USI HOLDINGS LIMITED
富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

2008 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

Dear Shareholders,

Hong Kong's market conditions deteriorated sharply during the last quarter of 2008 as a result of the melt down of the global financial system. Against this backdrop, revenue of the Group in 2008 decreased by 24.7% to HK$1,664.5 million while net profit declined 88.9% to HK$193.4 million.

2008 was a year of business consolidation for USI Holdings Limited after the Group significantly expanded its business platform through a number of major acquisitions and joint venture initiatives in the preceding two years. Following the Group's successful transition into a full-fledged property group with multiple platforms in residential development, property investment and hospitality asset investment and management, we have been focusing on building the earnings stream of each of these business areas for the coming years.

Our residential development projects in Hong Kong and Singapore, with an aggregate gross floor area totaling 2.6 million square feet (our attributable share of approximately 550,000 square feet), have progressed according to schedule. Bank financing for these projects is in place. In China, land acquisition and master planning of the 960,000-square-meter site in the joint-venture development with Hongkong Land Group in Shenyang have been completed. Construction of the initial phase is expected to commence in 2009. We are confident that these development projects in Hong Kong, Singapore and China will generate earnings and cashflow to the Group in the next few years.

* *For identification only*

Following the completion of Landmark East in the fourth quarter of 2008, the Group has invested in a portfolio of 3.5 million square feet of quality commercial and industrial properties through Winsor Properties. Despite the deterioration of the local rental market in the last quarter of 2008, W Square was fully leased and the Group managed to maintain an average occupancy of more than 90% for all of its industrial properties last year. With the current economic downturn where all businesses are looking for more cost effective solutions, Landmark East provides an attractive alternative to multi-national companies in meeting their office accommodation requirements. The leasing of Landmark East has seen increased interest from potential corporate tenants and there has been a steady growth in occupancy. This portfolio of investment properties will provide stable recurrent income and cashflow to the Group in the coming years.

Lanson Place, our hospitality business arm, continued to expand in Asia last year through securing more long-term management contracts and strategic equity investments. New contracts were signed for the managing of two serviced residences, one each in Kuala Lumpur and Shanghai. The tenure for both residences is 10 years. In April 2008, Lanson Place acquired a 50% stake in a joint venture to invest in a 115-unit luxury serviced residences development in Kuala Lumpur to strengthen its presence in South East Asia.

Last year, we have also completed the restructuring of our apparel business and I am pleased to report that the restructured manufacturing operation has returned to profitability in the last quarter of 2008.

Looking ahead, 2009 will remain difficult for the markets where we operate. The Group will continue to closely monitor for changes in the macroeconomic environment and adjust our business strategy accordingly if necessary. Over the last few years, the Group has continued to build a balanced and diversified platform of property developments and investments across the residential, commercial and hospitality sectors. We are in a position to withstand downturns such as we are now experiencing and have the balance sheet and cashflows to enable us to grow when the markets improve.

I would like to thank our shareholders for their support. I also would like to take this opportunity to express my gratitude to our management and staff for their contribution and hard work during this challenging period.

Cheng Wai Chee, Christopher

Chairman

Hong Kong, 17 April 2009

FINANCIAL RESULTS

The Board of Directors (the "Directors") of USI Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group"), and its jointly controlled entities for the year ended 31 December 2008, together with comparative figures for the previous year, as follows:-

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2008	2007
	Note	***HK$'M***	*HK$'M*
Revenue	*3*	**1,664.5**	2,209.7
Cost of sales		**(1,038.1)**	(1,292.5)
Gross profit		**626.4**	917.2
Other (losses)/gains, net		**(14.2)**	53.9
Selling and distribution costs		**(161.4)**	(183.3)
Administrative expenses		**(362.1)**	(372.4)
Change in fair value of investment properties		**541.5**	458.0
Impairment of strategic investments		**(235.4)**	-
Excess of the Group's share of fair value of net assets of subsidiaries acquired over the cost of acquisition ("discount on acquisition")		**-**	1,168.6
Profit from operations	*4*	**394.8**	2,042.0
Finance charges		**(82.6)**	(44.3)
Finance income		**34.6**	31.7
Net finance charges		**(48.0)**	(12.6)
Share of results of associates		**(13.0)**	2.5
Profit before taxation		**333.8**	2,031.9
Taxation	*5*	**(61.8)**	(191.9)
Profit for the year		**272.0**	1,840.0
Attributable to:			
Equity holders of the Company		**193.4**	1,735.9
Minority interests		**78.6**	104.1
		272.0	1,840.0
Dividends	*6*	**49.4**	113.6
Earnings per share for profit attributable to equity holders of the Company			
(expressed in HK dollars per share)	*7*		
– Basic		**HK$0.20**	HK$2.32
– Diluted		**HK$0.20**	HK$2.31

