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USI HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 369)

CONNECTED TRANSACTION

On 1 November 2004, UPL, a 86.4%-owned subsidiary of the Company, entered into a Tenancy Agreement for the leasing of the premises situated at Unit B, 18/F and Unit A, 22/F, Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong with Wing Tai Corporation Limited. Wing Tai Corporation Limited is the holding company of two substantial shareholders of the Company (namely Bestime Resources Limited and Pofung Investments Limited) and hence is a connected person of the Company.

The Tenancy Agreement constituted a connected transaction exempted from the independent shareholders' approval requirements of the Company under Rule 14A.32 of the Listing Rules. Particulars of this connected transaction and other relevant information are given below in accordance with Rule 14A.56 of the Listing Rules. The terms and conditions of this transaction have been negotiated on an arm's length basis and are on normal commercial terms. The Board (including independent non-executive directors) considered that the transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The transaction is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but do not require approval by independent shareholders of the Company as each of the percentage ratios (other than the profits ratio) as defined in Rule 14.04(9) of the Listing Rules in respect of the transaction is less than 2.5%.

TENANCY AGREEMENT

Date of agreement:	1 November 2004
Parties:	UPL as the Landlord Wing Tai Corporation Limited as the Tenant
Premises:	Unit B, 18/F and Unit A, 22/F of Unimix Industrial Centre, totaling 17,227 sq.ft.
Term:	Two years commencing on 1 November 2004
Total Rent, Management Fee and (exclusive of electricity charges for the air-conditioning system) payable under the Tenancy Agreement:	HK\$2,646,067.20 for the two years' lease term payable in 24 monthly payments to be paid in advance on the first date of each month

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

In negotiating the rent under the Tenancy Agreement, the Board made reference to the current leasing market conditions, the market rent of comparable premises in the vicinity of Unimix Industrial Centre and the tenancy agreements that had been entered into by UPL with other independent third parties in respect of certain units of Unimix Industrial Centre. The Premises were vacant before leasing to Wing Tai Corporation Limited.

The terms and conditions of the Tenancy Agreement have been negotiated on an arm's length basis and the Tenancy Agreement was entered into in the ordinary and usual course of business of the Company. The Board (including the independent non-executive directors) considers that, given the prevailing market conditions, the transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole. The transaction will benefit the Company as it allow its subsidiary to lock in a quality tenant paying rent at market rates for the premises concerned.

REQUIREMENTS OF THE LISTING RULES

The Tenancy Agreement constituted connected transaction exempted from the independent shareholders' approval requirements of the Company under Rule 14A.32 of the Listing Rules.

Each of the percentage ratios (other than the profits ratio) as defined in Rule 14.04(9) of the Listing Rules in respect of the transaction is less than 2.5%. Accordingly, the transaction will be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but will not require approval by independent shareholders of the Company.

This announcement is made for the purpose of satisfying the announcement requirements stipulated under Rule 14A.47 of the Listing Rules in respect of the transaction.

GENERAL

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

The principal business activities of Wing Tai Corporation Limited and its subsidiaries are garment manufacturing and trading and property investment.

DEFINITIONS

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

"Board"	the board of directors of the Company
"Company"	USI Holdings Limited
"Directors"	the directors of the Company
"HK\$"	Hong Kong dollars
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenancy Agreement"	the tenancy agreement entered into between UPL and Wing Tai Corporation Limited on 1 November 2004, the details of which are set out above in this announcement
"Unimix Industrial Centre"	the property situated at No. 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong
"UPL"	Unimix Properties Limited, a company incorporated in Hong Kong.

By order of the Board
Au Hing Lun, Dennis
Executive Director &
Company Secretary

Hong Kong, 12 November 2004

Members of the Board as at the date of this announcement:-

Executive Directors: Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Ng Tak Wai, Frederick and Au Hing Lun, Dennis

Non-Executive Directors: Cheng Wai Keung, Kwok Ping Luen, Raymond, Simon Murray*, Fang Hung, Kenneth*, Wong Yick Kam, Michael, Hong Pak Cheung, William and Yeung Kit Shing, Jackson*.

* independent non-executive directors