, 7 and 7A Ying Fai Terrace, Hong Kong, the site area of which is approximately 20,000 square feet
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Manager”	USI Properties Limited, a company incorporated in Hong Kong with limited liability
“MOA”	the memorandum of agreement entered into by the Company, the Developer, WDC, Real Sincere, the Manager, the JV Company and the Project Company on 2 November 2007
“Project Company”	Cateavon Limited, a company incorporated in Hong Kong with limited liability
“Real Sincere”	Real Sincere Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Shareholder”	a shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars (the lawful currency of the United States of America)
“Vendor”	HKDN Limited, a wholly-owned subsidiary of Emperor International Holdings Limited, the shares of which are listed on the Stock Exchange
“WDC”	Wachovia Development Corporation, a company incorporated in the State of North Carolina with limited liability

By order of the Board of
USI Holdings Limited
Chung Siu Wah, Henry
Company Secretary and Group Legal Counsel

5 November 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 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