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2008** *HK$'M*	**2007** *HK$'M*
ASSETS AND LIABILITIES			
Non-current assets			
Leasehold land and land use rights		**41.8**	5,772.4
Investment properties		**10,098.1**	3,463.0
Properties under development		**-**	1,175.5
Other properties, plant and equipment		**181.5**	294.0
Interests in associates		**609.6**	652.1
Strategic investments		**301.2**	526.7
Deferred tax assets		**9.7**	6.1
Loans and receivables		**273.3**	417.3
Held-to-maturity investments		**25.4**	-
		11,540.6	12,307.1
Current assets			
Inventories		**87.5**	147.2
Properties for sale		**3,115.9**	62.3
Loan receivable		**23.4**	20.8
Trade and other receivables, deposits and prepayments	*8*	**435.5**	329.3
Financial assets at fair value through profit or loss		**-**	14.9
Strategic investments		**2.9**	-
Derivative financial instruments		**0.6**	0.6
Sales proceeds held in stakeholders' accounts		**-**	98.5
Amounts due from associates		**0.5**	25.9
Tax recoverable		**4.7**	1.7
Pledged bank deposits		**80.2**	21.0
Bank balances and cash		**496.2**	1,806.4
		4,247.4	2,528.6
Current liabilities			
Trade and other payables and accruals	*9*	**741.6**	694.9
Derivative financial instruments		**40.4**	10.0
Amounts due to associates		**19.5**	10.1
Tax payable		**59.9**	302.9
Short-term bank borrowings and overdrafts		**0.6**	13.7
Bank loans due within one year		**489.0**	902.7
		1,351.0	1,934.3
Net current assets		**2,896.4**	594.3
Total assets less current liabilities		**14,437.0**	12,901.4

CONSOLIDATED BALANCE SHEET (Continued)

	As at 31 December	
	2008	2007
	HK$'M	*HK$'M*
Non-current liabilities		
Bank loans due after one year	**4,432.9**	3,208.0
Derivative financial instruments	**105.8**	31.8
Other long-term loans	**42.3**	43.6
Deferred tax liabilities	**1,175.8**	1,125.0
	5,756.8	4,408.4
NET ASSETS	**8,680.2**	8,493.0
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	**494.5**	493.7
Reserves	**6,724.0**	6,606.1
	7,218.5	7,099.8
Minority interests	**1,461.7**	1,393.2
TOTAL EQUITY	**8,680.2**	8,493.0

NOTES:

1. Basis of preparation

This consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

2. Accounting policies

(a) Amendment and interpretations effective in 2008 relevant to the Group

HKAS 39 (Amendment)	Financial instruments: Recognition and measurement which permits reclassification of certain financial assets if specified conditions are met
HK(IFRIC) - Int 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) - Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The above amendment and interpretations do not have any significant impact on the Group's accounting policies and financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, and have not been early adopted by the Group:

		Effective from
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Revised)	Borrowing costs	1 January 2009
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 32 (Amendment) & HKAS 1 (Amendment)	Financial instruments: presentation Presentation of financial statements - puttable financial instruments and obligations arising on liquidation	1 January 2009
HKAS 39 (Amendment)	Financial instruments : recognition and measurement on eligible hedged items	1 July 2009
HKFRS 1 (Amendment) & HKAS 27 (Amendment)	First time adoption of HKFRS Consolidated and separate financial statements on cost of an investment in a subsidiary, jointly controlled entity or associate	1 January 2009
HKFRS 2 (Amendment)	Share-based payment on vesting conditions and cancellations	1 January 2009
HKFRS 3 (Revised)	Business combination	1 July 2009
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) - Int 13	Customer loyalty programmes	1 July 2008
HK(IFRIC) - Int 15	Agreements for the construction of real estate	1 January 2009
HK(IFRIC) - Int 16	Hedges of a net investment in foreign operation	1 October 2008
HK(IFRIC) - Int 17	Distribution of non-cash assets to owners	1 July 2009
HK(IFRIC) - Int 18	Transfers of assets from customers	1 July 2009

The HKICPA has made amendments to HKFRS in October 2008 in response to the annual improvements project.

		Effective from
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2009
HKAS 2 (Amendment)	Inventories	1 January 2009
HKAS 7 (Amendment)	Cash Flow Statements	1 January 2009
HKAS 8 (Amendment)	Accounting policies, changes in accounting estimates and errors	1 January 2009
HKAS 10 (Amendment)	Events after the reporting period	1 January 2009

HKAS 16 (Amendment)	Property, plant and equipment	1 January 2009
HKAS 18 (Amendment)	Revenue	1 January 2009
HKAS 19 (Amendment)	Employee benefits	1 January 2009
HKAS 20 (Amendment)	Government grants and disclosure of government assistance	1 January 2009
HKAS 23 (Amendment)	Borrowing costs	1 January 2009
HKAS 27 (Amendment)	Consolidated and separate financial statements	1 January 2009
HKAS 28 (Amendment)	Investments in associates	1 January 2009
HKAS 29 (Amendment)	Financial reporting in hyperinflationary economies	1 January 2009
HKAS 31 (Amendment)	Interests in joint ventures	1 January 2009
HKAS 34 (Amendment)	Interim financial reporting	1 January 2009
HKAS 36 (Amendment)	Impairment of assets	1 January 2009
HKAS 38 (Amendment)	Intangible assets	1 January 2009
HKAS 39 (Amendment)	Financial instruments: recognition and measurement	1 January 2009
HKAS 40 (Amendment)	Investment property	1 January 2009
HKAS 41 (Amendment)	Agriculture	1 January 2009
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operation	1 July 2009
HKFRS 7 (Amendment)	Financial instruments: disclosures	1 January 2009

The directors are in the process in reviewing the impact to the Group's financial statements in respect of the adoption of these standards, amendments and interpretations to existing standards.

3. Revenue and segment information

(a) Primary reporting format – business segment

The Group is currently organised into six operating divisions – property development, property investment and management, hospitality investment and management, garment manufacturing and trading, branded products distribution and investing activities. These divisions form the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development	-	Development of properties for sale
Property investment and management	-	Investment in rental properties and project management
Hospitality investment and management	-	Investment in hospitality and provision of hospitality management services to service apartment and hotel owners
Garment manufacturing and trading	-	Manufacture of garments for export to overseas markets, and source apparel, as buying and marketing agents
Branded products distribution	-	Retailing, wholesaling and licensing of branded apparel
Investing activities	-	Investment in securities, the underlying businesses of which are property investment and development and others

For the year ended 31 December 2008	Property development HK$'M	Property investment and management HK$'M	Hospitality investment and management HK$'M	Garment manufacturing and trading HK$'M	Branded products distribution HK$'M	Investing activities HK$'M	Elimination HK$'M	Consolidated HK$'M
REVENUE								
External sales	162.4	225.2	109.2	883.3	240.3	44.1	-	1,664.5
Inter-segment sales	-	13.3	-	-	-	-	(13.3)	-
Total	162.4	238.5	109.2	883.3	240.3	44.1	(13.3)	1,664.5
RESULTS								
Segment results before change in fair value of investment properties and impairment of strategic investments	62.4	140.7	53.8	(23.0)	(15.8)	14.7	-	232.8
Change in fair value of investment properties	-	531.6	9.9	-	-	-	-	541.5
Impairment of strategic investments	-	-	-	-	-	(235.4)	-	(235.4)
Segment results	62.4	672.3	63.7	(23.0)	(15.8)	(220.7)	-	538.9
Fair value loss on derivative financial instruments								(55.8)
Unallocated corporate expenses								(88.3)
Profit from operations								394.8
Finance charges								(82.6)
Finance income								34.6
Share of results of associates	5.6	-	(9.2)	-	-	(9.4)	-	(13.0)
Profit before taxation								333.8
Taxation								(61.8)
Profit for the year								272.0
Other segment items included in the income statement are as follows:								
Depreciation and amortisation	-	5.8	0.1	10.3	6.8	2.4	-	25.4
(Reversal of)/provision for impairment of other properties, plant and equipment	-	-	-	(0.4)	2.6	-	-	2.2
Reversal of impairment of leasehold land and land use rights	-	-	-	(0.2)	-	-	-	(0.2)
Loss on disposal of other properties, plant and equipment	-	0.2	-	4.1	-	-	-	4.3
Provision for/(write back of) trade receivables, net	15.2	(0.2)	-	2.0	0.4	-	-	17.4

For the year ended 31 December 2007	Property development *HK$'M*	Property investment and management *HK$'M*	Hospitality investment and management *HK$'M*	Garment manufacturing and trading *HK$'M*	Branded products distribution *HK$'M*	Investing activities *HK$'M*	Elimination *HK$'M*	Consolidated *HK$'M*
REVENUE								
External sales	769.2	137.3	97.1	919.3	270.3	16.5	-	2,209.7
Inter-segment sales	-	4.0	5.5	-	-	-	(9.5)	-
Total	769.2	141.3	102.6	919.3	270.3	16.5	(9.5)	2,209.7
RESULTS								
Segment results before change in fair value of investment properties	499.8	95.3	57.1	(151.7)	0.6	(18.4)	-	482.7
Change in fair value of investment properties	-	319.0	139.0	-	-	-	-	458.0
Segment results	499.8	414.3	196.1	(151.7)	0.6	(18.4)	-	940.7
Discount on acquisition								1,168.6
Unallocated corporate expenses								(67.3)
Profit from operations								2,042.0
Finance charges								(44.3)
Finance income								31.7
Share of results of associates	7.1	-	4.4	-	-	(9.0)	-	2.5
Profit before taxation								2,031.9
Taxation								(191.9)
Profit for the year								1,840.0
Other segment items included in the income statement are as follows:								
Depreciation and amortisation	22.9	3.9	0.1	22.8	7.3	2.1	-	59.1
Loss on disposal of other properties, plant and equipment	-	-	-	0.3	-	-	-	0.3
(Write back of)/provision for trade receivables	(27.7)	-	-	3.8	-	-	-	(23.9)
Provision for impairment of leasehold land and land use rights	-	-	-	0.9	-	-	-	0.9
Provision for impairment of other properties, plant and equipment	-	-	-	30.6	-	-	-	30.6

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

	Property development	Property investment and management	Hospitality investment and management	Garment manufacturing and trading	Branded products distribution	Investing activities	Consolidated
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
The segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:							
ASSETS							
Segment assets	3,675.2	9,070.3	1,491.2	384.0	138.5	323.1	15,082.3
Interests in associates	520.8	50.2	37.7	-	-	0.9	609.6
Unallocated assets							96.1
Consolidated total assets							15,788.0
LIABILITIES							
Segment liabilities	240.2	285.4	20.1	118.2	56.0	17.3	737.2
Unallocated liabilities							6,370.6
Consolidated total liabilities							7,107.8
Capital expenditure	440.5	1,187.0	206.9	8.3	5.0	3.4	1,851.1
The segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended are as follows:							
ASSETS							
Segment assets	3,083.6	7,194.9	1,434.5	377.7	178.5	545.0	12,814.2
Interests in associates	634.7	-	38.2	-	-	(20.8)	652.1
Unallocated assets							1,369.4
Consolidated total assets							14,835.7
LIABILITIES							
Segment liabilities	85.7	318.1	35.5	175.0	60.1	20.4	694.8
Unallocated liabilities							5,647.9
Consolidated total liabilities							6,342.7
Capital expenditure	2,013.7	5,519.0	5.0	24.3	3.0	2.3	7,567.3

Segment assets consist primarily of leasehold land and land use rights, investment properties, properties under development, other properties, plant and equipment, interests in associates, strategic investments, loans and receivables, held-to-maturity investments, inventories, properties for sale, trade and other receivables, deposits and prepayments, financial assets at fair value through profit or loss, sales proceeds held in stakeholders' accounts and bank balances and cash. Unallocated assets comprise mainly bank balances and cash and other properties, plant and equipment held for corporate uses, derivative financial instruments, amounts due from associates, tax recoverable and deferred tax assets.

Segment liabilities comprise operating liabilities. Unallocated liabilities include tax payable, borrowings, deferred tax liabilities, derivative financial instruments and corporate liabilities.

Capital expenditure comprises additions to leasehold land and land use rights, investment properties, properties under development and other properties, plant and equipment, including additions resulting from acquisitions through business combinations.

(b) Secondary reporting format – geographical segment

The Group's operations are principally located in Hong Kong, the People's Republic of China other than Hong Kong (the "PRC") and the United Kingdom.

The following is an analysis of the Group's revenue by geographical areas in which the customer is located, irrespective of the origin of the goods/services:

	Revenue Year ended 31 December	
	2008	2007
	HK$'M	*HK$'M*
North America	**600.8**	611.6
Hong Kong	**471.8**	1,015.7
United Kingdom	**274.4**	315.2
Others	**317.5**	267.2
	1,664.5	2,209.7

The following is an analysis of the Group's total assets and capital expenditure by the geographical area in which the assets are located.

	Total assets At 31 December		**Capital expenditure Year ended 31 December**	
	2008	2007 *(As restated)*	**2008**	2007
	HK$'M	*HK$'M*	***HK$'M***	*HK$'M*
Hong Kong	**13,597.7**	11,462.6	**1,632.7**	7,544.2
The PRC	**1,036.4**	637.4	**213.3**	13.7
United Kingdom	**150.8**	212.9	**5.0**	3.0
North America	**41.5**	50.6	**-**	-
Singapore	**219.2**	403.1	**-**	-
Others	**36.7**	47.6	**0.1**	6.4
	15,082.3	12,814.2	**1,851.1**	7,567.3
Interests in associates	**609.6**	652.1	-	-
Unallocated assets	**96.1**	1,369.4	-	-
	15,788.0	14,835.7	**1,851.1**	7,567.3

4. Profit from operations

	2008	2007
	HK$'M	*HK$'M*
Profit from operations has been arrived at after charging/(crediting):		
Staff costs including directors' remuneration	**317.6**	340.3
Retirement benefits costs, net of negligible forfeited contributions	**8.4**	24.3
Total staff costs (Note)	**326.0**	364.6
Share-based compensation expenses (Note)	**6.4**	4.3
Auditor's remuneration		
- current year	**5.2**	4.4
- underprovision in prior year	**1.9**	0.6
Cost of inventories included in cost of sales	**741.6**	877.5
Cost of sales of properties included in cost of sales	**63.4**	248.7
Depreciation and amortisation		
- trademark	**0.1**	0.1
- leasehold land and land use rights	**0.6**	23.7
- other properties, plant and equipment	**24.7**	35.3
Loss on disposal of other properties, plant and equipment	**4.3**	0.3
Direct operating expenses arising from investment properties generating rental income	**58.5**	26.9
Provision for/(write back of) trade receivables	**17.4**	(23.9)
Provision for properties for sale	**1.1**	-
(Write back of)/provision for diminution in value of inventories	**(3.0)**	5.5
(Reversal of impairment)/provision for impairment of leasehold land and land use rights	**(0.2)**	0.9
Provision for impairment of other properties, plant and equipment, net	**2.2**	30.6
Selling and marketing expenses for branded products distribution	**95.0**	83.7

Note:

Share-based compensation expenses recognised in the consolidated income statement in respect of share options and incentive shares granted to certain directors and employees are not included in the total staff costs above.

5. Taxation

Hong Kong profits tax has been calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year. Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amounts of taxation charged to the consolidated income statement represent:

	2008	2007
	HK$'M	*HK$'M*
Current taxation		
– Hong Kong profits tax	**27.3**	89.2
– Over-provision in prior years	**(0.4)**	(1.4)
– Taxation in other jurisdictions	**2.0**	4.2
	28.9	92.0
Deferred taxation		
– Origination and reversal of temporary differences	**93.7**	99.9
– Effect on tax rate change	**(60.8)**	-
	32.9	99.9
	61.8	191.9

During the year, as a result of the change in the Hong Kong profits tax rate from 17.5% to 16.5% that has been effective from 1 April 2008, deferred tax balances have been remeasured.

6. Dividends

	2008	2007
	HK$'M	*HK$'M*
Interim dividend paid on 20 October 2008 of HK3.5 cents (2007: HK5.0 cents) per ordinary share	**34.6**	49.4
Proposed final dividend of HK1.5 cents (2007: HK6.5 cents) per ordinary share	**14.8**	64.2
	49.4	113.6

The final dividend is not accounted for until it has been approved at the forthcoming annual general meeting of the Company. The amount will be accounted for as an appropriation of the reserves for the year ending 31 December 2009.

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2008	2007
	HK$'M	*HK$'M*
Profit attributable to equity holders of the Company	**193.4**	1,735.9
Weighted average number of ordinary shares in issue	**988,152,012**	749,684,938
Basic earnings per share	**HK$0.20**	HK$2.32

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has share options and incentive shares outstanding during the year which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and incentive shares.

	2008	2007
	HK$'M	*HK$ 'M*
Profit attributable to equity holders of the Company	**193.4**	1,735.9
Weighted average number of ordinary shares in issue	**988,152,012**	749,684,938
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	**2,503,663**	2,805,656
Weighted average number of shares for the purpose of calculating diluted earnings per share	**990,655,675**	752,490,594
Diluted earnings per share	**HK$0.20**	HK$2.31

8. Trade and other receivables, deposits and prepayments

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the due dates:

	2008	2007
	HK$'M	*HK$'M*
Not yet due	**80.3**	98.5
1 – 30 days	**49.7**	75.8
31 – 90 days	**58.3**	42.3
Over 90 days	**9.2**	23.8
Trade receivables (net of provision)	**197.5**	240.4
Other receivables, deposits and prepayments	**238.0**	88.9
	435.5	329.3

9. Trade and other payables and accruals

The ageing analysis of the Group's trade payables at 31 December is as follows:

	2008	2007
	HK$'M	*HK $'M*
0 – 30 days	**92.2**	236.3
31 – 90 days	**10.8**	9.4
Over 90 days	**3.1**	4.4
Trade payables	**106.1**	250.1
Other payables and accruals	**635.5**	444.8
	741.6	694.9

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DIVIDENDS

The Directors recommend the payment of a final dividend of HK1.5 cents (2007: HK6.5 cents) per share for the year ended 31 December 2008. Including the interim dividend of HK3.5 cents (2007: HK5.0 cents) per share distributed on 20 October 2008, the total dividend payout for the year ended 31 December 2008 shall be HK5.0 cents (2007: HK11.5 cents) per share. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, final dividend will be distributed on or around 15 June 2009 to shareholders registered as at 4 June 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2 June 2009 to 4 June 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on 1 June 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2008, the Group reported a consolidated profit attributable to equity holders of HK$193.4 million, compared with HK$1,735.9 million in 2007. The decrease in profit for the year was mainly due to a HK$1,168.6 million discount on acquisition in 2007 arising from the excess of the Group’s share of fair value of net assets of Winsor Properties Holdings Limited (“Winsor Properties”) acquired over the cost of acquisition, impairment on strategic investments (net of minority interest) of HK$186.6 million and a lower profit of HK$437.4 million from sales of properties due to fewer units sold in 2008. Revenue for the Group was HK$1,664.5 million in 2008, compared with HK$2,209.7 million in 2007.

Property

The Group’s property division, which includes property development, property investment and management, and hospitality investment and management, recorded a segment profit of HK$798.4 million for the year ended 2008, compared with HK$1,110.2 million in 2007.

Property Development

The Group sold four villas of The Giverny in 2008 generating HK$124.9 million in revenue and HK$69.0 million in profit attributable to the Group. Currently, there are only two villas available for sale.

The Group continues to proceed as scheduled with its various development projects in Hong Kong and Singapore which have an aggregate gross floor area of approximately 2.6 million square feet, of which, approximately 550,000 square feet is attributable to the Group. All these projects are for the development of luxurious residential properties. Under the current schedule, these projects are expected to be ready for market launch in the next few years.

In Hong Kong, “Forfar”, our residential development at 2 Forfar Road in Kowloon Tong, was formally announced in January 2009 in a naming ceremony. The development is currently applying for pre-sale approval. On the construction front, the development is progressing according to plan and the occupation permit is expected to be obtained by end of 2009.

The Tai Po Town Lot Nos 186, 187 and 188 projects, will be developed into luxurious low-density residential developments with a panoramic view of the Tolo Harbour. The construction of the sites are progressing according to plan where foundation works are in progress and superstructure works are expected to commence in the second half of 2009. These projects are expected to be completed in 2011. The Group has a 15% interest in each of the three sites.

Foundation works for the Seymour Road, Mid-Levels project commenced in the second half of 2008 as scheduled under the development's master program. This project is expected to be completed in 2011. The Group has a 30% interest in this project.

In Singapore, superstructure works are underway for Belle Vue Residences, a luxurious development located at 15-33 Oxley Walk offering a 5 storey condominium and 176 units. This project is expected to be completed in 2010. The Group has a 30% interest in this project.

In China, the Group's 40/60 joint venture with Hongkong Land Group ("China JV") has acquired its first comprehensive property development project in Shenyang in the Pan Bohai Rim Region. The China JV, through cooperation with a local partner, holds 50% interest in a few development sites totaling approximately 960,000 square metres in the Shenbei District and the Hunnan District for the development of high quality residences. Land acquisitions and master planning have been completed. Design for initial phases of two sites is underway and construction work is expected to commence in 2009.

Property Investment and Management

The Group's interest in the commercial, industrial and retail properties in Hong Kong is held through its subsidiary, Winsor Properties. As at 31 December 2008, the Group's portfolio of investment property amounted to 3.5 million square feet, of which 1.4 million square feet is Grade A office building and retail spaces, with total fair market valuation of HK$8,708 million. Both Landmark East and W Square were reclassified from "Property Under Development" to "Investment Property" in 2008 upon completion of the development.

Landmark East, the 1.33 million square feet twin-tower Grade A office development in Kwun Tong, obtained an occupation permit in September 2008. Initial vacancy uptake is satisfactory following active marketing and leasing campaigns commenced since the fourth quarter of 2008. W Square in Wan Chai is 100% committed and 94% occupied as at 31 December 2008.

As at 31 December 2008, the Group's portfolio of industrial buildings in Hong Kong amounted to 2.1 million square feet with a fair market valuation of HK$2,325 million. The overall occupancy rate was approximately 92%, slightly down from the 95% in 2007.

Hospitality Investment and Management

In 2008, Lanson Place has continued to reinforce our brand in various Asian markets, grow our various projects and operations through strategic equity investment, and secure more long term management contracts.

In May 2008, the Group formed a 50/50 joint venture with DNP Holdings Berhad, a subsidiary of Wing Tai Holdings Limited, to acquire a luxurious residential development in the central business district of Kuala Lumpur, Malaysia. A 10-year management contract has been signed with operation expected to commence in 2011.

In January 2009, the Group entered into a new 10-year management contract in the PRC for a serviced residence in Pudong district of Shanghai. The Group targets to commence operation towards the end of 2009. The Group now has eight 10-year management contracts on hand in Hong Kong, China and South East Asia.

Lanson Place Hong Kong, one of the leading boutique hotels in Hong Kong and Lanson Place Jinlin Tiandi Residences in Shanghai have maintained satisfactory occupancy rates in 2008. Lanson Place Central Park Residences in Beijing, a new luxurious serviced residence opened in June 2008 before the Olympics, has progressively built up occupancy.

Apparel

The Group's apparel operation, which comprises garment manufacturing, trading and branded products distribution, generated an aggregate revenue of HK$1,123.6 million in 2008 compared with HK$1,189.6 million in 2007. The segment loss of HK$38.8 million for the year was mainly from the discountinued garment manufacturing and trading operations, as compared with a loss of HK$151.1 million in 2007.

The restructuring plan determined in late 2007 was carried out on schedule and completed by late 2008. All loss-making manufacturing and trading business units were closed or sold in 2008.

Investing Activities

The Group's investing activities reported a segment loss of HK$220.7 million for the year 2008, compared with a loss of HK$18.4 million in 2007. The loss is mainly due to a provision for impairment of strategic investments held for long term of HK$235.4 million. This impairment provision has no impact on the cash flow for the Group's operation and accordingly does not affect the Group's core business.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK$8,680.2 million as at 31 December 2008 (31 December 2007: HK$8,493.0 million). The increase was mainly resulted from the profit for the year of HK$272.0 million and the distribution of the 2007 final dividend of HK$64.2 million and 2008 interim dividend of HK$34.6 million.

As at 31 December 2008, the Group's net borrowings (total bank borrowings and other long-term loans less bank balances and cash) was HK$4,468.6 million (31 December 2007: HK$2,361.6 million), representing 51.5% of the Group's net assets (31 December 2007: 27.8%). The increase in net borrowings and gearing ratio was mainly due to increase in construction loans on property development projects in 2008. Interest for the Group's bank borrowings was mainly on a floating rate basis. Around 90% of the Group's bank borrowings was repayable in periods beyond one year. The Group had unutilised banking facilities other than term loan facilities in excess of HK$982.3 million as at 31 December 2008 (31 December 2007: HK$591.0 million).

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has minimal exposure to exchange rate fluctuation. The Group conducts its business mainly in Hong Kong Dollars, Renminbi, United States Dollars and UK pounds. For transactions in other foreign currencies, the Group will closely monitor the exposure, and if consider appropriate, hedge to the extent desirable.

Contingent Liabilities

As at 31 December 2008, the Group's contingent liabilities were guarantees given to banks of HK$420.6 million (31 December 2007: HK$421.4 million).

Pledge of Assets

At 31 December 2008, the Group's advances to associates/jointly controlled entities of HK$1,158.6 million (31 December 2007: HK$863.2 million) were subordinated to the loan facilities of associates/jointly controlled entities. The Group's advances to the associates/jointly controlled entities include amounts of HK$1,158.6 million (31 December 2007: HK$824.5 million) which are assigned, and the shares in these associates/jointly controlled entities beneficially owned by the Group are pledged to the financial institutions.

At 31 December 2008, certain of the Group's investment properties, freehold properties, leasehold land and land use rights, leasehold buildings, strategic investments, properties for sale, and bank deposits with carrying values of HK$10,005.3 million, HK$47.1 million, HK$38.3 million, HK$81.7 million, HK$89.8 million, HK$2,943.1 million, and HK$80.2 million respectively were pledged to secure credit facilities for the Group.

PROSPECT

Business environment will remain challenging in the year ahead as economic stimulus measures undertaken by different governments have yet to show their impact on the global economy. The Hong Kong property market is expected to remain weak and volatile in 2009. In the face of the uncertain economic outlook, it is imperative that we focus on maintaining a healthy balance sheet and a stable recurrent income to weather the current economic storm. We will work conscientiously to enhance our core strengths which will place us in a better position to take advantage of opportunities in the market when they present in the future.

Given the supply of new residential units remains low in the next few years, we believe that there will be right market windows for us to launch our residential developments.

Our investment properties are the Group's valuable assets with strong income generating abilities. Our industrial property portfolio has maintained a satisfactory occupancy level and our focus is on retaining the existing tenancies to ensure a steady recurrent income for the Group.

The operating environment of the hospitality business is expected to deteriorate as a result of sagging leisure and business travel. As Lanson Place has successfully built its critical mass and a sound foundation in the last two years, it will aim at optimizing its operations to achieve greater cost efficiency. In the longer run, the Group is optimistic that Lanson Place can replicate its success in Shanghai and Beijing in other major mainland cities. We will also focus on securing more management contracts with property owners that can further strengthen our market presence.

China's stimulus package and its policy support have helped to stabilize the market but its positive impact is yet to be seen. China's property market will continue to be volatile. We shall remain vigilant to opportunities for the launch of our development.

The Group strongly believes that its strategy of prudently managing its operations while being very strategic with its investment will help it withstand the effects of the present difficulties and enable the Group to reap benefits when the market conditions improve in the future.

EMPLOYEES

As at 31 December 2008, the Group had about 3,800 staff and workers. The Group offers comprehensive remuneration and benefit packages to its employees, which are structured according to the prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme to provide retirement benefits for all of its employees in Hong Kong. In addition, there is a defined contribution top-up scheme for qualifying employees of certain Hong Kong subsidiaries of the Group. The Group also operates a funded defined benefit pension scheme for certain overseas employees engaged prior to May 2001.

Employees, including executive directors, are eligible under the Company’s share option scheme and share incentive scheme in which the share options and incentive shares are generally exercisable in stages within a period of ten years.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2008 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules except that the non-executive directors of the Company have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Company’s Bye-laws.

REVIEW BY AUDIT COMMITTEE

The Group’s annual results for the year ended 31 December 2008 have been reviewed by the Audit Committee.

The Audit Committee has also reviewed the accounting principles and policies adopted by the Company and discussed with management the internal control, auditing and financial reporting matters in respect of the annual report including a review of the audited consolidated financial statements of the Company for the year ended 31 December 2008.

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement and the related notes thereto as set out in the preliminary announcement for the year ended 31 December 2008 have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year ended 31 December 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.usi.com.hk. The 2008 annual report will be dispatched to shareholders of the Company and available on the above websites in due course.

By Order of the Board
USI HOLDINGS LIMITED
Fung Ching Man, Janet
Company Secretary and Chief Financial Officer

Hong Kong, 17 April 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